Summit therapeutics

THE RIGHT DRUG FOR THE RIGHT BUG

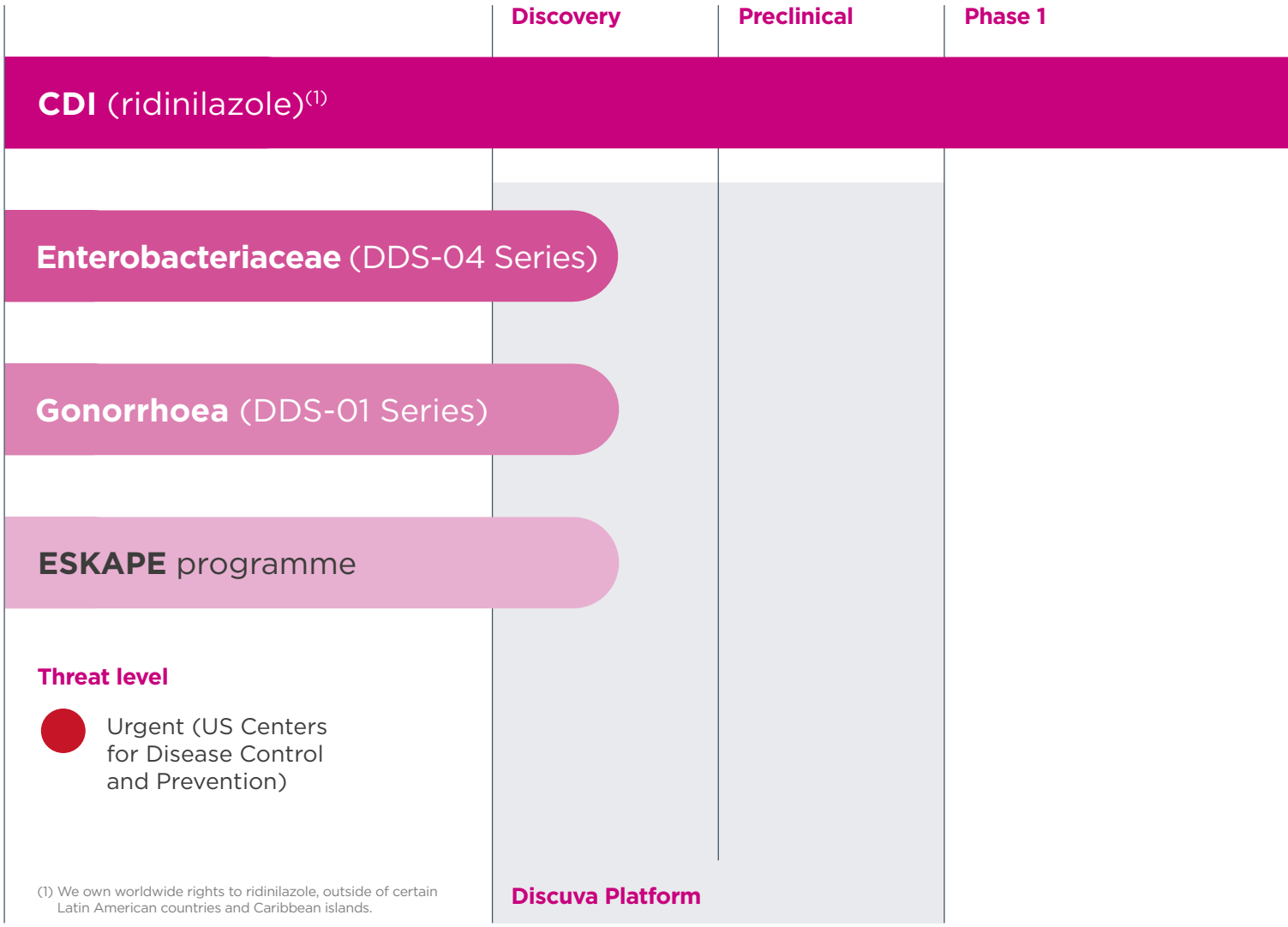
ANNUAL REPORT AND ACCOUNTS FOR ELEVEN-MONTHS ENDED 31 DECEMBER 2019

SUMMIT THERAPEUTICS IS A LEADER IN ANTIBIOTIC INNOVATION

Through new science and philosophy, we are creating new opportunities to become the standard of care for serious infectious diseases.

OUR NEW CLASS ANTIBIOTIC PIPELINE

A portfolio created with assistance: BARDA, CARB-X, Innovate UK & Wellcome Trust



(1) We own worldwide rights to ridinilazole, outside of certain Latin American countries and Caribbean islands.

OUR STRATEGY

Our approach is about using our new science and differentiated development programmes to design the right drug for the right infection.

DEVELOP

Rapidly advance the development of our lead product candidate ridinilazole for the treatment of CDI.

Read more about our strategy on pages 4 to 5

COMMERCIALISE

Commercialise ridinilazole for CDI in the United States with our own sales team.

EXPAND PORTFOLIO

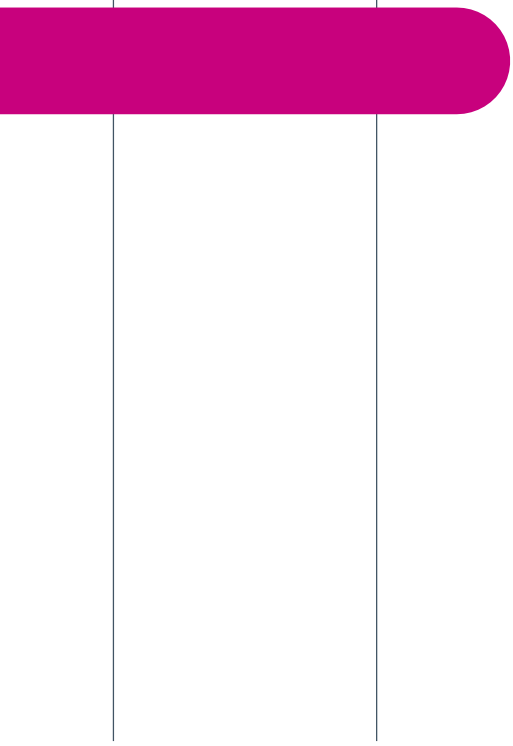
Expand our product portfolio of new mechanism antibiotics using our Discuva Platform.

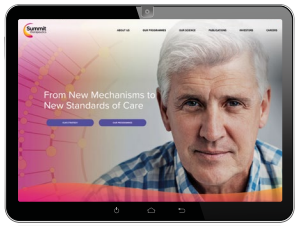
EXPAND LEADERSHIP

Maintain and expand our leadership in the field of antibiotic research and development.

THIRD-PARTY SUPPORT

Seek additional governmental and other third-party grants and support.





To find out more visit our website at:

www.summitplc.com

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STRATEGIC REPORT

The Strategic Report outlines our plans for the future and assesses our performance over the course of the year.

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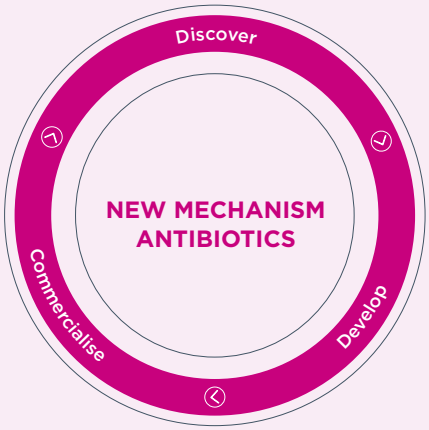
ALIGNING STRATEGY WITH TECHNOLOGY

Summit's goal is to become a fully integrated biopharmaceutical company focussed on the discovery, development and commercialisation of novel antibiotics for the treatment of serious infectious diseases. Our most advanced programme targets *C. difficile* infection, and we have an emerging pipeline of new mechanism antibiotics. The key elements of Summit's strategy to achieve this goal are:

OUR BUSINESS MODEL



Providing value for:

- Patients
- Payors
- Healthcare providers
- Our people

OUR STRATEGY

DEVELOP

Rapidly advance the development of our lead product candidate ridinilazole for the treatment of CDI.

We are focusing our resources and business efforts primarily on rapidly advancing the development of ridinilazole for the treatment of CDI. We are currently conducting two global Phase 3 clinical trials that are evaluating the benefits of ridinilazole compared to the current standard of care antibiotic vancomycin by testing for superiority in the endpoint of sustained clinical response.

COMMERCIALISE

Commercialise ridinilazole for CDI in the United States with our own sales team.

We hold exclusive commercialisation rights for ridinilazole for all indications in the United States. If ridinilazole receives marketing approval, we intend to commercialise it initially in the United States with our own focussed, specialised sales force that we have started to work on establishing. We will evaluate our options to maximise the commercial opportunity for ridinilazole in other key territories where we retain exclusive commercialisation rights, including Europe and Asia. We have granted the exclusive right to commercialise ridinilazole in certain countries in South America, Central America and the Caribbean to Eurofarma Laboratórios SA in exchange for an upfront payment and specified development, commercial and sales milestones, as well as specified product supply transfer payments.

EXPAND PORTFOLIO

Expand our product portfolio of new mechanism antibiotics using our Discuva Platform.

We are focussed on expanding our product portfolio through the identification of new mechanism antibiotics that target pathogens that are classified as posing serious or urgent healthcare threats by organisations such as the US Centers for Disease Control and Prevention and World Health Organization. We are using our proprietary Discuva Platform that includes libraries of a wide range of bacteria to facilitate the discovery and development of our new mechanism antibiotic compounds. For example, we are developing a series of new mechanism antibiotics for the potential treatment of Enterobacteriaceae infections, and a different series of new mechanism antibiotics for the potential treatment of infections caused by the bacteria *N. gonorrhoeae.*

EXPAND LEADERSHIP

Maintain and expand our leadership in the field of antibiotic research and development.

We are seeking to apply our existing knowledge and experience to position ourselves as a leader in antibiotic research and development and generate a pipeline of new mechanism antibiotics. Our aim is to design new mechanism, precision antibiotics that are targeted for the pathogen or infection. Precision antibiotics have the potential to preserve the healthy bacteria which make up part of the microbiome that provides natural protection against infection and maintains general human health. We may expand our development capabilities or product pipeline through opportunistically in-licensing or acquiring the rights to complementary products, product candidates or technologies that we believe will enhance our leadership in the field of antibiotic innovation. We believe our strategy will allow us to develop new antibiotics that are able to show meaningful advantages over existing standards of care, which will promote their use in patients and not have them held in reserve. We believe our strategy is aligned with the principles of good antibiotic stewardship.

THIRD-PARTY SUPPORT

Seek additional governmental and other third-party grants and support.

We have obtained development funding and other assistance from government entities, philanthropic, non-government and not for profit organisations for our product candidates. For example, the Wellcome Trust provided funding for ridinilazole up until the completion of our Phase 2 proof of concept clinical trial, and BARDA is providing funding that, in part, supports our ongoing Phase 3 clinical trials and regulatory development of ridinilazole. We are also receiving funding from CARB-X, and have received funding from Innovate UK, to support the development of our early-stage programmes. We plan to continue to encourage these types of organisations to provide additional funding and support for our development programmes.

DEVELOPING FRONT-LINE TREATMENT

Summit is a leader in antibiotic innovation. The Company is developing new antibiotics with the potential to significantly improve patient outcomes in serious infectious diseases. Summit aims to become a fully integrated antibiotics company.

FINANCIAL HIGHLIGHTS

£15.2m
Other operating income

£48.4m
Cash and cash equivalents at 31 December 2019

OPERATIONAL HIGHLIGHTS

- Patient recruitment into Phase 3 clinical trials of ridinilazole ongoing
- Increase in BARDA award supporting ridinilazole programme

Summit's lead antibiotic candidate is ridinilazole, a precision antibiotic in Phase 3 clinical development for front-line treatment of *C. difficile* infection ('CDI'). In addition, the Company is advancing a series of new mechanism antibiotics against Enterobacteriaceae as well as a series of new mechanism antibiotics against *Neisseria gonorrhoeae*.

Summit's antibiotic research and development activities continue to receive significant funding support from third-party organisations including BARDA and CARB-X and have received funding from the Wellcome Trust and Innovate UK.

Overuse and misuse of antibiotics contribute to two serious public health issues: antimicrobial resistance, or AMR, and CDI. AMR is a natural process that has allowed microbes (bacteria, viruses, fungi and parasites) to survive in their environments for millions of years. As microbes are challenged with antimicrobial substances, some microbes will be able to survive and can pass their AMR genes to other bacteria. The overuse and inappropriate use of antibiotic medicines has increased the rate at which microbes are developing AMR.

Approximately 700,000 people die every year from antimicrobial resistant infections. According to The Review on Antimicrobial Resistance, Tackling Drug-Resistant Infections Globally, chaired by Jim O'Neill and published in 2016, the number of deaths due to antimicrobial resistant infections is projected to rise to 10 million by 2050, a number that surpasses deaths due to cancer in 2016.

The rise of AMR could render once easily treated infections untreatable and undermine physicians' abilities to perform surgeries and other medical procedures.

There are over one million cases of CDI in the US and Europe per year, resulting in over 20,000 deaths annually in the US alone since 2011. The mainstay CDI treatment is the broad-spectrum antibiotic, vancomycin. Initial treatment with vancomycin fails in approximately one-third of patients, driven by a high rate of patients having a recurrence of the disease within 30 days after treatment. This recurrence is caused by substantial disruption to the gut microbiome driven by the use of broad-spectrum antibiotics. Each recurrent episode of CDI is typically more severe than the prior episode and carries an increased risk of mortality. As such, reducing disease recurrence is the key clinical issue facing CDI.

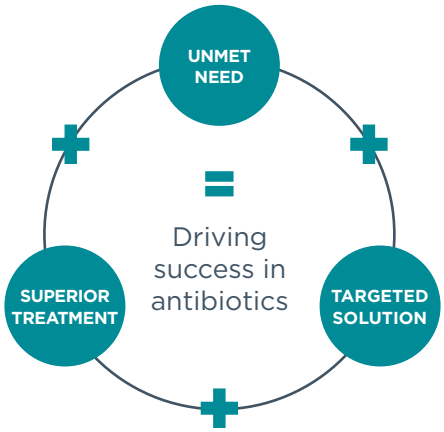
THE MICROBIOME

The human microbiome is the vast collection of microbes, including bacteria, viruses, archaea and fungi, which live on and inside human beings. Microbiomes can be found colonising different parts of the human body including the gut, skin and respiratory system. The important role that these microbiomes play in the natural protection against infection and maintenance of general well-being in human health is becoming increasingly evident, along with the consequences of what happens when a microbiome is perturbed, for example through use of antibiotics. Summit's goal is to create precision antibiotics, which are targeted for the pathogen or infection in question and therefore have minimal impact on healthy microbiomes.

STRATEGY

Summit, a leader in antibiotic innovation

Summit aims to become a fully integrated biopharmaceutical company focussed on the discovery, development and commercialisation of new mechanism, precision antibiotics that are designed to target specific infections and preserve the microbiome. These targeted antibiotics are being developed with the aim of showing significant advantages over current standards of care in clinical trials and offering a compelling value proposition to payors.



Summit's approach to drive success in antibiotics from research through commercialisation involves a focus on three key areas:

UNMET NEED

Targeting indications where there is a measurable unmet need. This could allow the Company to show significant advantages over the current standards of care in clinical development.

TARGETED SOLUTION

Creating new classes of precision antibiotics with distinctive features and benefits. These new antibiotics are targeted for the pathogen or infection and therefore may be microbiome preserving. Another potential advantage is that new classes of antibiotics are more likely to overcome known resistance mechanisms.

SUPERIOR TREATMENT

Demonstrating value to patients, physicians and payors in development. This could be through superior outcomes, distinct clinical advantages and/or health economic savings.

Through these collective efforts, the Company believes it can position its new mechanism antibiotics for commercial success and help combat the threat from antibiotic resistance by the appropriate stewardship of antibiotics in clinical use.

Ridinilazole: a potential first-line antibiotic to combat *C. difficile* infection

Ridinilazole is a new mechanism, precision antibiotic in Phase 3 development for first-line treatment of CDI.

Ridinilazole is designed to selectively target *C. difficile* bacteria at the site of infection without causing collateral damage to the gut microbiome, and therefore has the potential to be a first-line therapy that treats not only the initial CDI infection, but importantly reduces the rate of CDI recurrence. In October 2019, data were presented showing patients treated with ridinilazole in the Company's Phase 2 proof of concept clinical trial had significantly preserved gut microbiomes and improved quality of life measures compared to the standard of care vancomycin. In that clinical trial, ridinilazole demonstrated clinical and statistical superiority over vancomycin in sustained clinical response ('SCR'), driven by a 59% relative reduction in recurrences.

Ridinilazole's Phase 3 clinical trials have been designed to replicate the positive results from the Phase 2 clinical trial. SCR is the primary endpoint that measures cure of the initial infection and whether patients have disease recurrence 30 days after completing treatment. The Phase 3 programme comprises two global, randomised, double-blind, active controlled clinical trials called Ri-CoDIFy 1 and Ri-CoDIFy 2. The trials are running concurrently with each expected to enrol approximately 680 patients at sites in North America, Latin America, Europe, Australia, New Zealand, Israel and Asia. Half of the patients in the trials receive ridinilazole, and the other half receive vancomycin. The Phase 3 trials also include various health economic outcome measures, such as hospital readmission rates and length of hospital stay, to help support the commercialisation of ridinilazole, if approved.

CASE STUDY

Launching our online resource for CDI

In early 2020, Summit launched www.ricodify.com, an online resource for patients with *C. difficile* infection ('CDI') and their caregivers.

The site provides information about CDI, the role of the microbiome in CDI and Summit's ongoing Phase 3 clinical trials of its investigational precision antibiotic, ridinilazole.

The Ri-CoDIFy clinical trials are expected to enrol up to 1,360 patients across sites in North America, South America, Europe, Australia and Asia. Patients in the trial receive either ridinilazole or vancomycin, an antibiotic currently used to treat CDI, for ten days and are followed for a further 90 days to assess various efficacy and safety measures.

Find out more at:
www.ricodify.com

STRATEGY CONTINUED

Ridinilazole: a potential first-line antibiotic to combat *C. difficile* infection continued

Dosing of the first patient in the clinical trials began in February 2019. As at the end of March 2020, there were 252 patients enrolled across the two clinical trials. Below is a table outlining the enrolment statistics by calendar quarter since the opening of the trials in February 2019. The Company expects to report quarterly enrolment updates going forward.

Quarter	Number of patients
Q1	9
Q2	21
Q3	43
Q4	78
Q1	101

Due to COVID-19, the Company is withdrawing the expected timing of completion for the clinical trials.

The ongoing clinical and regulatory development of ridinilazole is being supported by a contract with the US Biomedical Advanced Research and Development Authority ('BARDA') that potentially provides up to $72.5 million in non-dilutive funding. The value of this award was increased twice from the original value of $62.0 million – once in June 2019 and again in January 2020. To date, total committed BARDA funding under this contract is $62.4 million, including a $9.6 million option that was exercised by BARDA in June 2019 and an additional $8.8 million added to the award in January 2020. As of 31 December 2019, an aggregate of £29.1 million ($38.6 million) of the total committed BARDA funding had been received. One final option of $10.1 million remains, which is related to preparation, submission and review for potential applications for marketing approvals of ridinilazole in the US.

If ridinilazole receives marketing approval, Summit intends to commercialise it initially in the US with its own focussed, specialised sales force that the Company has started to work on establishing.

The Company is evaluating its options to maximise the value of ridinilazole in other territories outside of certain Latin American and Caribbean countries, where it has a commercial agreement with Eurofarma Laboratórios SA ('Eurofarma'). Under the terms of this commercial agreement, the Company received a $2.5 million upfront payment and is eligible to receive $3.75 million in development milestones upon the achievement of staged patient enrolment targets in our ongoing Phase 3 clinical trials of ridinilazole. In February 2020, the first of these enrolment targets was achieved and triggered a milestone payment of $1.0 million. Summit is also eligible to receive other development, commercial and sales milestones and product supply transfer payments.

Discuva Platform: an engine to generate new mechanism precision antibiotics

The development of Summit's pipeline of new mechanism antibiotics is underpinned by its proprietary Discuva Platform. From discovery through the selection of optimised clinical candidates, Summit believes the Discuva Platform has the potential to deliver new classes of antibiotics with targeted spectrums of activity and low likelihoods of resistance development. The Discuva Platform utilises proprietary libraries of a wide range of bacteria that can be used to generate new mechanism antibiotics against bacteria that are classified as urgent or high-risk threats by the US Centers for Disease Control and Prevention ('CDC') and World Health Organization ('WHO').

Enterobacteriaceae

Enterobacteriaceae are a family of Gram-negative bacteria responsible for severe and often deadly infections. Summit estimates they account for more than one million cases of bloodstream infections, hospital-acquired pneumonias and complicated urinary tract infections in the US annually. Antibiotic resistance to currently marketed antibiotics is an urgent concern of the CDC, with some cases resistant to nearly all available antibiotics.

Through the Discuva Platform, Summit researchers have identified the DDS-04 series of new mechanism precision antibiotics, which act via the novel bacterial target, LolCDE. In 2019, the Company presented data demonstrating proof of concept for the DDS-04 series in animal models of sepsis, pneumonia and urinary tract infections. In addition, the DDS-04 series was rapidly bactericidal and highly potent across globally diverse Enterobacteriaceae strains in research studies, which included multi-drug resistant isolates, suggesting the DDS-04 series has the potential to overcome known resistance mechanisms.

Gonorrhoea

Gonorrhoea is recognised as an urgent bacterial threat by the CDC and designated as a high priority pathogen by the WHO. The WHO estimates there are approximately 78 million new cases of gonorrhoea globally each year. There is now only one treatment option recommended by the CDC for the treatment of gonorrhoea, a combination of two generic antibiotics. Resistance to this treatment option is growing, and alarmingly there are currently no other recommended antibiotics available.

Through the Discuva Platform, Summit has identified a novel series of antibiotics, called DDS-01, which has shown high potency for a range of clinically relevant *N. gonorrhoeae* strains in *in vitro* studies, including numerous multi and extensively drug-resistant strains.

The DDS-01 series has also shown a low potential for development of resistance. Summit is focussed on identifying the most optimal candidate from the DDS-01 series for progression into human clinical trials.

This programme is supported by a non-dilutive award from CARB-X, a public-private partnership dedicated to accelerating antibacterial research and development to address the rising global threat of drug-resistant bacteria. In February 2020, the base stage of this award was increased by $1.2 million, increasing the total award to up to $5.7 million. The total award would support this programme through the completion of a Phase 1 clinical trial.

Roche collaboration

Prior to Summit's acquisition of Discuva Limited, Roche and Discuva entered into a collaboration using the Discuva Platform for the discovery and development of new antibiotic compounds in 2014. The joint research element of the collaboration concluded in early 2018, and Roche is solely responsible for continuing development of any compound that was identified under the collaboration, with Summit eligible to receive from Roche milestones and royalty payments based on the successful development and commercialisation of any such compound.

CASE STUDY

BARDA increases award for ridinilazole clinical and regulatory development

The Biomedical Advanced Research and Development Authority ('BARDA') has increased the total value of its award for the clinical and regulatory development of Summit's precision antibiotic ridinilazole for the treatment of *C. difficile* infection ('CDI') to up to $72.5 million.

Under this award, BARDA has opted to exercise in June 2019 a second option for $9.6 million, which will support patient enrolment and dosing in the ongoing Phase 3 clinical trials of ridinilazole. An additional $8.8 million was added to the award in January 2020 to support a new clinical trial in adolescent patients.

The total committed funding from the BARDA award under Contract No. HHS0100201700014C is now $62.4 million, with one final option remaining. The final option provides funding support for the preparation, submission and review for potential applications for marketing approvals of ridinilazole. The BARDA contract provides for a cost-sharing arrangement with the committed funding drawn down over a specified development period.

$62.4m
Total committed funding from BARDA

COVID-19

Post the period under review, the WHO declared the outbreak of infections caused by the novel coronavirus, the coronavirus disease 2019 ('COVID-19'), a global pandemic. In common with many other companies, Summit is continually reviewing its business operations for any potential impact from COVID-19.

Summit has taken immediate steps to ensure the safety of its employees and patients enrolled into its clinical trials by following government and regulatory guidelines and policies. As a result, Summit's employees are currently working remotely with the Company's IT infrastructure helping maintain high levels of connectivity enabling the majority of day to day business operations to continue. Summit's own laboratory facilities that support its early-stage pipeline research are temporarily closed. The Company continues to evaluate plans that may allow resumption of activities while not compromising the safety of the research workers.

Globally, government and regulatory measures to contain the spread of COVID-19 are affecting most clinical trials. All of the countries involved in Summit's Phase 3 Ri-CoDIFy clinical trials have active cases of COVID-19.

While Ri-CoDIFy remains open to enrol patients, the priority for Summit is the safety of all participating patients. There has been a slowing of patient enrolment into the Ri-CoDIFy clinical trials, which the Company expects to continue during the pandemic. The full impact of this remains uncertain due to the rapidly changing nature of the pandemic, but the Company has withdrawn its expectation for the timing of completion for the clinical trials.

The pandemic is reducing the immediate cash requirements of the business due to the slow down in enrolment into the Ri-CoDIFy trials. At this time, it is unclear if the pandemic will have a material impact on the longer-term cash requirements of the business as these will be linked to the length of the slowdown in patient enrolment.

Summit will provide updates on any impact COVID-19 has on its business operations, including the Ri-CoDIFy clinical trials, as this global pandemic progresses.

OPERATIONAL AND BOARD CHANGES

There have been a number of changes to the composition of the Board of Directors and management during and post the period under review.

Management

In April 2020, Mr Robert W. Duggan was appointed as Chief Executive Officer, with Mr Glyn Edwards stepping down from this position with immediate effect. Mr Edwards remains on the Board as a Non-Executive Director.

In April 2020, Dr Elaine Stracker was appointed Interim Chief Operating Officer, and Dr Ventzislav Stefanov was appointed Executive Vice President and President of Discuva. Dr David Powell was promoted to Chief Scientific Officer from his previous position as Head of Research and Development in March 2020.

Ms Divya Chari was appointed as Head of Global Clinical Operations in March 2020. She has over 16 years of experience in clinical operations working with data management, supporting multiple successful New Drug Applications and Supplemental New Drug Applications across therapeutic areas. Ms Chari most recently led large, global partnership clinical trials at Pharmacyclics, Inc., an AbbVie company.

At the end of January 2020, Dr David Roblin stepped down as Chief Operating Officer, President of R&D and Chief Medical Officer to pursue other opportunities.

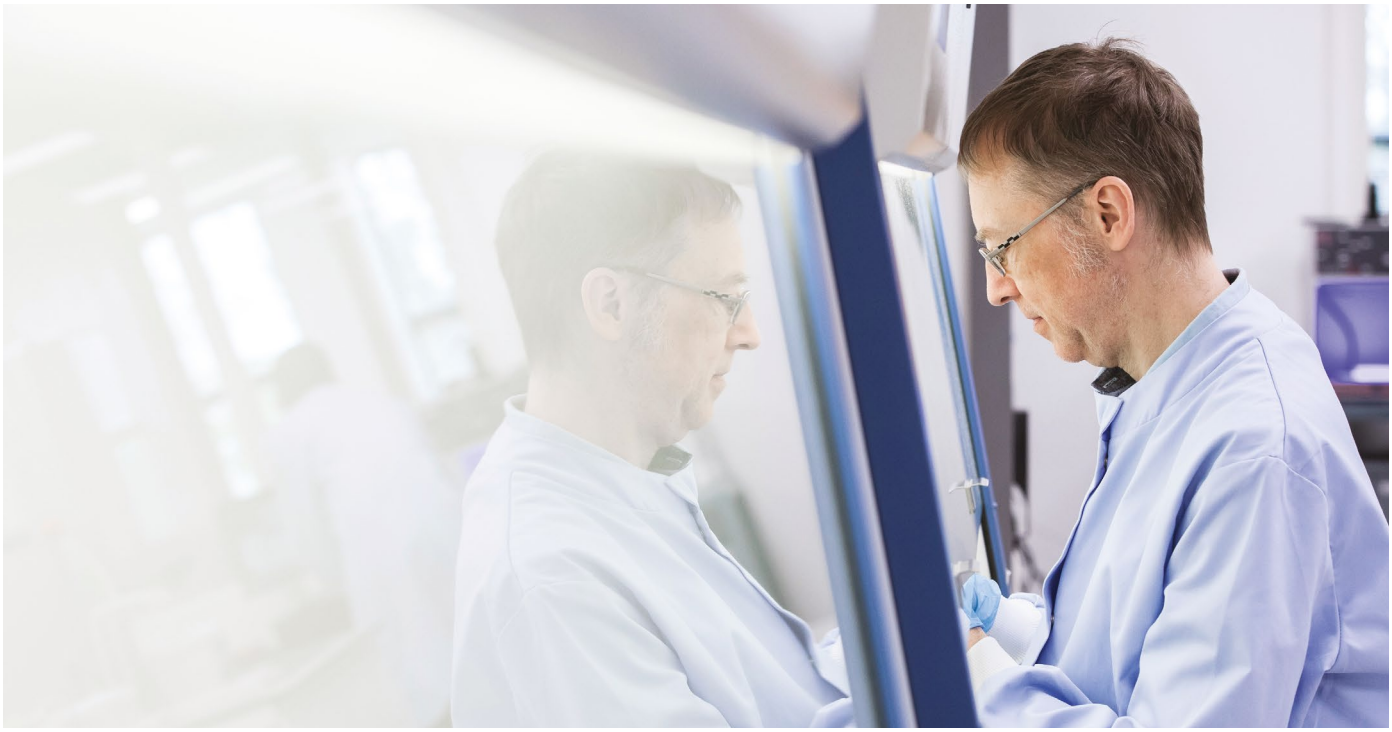
Board

In December 2019, Mr Duggan, Mr Manmeet Soni, Dr Stracker and Dr Stefanov were appointed to the Board of Directors, and Dr Frank Armstrong, Mr Leopoldo Zambeletti and Mr David Wurzer stepped down from the Board of Directors. Earlier in October 2019, Ms. Valerie Andrews also stepped down from the Board of Directors.

In February 2020, Mr Duggan was appointed Executive Chairman of the Board of Directors. In April 2020, Mr Rainer Erdtmann was appointed to the Board of Directors as a Non-Executive Director.


FUME CUPBOARD No.17
100µg/ml
LCMS
AIRFLOW MONITOR

INVESTING IN OUR ANTIBIOTIC PIPELINE



In December 2019, the Group changed its fiscal year end date from 31 January to 31 December with immediate effect.

OTHER OPERATING INCOME

Other operating income was £15.2 million for the eleven-months ended 31 December 2019, as compared to £15.2 million for the year ended 31 January 2019. Other operating income for these periods primarily was related to the Group's funding contract with BARDA for the development of ridinilazole for the treatment of CDI. Specifically, the Group recognised other operating income of £13.9 million during the eleven-months ended 31 December 2019, as compared to £13.1 million during the year ended 31 January 2019, from the BARDA contract.

The Group also recognised other operating income of £0.6 million during the eleven-months ended 31 December 2019, related to the Group's funding arrangements with CARB-X for its gonorrhoea programme. In addition, £0.6 million was recognised in respect of UK Research and Development Expenditure Credits.

REVENUE

Revenue was £0.6 million for the eleven-months ended 31 December 2019, compared to £43.0 million for the year ended 31 January 2019.

The Group recognised £0.5 million of revenue during the eleven-months ended 31 December 2019, related to the receipt of a $2.5 million (£1.9 million) upfront payment in respect of the licence and commercialisation agreement signed with Eurofarma in December 2017.

Revenue for the year ended 31 January 2019 relates primarily to the Group's licence and collaboration agreement with Sarepta Therapeutics Inc. ('Sarepta') following the recognition of all remaining deferred revenue related to this agreement following the Group's decision to discontinue development of ezutromid in June 2018. This recognition of deferred revenues did not impact the Group's cash flows. The agreement with Sarepta was terminated effective August 2019, with no material ongoing obligations for either party.

OPERATING EXPENSES

Research and development expenses

Research and development expenses decreased by £8.0 million to £31.2 million for the eleven-months ended 31 December 2019, from £39.2 million for the year ended 31 January 2019. In real terms there was increased expenditure related to the Group's CDI programme and antibiotic pipeline research and development activities, offset by decreased expenditure related to the discontinued DMD programme and research and development related staffing and facilities costs.

Investment in expenses in connection with the CDI programme increased by £3.1 million to £21.0 million for the eleven-months ended 31 December 2019, from £17.9 million for the year ended 31 January 2019. This increase primarily related to clinical and manufacturing activities related to the Phase 3 clinical trials of ridinilazole that commenced in February 2019.

Investment in the Group's antibiotic pipeline development activities was £2.5 million for the eleven-months ended 31 December 2019, compared to £1.9 million for the year ended 31 January 2019.

This increase primarily relates to the ongoing research activities related to the DDS-01 and DDS-04 programmes for gonorrhoea and Enterobacteriaceae infections.

Expenses related to the DMD programme decreased by £9.2 million to £0.3 million for the eleven-months ended 31 December 2019, from £9.5 million for the year ended 31 January 2019. This fall was driven by the decision to discontinue development of ezutromid in June 2018 as well as ending all the next and future generation utrophin modulation research activities.

Other research and development expenses decreased by £2.3 million to £7.5 million during the eleven-months ended 31 December 2019, as compared to £9.8 million during the year ended 31 January 2019. This was due to a decrease in staff and facilities costs related to the DMD programme, a non-cash charge related to the acceleration of share-based payment expenses resulting from the surrender of share option awards and a non-cash charge for amortisation of our proprietary Discuva Platform.

General and administration expenses

General and administration expenses decreased by £2.4 million to £9.9 million for the eleven-months ended 31 December 2019, from £12.3 million for the year ended 31 January 2019. This decrease was primarily due to a non-cash charge for the acceleration of share-based payment expenses resulting from the surrender of share option awards, a loss on recognition of contingent consideration payable relating to the acquisition of Discuva Limited, in the year ended 31 January 2019, offset by a net positive movement in exchange rate variances.

Impairment of goodwill and intangible assets

As a result of discontinuing the development of ezutromid, the Group recognised an impairment charge during the year ended 31 January 2019 of £4.0 million relating to the future generation utrophin programme intangible asset and goodwill associated with the acquisition of MuOx Limited.

FINANCE INCOME

Finance income was £4,000 for the eleven-months ended 31 December 2019 compared to £2.8 million for the year ended 31 January 2019. This fall in finance income related primarily to the derecognition in the prior period of the Group's financial liability on the Wellcome Trust funding arrangement, after the Group and the Wellcome Trust entered into a revenue sharing agreement in October 2017.

FINANCE COSTS

Finance costs were £0.2 million for the eleven-months ended 31 December 2019, compared to £0.5 million for the year ended 31 January 2019. This decrease was due to a reduction to £nil in the unwinding of the discount following the remeasurement of the financial liabilities on funding arrangements relating to DMD-related US not for profit organisations following the discontinuation of the development of ezutromid in June 2018.

INCOME TAX

The income tax credit for the eleven-months ended 31 December 2019 was £3.5 million as compared to £2.5 million for the year ended 31 January 2019. This change in income tax credit was driven by an increase in the losses available to be surrendered for the period ended 31 December 2019. The level of losses available to be surrendered was restricted in the prior period due to the recognition of all remaining deferred revenue related to the Sarepta agreement following the Group's decision to discontinue the development of ezutromid in June 2018 to be eligible to receive a full research and development tax credit.

(LOSS) / PROFIT

Loss before income tax was £25.6 million for the eleven-months ended 31 December 2019 compared to a profit before income tax of £5.0 million for the year ended 31 January 2019. The profit recorded for the year ended 31 January 2019 was due to the recognition of all remaining deferred revenue related to the Sarepta agreement following the development of ezutromid being discontinued in June 2018. This recognition of deferred revenues did not impact the Group's cash flows.

Net loss was £22.0 million for the eleven-months ended 31 December 2019 with a basic and diluted loss per share of 13 pence compared to a net profit of £7.5 million for the year ended 31 January 2019 with a basic and diluted profit per share of 9 pence.

CASH FLOWS

The Group had a net cash inflow of £21.8 million for the eleven-months ended 31 December 2019 compared to a net cash inflow of £6.3 million for the year ended 31 January 2019.

Operating activities

Net cash used in operating activities for the eleven-months ended 31 December 2019 was £15.7 million compared to £26.7 million for the year ended 31 January 2019. This decrease was primarily driven by an decrease in operating costs of £7.9 million, a net reduction in cash received from licensing agreements and funding arrangements of £3.0 million and a positive movement in taxation cash flows of £6.1 million due to timing of receipt of the Group's research and development tax credits receivable on qualifying expenditure in respect of previous financial years.

Investing activities

Net cash used in investing activities for the eleven-months ended 31 December 2019 was £0.3 million compared to £0.1 million for the year ended 31 January 2019. Net cash outflows from investing activities for the eleven-months ended 31 December 2019 and year ended 31 January 2019 represent amounts paid to acquire property, plant and equipment and intangible assets, net of bank interest received on cash deposits.

CASH FLOWS CONTINUED

Financing activities

Net cash generated from financing activities for the eleven-months ended 31 December 2019 was £37.7 million. This includes £38.1 million of net proceeds received following the Group's equity placing on the AIM market of the London Stock Exchange in December 2019 and £1,200 received following the exercise of restricted stock units ('RSUs'). These proceeds were offset by repayment of lease liabilities of £0.4 million. Net cash generated from financing activities for the year ended 31 January 2019 was £33.1 million. This includes £14.1 million of net proceeds received following the Group's equity placing on the AIM market of the London Stock Exchange in March 2018, £19.2 million of net proceeds received following the Group's private placing on the Nasdaq Global Market in January 2019, and £0.1 million received following the exercise of RSUs and share options. These proceeds were offset by repayment of lease liabilities of £0.3 million.

FINANCIAL POSITION

As at 31 December 2019, total cash and cash equivalents held were £48.4 million (31 January 2019: £26.9 million).

HEADCOUNT

Headcount for the Group as at 31 December 2019 was 70 compared to 61 as at 31 January 2019, with this increase predominantly reflecting the hiring of positions to support the planned commercialisation of ridinilazole.

SHARE CAPITAL

On 24 December 2019, the Company completed an equity placing on the AIM market of the London Stock Exchange, issuing 175,378,450 new ordinary shares at a price of 22.1 pence to existing investors. Total gross proceeds of $50.0 million (£38.8 million) were raised and directly attributable transaction costs of £0.7 million were incurred. As part of the equity placing, the participating investors were granted warrants with the right to subscribe for 26,306,765 new ordinary shares at an exercise price of 24.3 pence.

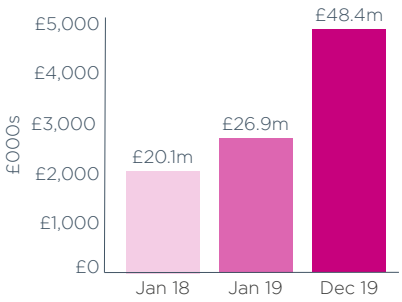
During the eleven-month period 121,950 new ordinary shares were issued following the exercise of 121,950 RSUs raising net proceeds of £1,220.

Robert W. Duggan
Chief Executive Officer

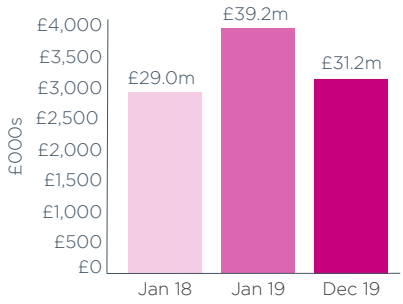
1 May 2020

KEY PERFORMANCE INDICATORS

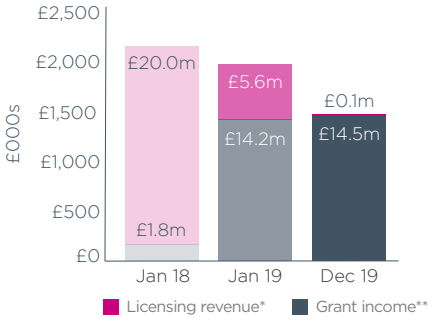
Year end cash held



Total research and development expenditure



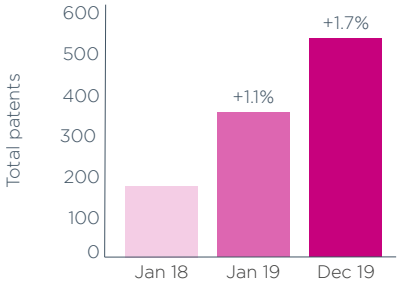
Total licensing revenue and grant income cash receivable



* Licensing revenue includes cash receivable from Sarepta Therapeutics Inc. and Eurofarma Laboratórios SA.

** Grant income comprises cash receivable from BARDA, CARB-X and Innovate UK.

Increase in patents granted***



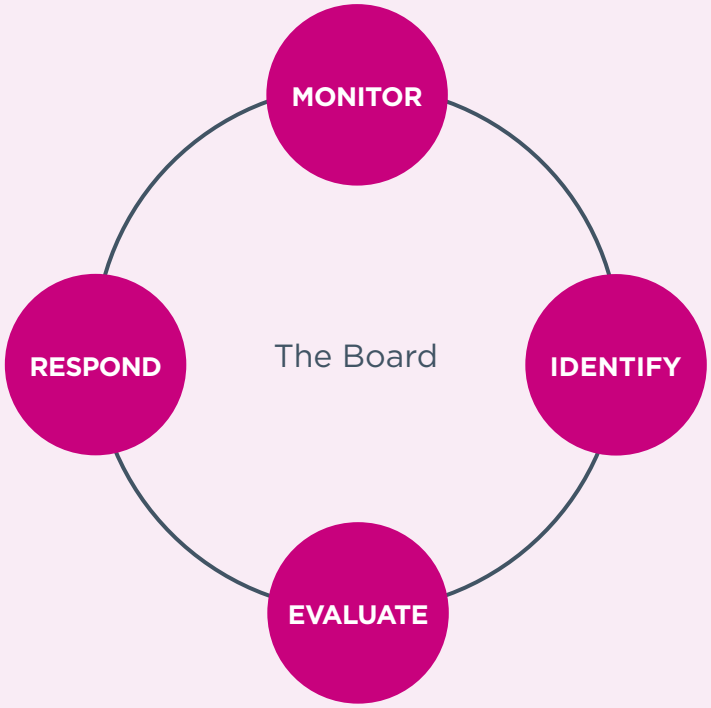
***Total patents granted covers only active drug programmes and technology assets.

MANAGING RISK FACTORS

As is common with other biopharmaceutical companies, Summit is subject to a number of risks and uncertainties.

HOW WE MANAGE OUR RISKS AND UNCERTAINTIES

Internal development expertise



Unique knowledge

AREAS OF RISK

- Research & Development
- Financial & Governance
- Commercial
- Operational
- Third-party Collaborations
- COVID-19 Pandemic
- Regulatory
- Brexit
- Intellectual Property ('IP')

RISK FACTORS

This section provides an overview of the principal risks and uncertainties identified by Summit that could affect its ability to implement its business strategy for the eleven-months ended 31 December 2019. These risks include the development and commercialisation of its clinical and preclinical programmes, its financial performance and its ability to conduct its business operations. A more detailed analysis of the risks and uncertainties for this period is included on Form 20-F that was filed with the US Securities and Exchange Commission on 30 April 2020.

Research & Development

Summit's research and development activities are focussed on the progression of the precision antibiotic ridinilazole for the treatment of infections caused by the bacteria *C. difficile* and the development of a pipeline of other new mechanism antibiotics. All of the Company's product candidates are in clinical, preclinical or early-stage development and the risk they will not be successfully developed is high.

The Company's ability to successfully develop ridinilazole, and future product candidates, could be influenced by a number of factors. These include its ability to demonstrate satisfactory safety and efficacy in clinical trials, delays in completing clinical trials which may cause the Company to incur additional costs, including due to the novel coronavirus, possible unforeseen events in connection with clinical trials, and delays or difficulties in the enrolment of patients into clinical trials. If the product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities, or otherwise produce unfavourable results, the Company may ultimately be unable to complete the development and commercialisation of ridinilazole or any other future product candidate.

Summit is also dependent on third parties to manufacture drug product for its clinical trials and help conduct its clinical trials. This exposes the Company to increased associated risks. For example, the Company may not be able to secure sufficient supplies of drug product for its clinical trials at an acceptable cost, may experience disruption to its supply chain due to weather conditions, natural disasters or contagious diseases or illnesses such as the novel coronavirus or may experience delays in conducting its product development activities.

The Company's plans to generate a pipeline of new mechanism antibiotics is expected to rely on its Discuva Platform. While the Company expects to use this platform to facilitate the discovery and development of new mechanism antibiotics, it may fail to do so.

Commercial

There are a number of risks that could impair the Company's ability to commercialise its clinical stage candidates and earlier stage development pipeline. These include its ability to effectively establish sales and marketing capabilities if any product candidates are approved, its ability to enter into agreements with third parties, and the risk of competition that may lead to third parties discovering, developing or commercialising products earlier or more successfully than the Company. Summit may also be subject to unfavourable pricing regulations, pricing controls or healthcare reform initiatives and may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

Summit does not have any approved products and is heavily dependent on the successful commercialisation of its lead antibiotic ridinilazole for the treatment of CDI. Summit intends to advance ridinilazole through Phase 3 clinical trials, and if it receives marketing approval, commercialise it independently in the United States.

The Company is reliant on Eurofarma Laboratórios to successfully commercialise ridinilazole in countries in South America, Central America and the Caribbean where it has granted Eurofarma commercial rights following the signing of a licence and commercialisation agreement in December 2017. Summit is evaluating various options to develop and commercialise ridinilazole in other territories where it retains rights.

If Summit does not establish sales and marketing capabilities successfully, either on its own or in collaboration with third parties, the Company will not be successful in commercialising ridinilazole or future product candidates.

Third-Party Collaborations

Summit has entered into agreements with third parties to support the development of its programmes.

The future clinical and regulatory development of ridinilazole is dependent on a contract with the US government agency, BARDA, which was signed in September 2017 and increased in value in July 2019 and January 2020. Under the contract, BARDA will provide a significant portion of funding over several years. This contract adds uncertainty to the research and commercialisation efforts for ridinilazole. For example, BARDA is entitled to terminate the contract at any time and can opt to not exercise its final option that provides additional funding for the programme, which could reduce or delay funding, and in turn hamper development activities.

Summit's early-stage programme targeting gonorrhoea is being supported by contract funding from CARB-X that was signed in July 2018 and increased in February 2020. Receipt of the full funding from CARB-X is dependent on the programme achieving certain development milestones and CARB-X exercising its option to release additional funding. If these milestones are not achieved, or CARB-X determines not to exercise its options, Summit may be unable to continue the development of the gonorrhoea programme.

The government funding agreements contain contractual rights that are not typically found in commercial agreements that may impose requirements that increase the costs of commercialisation and production of product candidates.

Regulatory

The Company operates in a heavily regulated industry and there are a number of risks that could affect the development and marketing of its product candidates. For example, if Summit is unable to obtain, or if there are delays in obtaining, required regulatory marketing approvals, the Company will not be able to commercialise its product candidates. For certain product candidates, Summit is also dependent upon third-party collaborators to obtain regulatory marketing approvals in specified territories and their failure to achieve this would have an adverse impact on the ability to commercialise these product candidates.

The regulators also exercise authority to support expedited regulatory review of drug candidates for serious or life-threatening conditions, such as Fast Track designation, Qualified Infectious Disease Product designation, Breakthrough Therapy designation, and Priority Review designation.

However, such designations the Company has or may receive may not lead to faster development, nor assure marketing approval from the FDA. Summit could also be affected by changes to current and future legislation as it relates to regulatory matters.

Current and future legislative and regulatory changes in countries including the United States could also have an impact on Summit's ability to obtain marketing approval and commercialise its products, and affect the reimbursement obtained by the Company or its potential collaborators.

Intellectual Property ('IP')

Summit's success depends in large part on its ability to obtain and maintain patent protection for its proprietary technology and products, including the Company's precision antibiotic ridinilazole and its Discuva Platform, in the United States, Europe and other countries.

If Summit is unable to obtain or maintain patent protection for its technology and products, or if the scope of the patent protection is not sufficiently broad, or if the Company does not identify patentable aspects of its research and development output before it is too late to obtain patent protection, competitors could develop and commercialise similar technology and products which would materially adversely affect the Company's ability to successfully commercialise its technology and products.

Summit is exposed to additional IP risks, including infringement of intellectual property rights, involvement in lawsuits and other proceedings to protect or enforce the Company's intellectual property, with such action being potentially expensive, time-consuming and potentially unsuccessful. The Company faces the risk that third parties initiate legal proceedings related to infringement of intellectual property rights, with the outcome of such action uncertain and potentially having an adverse effect on the business. Summit may also be unable to protect the confidentiality of its trade secrets which could have an adverse effect on the Company.

Financial & Governance

Summit has a limited operating history, has incurred significant losses since its inception and does not have any approved or sales-generating products. The Company expects to incur losses for the foreseeable future, and there is no certainty that the business will generate profits from its operations or maintain profitability. The Company expects that its expenses will continue to increase to support its research and development activities and other operational costs. The future capital requirements will depend on many factors including ones related to the progress of the Company's product development programmes and commercialisation plans, its third-party funding agreements and the rate of expansion of the Company's physical presence or extent to which the physical presence may change.

Summit's shares are currently traded on the Nasdaq Global Market which means the value of the Company is subject to stock market volatility. Biotechnology companies in particular can experience extreme volatility that is often unrelated to the operating performance of the Company. The Company may not be able to raise additional funds that will be needed to support its product development programmes, identify and develop additional product candidates, or support commercialisation efforts. Any additional funds that are raised could cause dilution to existing investors.

Summit's main shareholder is Mr Robert W. Duggan, the Executive Chairman and Chief Executive Officer of the Company. As of 1 April 2020, Mr Duggan owns approximately 62.8% of the Company's outstanding issued shares. This means Mr Duggan is able to control or influence all matters submitted to the Company's shareholders for approval including being able to unilaterally prevent the passing of any special resolution. Mr Duggan is also able to control management and business affairs including the election of Directors, removal of Directors by other shareholders, and approval of any merger, consolidation or sale of all or substantially all of our assets.

By virtue of Mr Duggan's greater than 50% ownership of Summit, the Company is classified as a 'Controlled Company' as defined by the Nasdaq listing requirements. This means the Company has exemptions from certain corporate governance requirements, including related to Board independence and composition of certain Board committees. As a member of the Board of Directors, Mr Duggan will adhere to the corporate governance standards adopted by the Company.

The Company is also exposed to currency exchange rate variations due to a significant portion of operations being conducted outside of the United Kingdom. This can have an impact on the cost of research and development outside of the United Kingdom, as well as the value of the Company's cash deposits.

Operational

Summit may seek to enter into partnerships, in-licence technologies, or complete acquisitions to strengthen its business. Any acquisition that Summit completes will involve the integration of the operations, product candidates and technology of the acquired business with the Company's existing operations and programmes. There are uncertainties inherent in any such integration. Any acquisition may require significant resources and management time. The anticipated benefits of any acquisition may not be fully realised, may take longer than expected or may not be realised at all. For example, in December 2017, Summit acquired a development-stage biopharmaceutical company, including the Discuva Platform that the Company expects will help to expand its pipeline of new mechanism antibiotics. This may not happen and means that the Company may not obtain any value from this acquisition.

Summit's future success also depends on its ability to retain key executives, including the Chief Executive Officer, interim Chief Operating Officer and Executive Vice President and President of Discuva, and to attract, retain and motivate qualified personnel. The unplanned loss of the services of any key persons could materially impact the achievement of Summit's research and development, clinical development, regulatory and commercialisation objectives.

Recruiting, retaining and motivating qualified personnel will also be critical to the Company's success. There is a risk that Summit may not be able to attract, retain and motivate qualified personnel on acceptable terms due to the competition among numerous biotechnology and pharmaceutical companies for similar personnel. Summit also expects to expand its development, regulatory and sales and marketing capabilities, and there is a risk that the Company may encounter difficulties in managing this growth that could disrupt the business.

Summit needs to maintain an effective system of internal control over financial reporting to produce reliable financial statements and protect against and detect fraud. The Company's internal computer systems, or those of its collaborators, contractors or consultants may fail or suffer security breaches that could cause material disruption to our business and product development programmes. Summit may also fail to comply with global privacy and data security laws, or environmental, health and safety laws and regulations and be liable to fines, penalties or incur costs that could have a material adverse effect on the success of the business.

COVID-19 Pandemic

The novel coronavirus pandemic (COVID-19) and various countries' responses to it are having a material adverse effect on Summit's business operations. For instance, many of the clinical trial sites involved in the Company's Phase 3 Ri-CoDIFy clinical trials have either reduced or stopped enrolment into these trials due to facility closures, quarantine, travel restrictions and other governmental restrictions. As a result, Summit expects the results from the Ri-CoDIFy clinical trials to be delayed, which the Company expects will have a material adverse impact on clinical trial plans and timelines.

As a result of the slower enrolment, the clinical supplies of ridinilazole and vancomycin manufactured for such trials may not be utilised prior to their expiration and may need to be replaced. While the Company does not currently anticipate significant interruptions in its clinical supply chain, any such interruptions could cause further delays to the Ri-CoDIFy trials.

The majority of the Company's day to day operations are continuing as Summit's employees are working remotely. Its laboratory facilities that support its early-stage pipeline research activities are temporarily closed with the Company evaluating ways in which its laboratory-based employees can safely resume their activities.

The pandemic may have other effects on our business, operations and financial condition that are unpredictable at this time, including delays in the development and regulatory approval of other product candidates and difficulties in retaining qualified personnel during the pandemic and once it subsides. The extent to which the pandemic may impact Summit's business will depend on future developments, such as the duration of the pandemic, quarantines, travel restrictions and other measures in the United Kingdom, the United States, the European Union and around the world, business closures or business disruptions and the effectiveness of actions taken to contain the pandemic.

Brexit

On 31 January 2020, the UK left the European Union ('EU') (commonly referred to as Brexit). Discussions are ongoing to agree a trade agreement between the UK and the EU during a transitional period that will last until 31 December 2020. Therefore, the terms of the UK's future relationship with the EU are uncertain and could have a material adverse effect on its business operations. If no trade agreement has been reached before the end of the transitional period, there may be significant market and economic disruption. There is a lack of clarity about which EU laws and regulations will be replaced or replicated into future UK laws and regulations as part of a withdrawal including financial laws and regulations, tax and trade agreements, intellectual property rights, supply chain logistics, the regulatory regime that applies to clinical product candidates, employment laws, and environmental, health and safety laws and regulations.

This uncertainty could adversely affect Summit's business operations. For example, there is potential disruption to import and export processes between the EU and UK custom agencies that may cause delays to the clinical trial supply chain which could have a consequence on the time taken to conduct the clinical trials. There is also a risk of increased stock market volatility during and post the trade agreement negotiations that could adversely affect the market price of Summit's shares.

SECTION 172 STATEMENT

PROMOTING THE COMPANY'S SUCCESS

The Directors acknowledge their duty under section 172 of the Companies Act 2006 and consider that they have, both individually and collectively, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of all shareholders. In doing so, the Directors have regard (amongst other matters) to:

The likely consequences of any decision in the long term
The Company's long-term strategic aim is the development of new mechanism, precision antibiotics to target specific infections and preserve the microbiome. These precision antibiotics are being developed with the aim of showing significant advantages over current treatments to bring improved outcomes for patients and offer compelling value propositions for payors. Further information can be found within the Strategic Report with progress made during the period detailed in the Business Review and Financial Review on pages 6 to 14. The principal risks can be found on pages 16 to 20 of the Strategic Report.

The interests of the Company's employees
The Company's employees are fundamental to achieving its long-term strategic objectives, as described within the Corporate Social Responsibility statement on page 22.

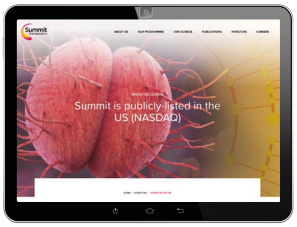
The need to foster the Company's business relationships with suppliers, customers and others
The Company gives consideration to its relationship with wider stakeholders, and the impact on its long-term strategic objectives is also described within the Corporate Social Responsibility statement on page 22.

The impact of the Company's operations on the community and the environment
The Company considers the impact on the environment on our day-to-day operations. Further disclosure on how we promote a corporate culture based on ethical values and behaviours is included on pages 22 and 23. The Company's report on environmental matters is included as part of the Corporate Social Responsibility statement on pages 22 to 23.

The desirability of the Company maintaining a reputation for high standards of business conduct
The Company's intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance as appropriate for a Nasdaq listed company. The Company operates Codes of Business Conduct and Ethics and provides mechanisms for whistle blowing and complaints, described in detail on the Company's website, www.summitplc.com, under Corporate Governance. Employees are required to read and acknowledge these codes, and to follow them at all times.

To find out more visit our website at:
www.summitplc.com/investors/corporate-governance/

The need to act fairly as between members of the Company
The Company's intention is to behave responsibly towards all its shareholders and treat them fairly and equally, so that they too may benefit from the successful delivery of the Company's strategic objectives. The Company website has a section dedicated to investor matters that details, amongst other things, all financial reports, press releases, and filings to the US Securities and Exchange Commission.



To find out more visit our website at:
www.summitplc.com/investors/investor-centre/

OUR RESPONSIBLE CULTURE

The Board recognises the growing awareness of social, environmental and ethical matters, and it endeavours to take into account the interests of the Company's stakeholders, including its investors, employees, suppliers and business partners, when operating the business.

SUMMIT'S MISSION

Summit's mission is developing new mechanism antibiotics that have the potential to improve outcomes of patients who suffer from serious infectious diseases and support good antibiotic stewardship.

PEOPLE

Summit's relationship with its employees is vital to its success. The Company aims to appoint employees with appropriate skills, knowledge and experience for the roles they undertake and thereafter to develop and incentivise staff. The Company also actively promotes diversity across the workforce. The Board recognises its legal responsibility to ensure the well-being, safety and welfare of its employees and maintain a safe and healthy working environment for them and for its visitors.

Summit also works with external organisations and collaborators. For example, Summit uses contract research organisations to support the running of clinical trials and manufacture of drug products. Summit also works from time to time with other advisers in a range of business areas including financial, regulatory, legal, information technology and human resources. Summit seeks frequent and open dialogue with all of its various collaborators as it looks to maintain good working relationships.

The profile of the Group's employees at 31 December 2019 was as follows:

	Female 31 December 2019	Male 31 December 2019	Total 31 December 2019
Number of persons who were Directors of the Company (including Non-Executive)	1	4	5
Number of persons who were Executive Officers of the Company	–	2	2
Number of persons who were senior managers of the Company*	8	5	13
Number of persons who were employees of the Company	32	18	50
Total employees at 31 January 2019	**41**	**29**	**70**

* A senior manager is an employee who has the responsibility for planning, directing or controlling the activities of the Group or a strategically significant part of the Group.

OUR VALUES

We all matter

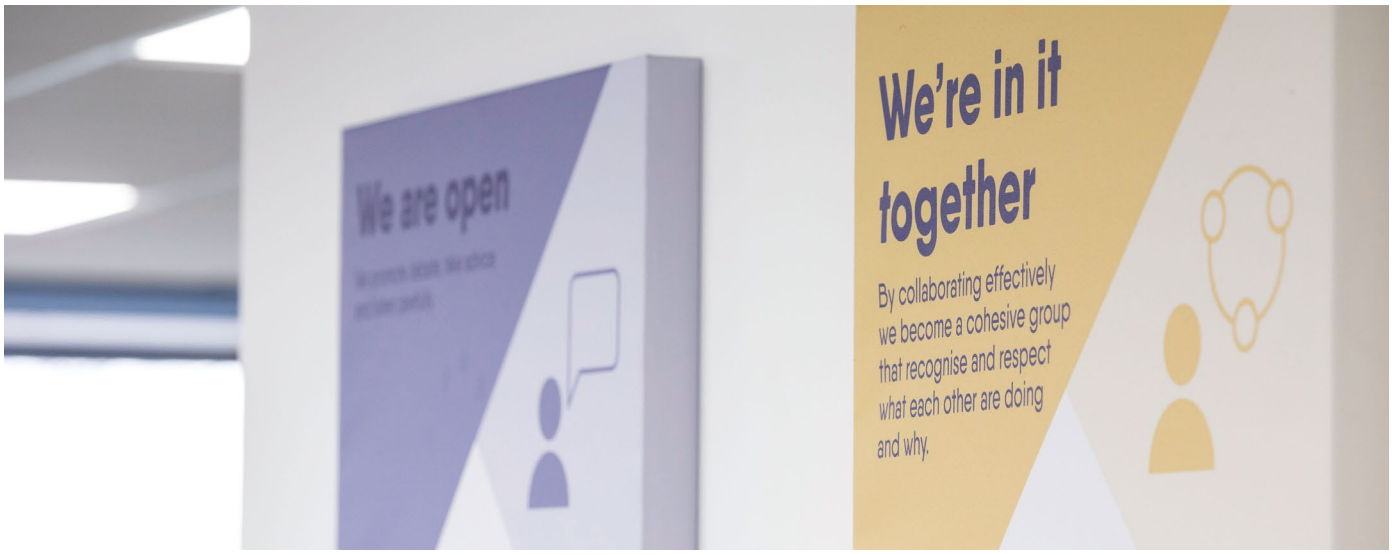
We value everyone's role and contribution. We believe everyone has good intentions and acts with integrity. We create an open and inclusive environment.

We are open

We promote debate, take advice and listen carefully. We are open to changing our minds and when necessary disagree. We find solutions and deliver our goals.

We're in it together

By collaborating effectively we become a cohesive group that recognises and respects what each other are doing and why.



CULTURE AND VALUES

The Board believes that the promotion of corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The Company maintains a Code of Business Conduct and Ethics to which it expects all employees and Directors of Summit to adhere. This code is intended to promote the conduct of all Company business in accordance with high standards of integrity and in compliance with all applicable laws and regulations. Employees have also developed five core values that underpin the mission of the business. These five values, illustrated on pages 22 and 23, promote integrity, openness, collaboration and a focus on making a difference for patients.

ENVIRONMENTAL MATTERS

The Group has reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The sources of emissions relate solely to the electricity and gas purchased by our UK office and laboratory premises, the costs of which are included within the consolidated financial statements.

Management has responsibility for any emission sources that the Group controls and where the Group bears the associated costs in the consolidated statements. The Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard (revised edition) data gathered have been used to fulfil the requirements under the CRC Energy Efficiency scheme, and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2019.

Management has used the most recent evidence or estimates provided by its energy supply partners to generate the disclosure of emissions for the eleven-months ended 31 December 2019. These include the purchase of electricity, heat, steam or cooling.

The annual quantity of emissions for the Group for the eleven-months ended 31 December 2019 was 173 tonnes of carbon dioxide (year ended 31 January 2019: 241 tonnes), produced by activities for which the Group was responsible. The Group considers that the intensity ratio of tonnes of carbon dioxide per employee is a suitable metric for its operations.

This was 3.2 tonnes per head average for the eleven-months ended 31 December 2019 (year ended 31 January 2018: 4.2 tonnes).

This decrease in the average tonnes of carbon dioxide per head is directly related to comparing an eleven-month period to a twelve-month period. If the periods were comparable the Group emissions would be 211 tonnes of carbon dioxide, or 3.9 tonnes per head.

The Group is a research and development focussed business and it considers that the impact of climate change upon the business is not viewed to be significant at this time.

We win together

Winning attitude helps us deliver value to patients, shareholders and each other.

We focus on making a difference

We focus on improving the quality of life of patients, families and people whilst building a successful business.

GOVERNANCE

The Governance report defines the division of roles within the Company and aims to report transparently to shareholders.

GOVERNANCE

Directors' Remuneration Report 26
Directors' Report 45
Statement of Directors' Responsibilities 47

DIRECTORS' REMUNERATION REPORT

LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report for the eleven-month period ended 31 December 2019.

Key decisions and activities in the eleven-month period ended 31 December 2019

As to the eleven-month period ended 31 December 2019, the Committee undertook the following key decisions and activities:

- On 29 March 2019, awarded the annual share option grant to employees, including to the former Chief Executive Officer, Mr Glyn Edwards.
- In April 2019, implemented an increase to pension contributions to 8% of base salary for UK employees. This included the former Chief Executive Officer, who chose to take this as a cash amount.
- On 23 December 2019, awarded a grant of share options to Mr Manmeet Soni, Dr Elaine Stracker and Dr Ventzislav Stefanov in relation to their appointment as Non-Executive Directors.
- On 23 December 2019, awarded share options to certain new employees under the Company's Long-Term Incentive Plan.
- Reviewed and assessed the Company's performance against the corporate goals set for the year ended 31 December 2019 for the purposes of determining annual bonus outcomes. Whilst it was concluded that 35% of the corporate goals had been achieved, the Board of Directors used their discretion to determine that no bonus would be payable to the former Chief Executive Officer for the 2019 performance year, with the exception of a nominal amount of £2,000 in respect of his personal performance.

Board changes

On 11 October 2019, Ms Valerie Andrews resigned from the Board as a Non-Executive Director. On 24 December 2019, Mr Robert W. Duggan, Mr Manmeet Soni, Dr Elaine Stracker, and Dr Ventzislav Stefanov were appointed to the Board as Non-Executive Directors. On the same date, Dr Frank Armstrong, Mr David Wurzer and Mr Leopoldo Zambeletti resigned their positions as Non-Executive Directors. At the same time, Mr Glyn Edwards assumed the role of Executive Chairman in addition to his role as Chief Executive Officer. On 25 February 2020, after the end of this period under review, Mr Robert W. Duggan was appointed Executive Chairman. Mr Duggan subsequently became Chief Executive Officer on 13 April 2020 with Mr Glyn Edwards taking on a role as Non-Executive Director. On 13 April 2020, Dr Elaine Stracker became the Company's Interim Chief Operating Officer, an Executive Director role. On 17 April 2020, Dr Ventzislav Stefanov became Executive Vice President of the Company, and President of Discuva as an Executive Director. Further details on their remuneration are included within the statement of the implementation of our policy for the year ended 31 December 2020. On 17 April 2020, Mr Rainer Erdtmann joined the Board as a Non-Executive Director.

Remuneration Policy

The Policy currently in effect was approved by shareholders at the 2017 AGM. The Company will propose the Policy to be approved by shareholders at the 2020 AGM. The Policy can be found on pages 35 to 44. If approved, the Policy will remain in effect for three years, unless or until a new Policy is approved. There are certain differences between the Policy being proposed and the Policy currently in effect. We encourage shareholders to review and carefully consider this revised Policy. It is my recommendation that shareholders approve this Policy at the 2020 AGM.

Yours sincerely,

Manmeet Soni
Remuneration Committee Chair

1 May 2020

ANNUAL REPORT ON REMUNERATION FOR THE ELEVEN-MONTH PERIOD ENDED 31 DECEMBER 2019

Certain information in this part of the Directors' Remuneration Report is subject to audit.

STRUCTURE AND ROLE OF THE REMUNERATION COMMITTEE

For the majority of the period, the Committee was comprised of Ms Valerie Andrews, who chaired the Committee, Dr Frank Armstrong, and Mr Leopoldo Zambeletti. Ms Andrews resigned from the Board of Directors on 11 October 2019. On 24 December 2019, Dr Armstrong and Mr Zambeletti resigned from the Board as Non-Executive Directors with effect from 24 December 2019. Post appointment to the Board, Dr Elaine Stracker was appointed to the role of Chair of the Remuneration Committee and was joined by Mr Robert W. Duggan and Dr Ventzislav Stefanov as Committee members. On 17 April 2020, the composition of the Committee changed with Mr Manmeet Soni being appointed to the role of Chair of the Remuneration Committee and was joined by Mr Rainer Erdtmann as a Committee member. Dr Stracker, Dr Stefanov and Mr Duggan stepped down from the Committee at this time.

For the period under review, the Company incorporated the principles of the Quoted Companies Alliance Corporate Governance code ('QCA Code') into its remuneration programme. Following the cancellation to trading on AIM of the Company's ordinary shares on 24 February 2020, Summit applies the appropriate corporate governance standards as a foreign private issuer company that is solely listed on Nasdaq.

The Committee has been assisted by the Company's Head of Human Resources, Vice President of Investor Relations and Corporate Affairs, and the Company Secretary. In line with good governance practice, the former Chief Executive Officer was not present when decisions about his remuneration were made.

The Committee did not appoint an independent external adviser during the eleven-month period ended 31 December 2019.

GOVERNANCE

Remuneration decisions are made by the Company's Board of Directors on the basis of recommendations from the Remuneration Committee. The Committee seeks to ensure that remuneration decisions are aligned with the best interests of shareholders when viewed against the priorities of the Company in delivering against its short-term and longer-term goals.

The Committee's approach to remuneration matters is to enable the Company to attract and retain talent, incentivise long-term Company value generation and execute a strategy that focuses on the effective management of the Company's cash resources. It is the Committee's belief that this is best achieved through a balanced mix of competitive base salary, benefits, and longer-term incentives, along with the flexibility to appropriately reward and incentivise with variable pay as described within the Policy.

On 18 July 2017, shareholders voted at the AGM to approve the Remuneration Policy currently in effect. The current Policy will remain in effect up to the 2020 AGM when a new Policy will be voted upon by shareholders. The Policy to be proposed has certain changes to the 2017 policy and further details are on pages 35 to 44.

SINGLE TOTAL FIGURE OF REMUNERATION OF EACH DIRECTOR (SUBJECT TO AUDIT)

The former and current Directors received the following remuneration for the eleven-months ended 31 December 2019 and the year ended 31 January 2019.

Period ended 31 December 2019	Salaries and fees £	Taxable benefits[1] £	Short-term incentives[2] £	Restricted Stock Unit[3] £	Share options[4] £	Pension contributions[5] £	Total £
Executive							
Glyn Edwards	296,393	1,857	2,000	–	–	23,151	323,401
Non-Executive							
Frank Armstrong[6]	68,750	4,809	–	–	–	–	73,559
Leopoldo Zambeletti[6]	42,396	2,087	–	–	–	–	44,493
Valerie Andrews[7]	42,159	1,626	–	–	–	–	43,785
David Wurzer[6]	48,260	584	–	–	–	–	48,844
Robert W. Duggan[8]	–	–	–	–	–	–	–
Manmeet Soni[8]	–	–	–	–	–	–	–
Elaine Stracker[8]	–	–	–	–	–	–	–
Ventzislav Stefanov[8]	–	–	–	–	–	–	–
	497,958	**10,973**	**2,000**	**–**	**–**	**23,151**	**534,082**

Year ended 31 January 2019	Salaries and fees £	Taxable benefits[1] £	Short-term incentives[2] £	Restricted Stock Unit[3] £	Share options[4] £	Pension contributions[5] £	Total £
Executive							
Glyn Edwards	313,635	1,577	313,635	–	–	21,432	650,279
Non-Executive							
Frank Armstrong[6]	75,000	3,519	–	146,749	–	–	225,268
Leopoldo Zambeletti[6]	40,278	582	–	68,483	–	–	109,343
Valerie Andrews[7]	58,378	1,101	–	68,483	–	–	127,962
David Wurzer[6]	50,796	1,911	–	68,483	–	–	121,190
Barry Price[9]	24,125	2,161	–	34,829	–	–	61,115
Stephen Davies[9]	27,889	–	–	34,829	–	–	62,718
	590,101	**10,851**	**313,635**	**421,856**	**–**	**21,432**	**1,357,875**

(1) For the Executive Director, taxable benefits comprise healthcare insurance premiums. Amounts included are based on the taxable benefits reported to HM Revenue and Customs ('HMRC') in the financial year to which they relate. For Non-Executive Directors the taxable benefits comprise travel costs (and associated income tax and National Insurance Contributions ('NIC') which were settled on behalf of the Non-Executive Directors) for attendance at Board meetings. Amounts included are based on the taxable benefits reported in the eleven-months ended 31 December 2019 to HMRC.

(2) Short-term incentive amounts are derived from awards made under the annual bonus plan. The amount receivable in respect of the financial year ending 31 January 2019 amounts to 100% of salary and was due to the achievement of clinical, research, financial and commercial goals, and individual performance. Further details of these goals and their respective weightings are set out on page 29. The amount received in the eleven-months ending 31 December 2019 was a nominal amount awarded in respect of the executive's personal performance and was paid in cash in January 2020.

(3) Amounts reflect the value on the date of the award of RSUs granted during the year in the form of nominal cost options that vest 12 months following the date of grant. There are no performance conditions.
Year ended 31 January 2019: RSUs were granted on 20 April 2018 and 11 January 2019. In each case, the award is in the form of nominal cost options equivalent to the amount of the annual basic fee payable to the NED, less the exercise price. The amounts are calculated according to the share price at the date of each grant (using a share price of 205 pence on 20 April 2018 and a share price of 26 pence on 11 January 2019) less the exercise price per share (1 penny per share for both of the grants). The grant on 20 April 2018 was for 2018 fees and the grant on 11 January 2019 was for 2019 fees. The awards granted on 20 April 2018 vested on 20 April 2019 and have been fully exercised. The awards granted on 11 January 2019 vested on 11 January 2020 and have now been in exercised in part.

(4) No performance-based share options vested in respect of the period and year ended 31 December 2019 or 31 January 2019.

(5) Pension contributions are the amount paid to the Director in lieu of employer pension contributions.

(6) Frank Armstrong, Leopoldo Zambeletti and David Wurzer resigned their directorships on 24 December 2019. The figures in the table above reflect their remuneration earned from 1 February 2019 to 24 December 2019. In accordance with the Remuneration Policy, Frank Armstrong, Leopoldo Zambeletti and David Wurzer retained their unvested RSUs that had been granted on 11 January 2019. The RSUs became capable of exercise on 11 January 2020, the first anniversary of their date of grant.

(7) Valerie Andrews resigned her directorship on 11 October 2019. The figures in the table above reflect her remuneration earned from 1 February 2019 to 11 October 2019. In accordance with the Remuneration Policy, Valerie Andrews retained her unvested RSUs granted on 11 January 2019. The RSUs became capable of exercise on 11 January 2020, the first anniversary of their date of grant.

(8) Robert W. Duggan, Manmeet Soni, Elaine Stracker and Ventzislav Stefanov joined the Board on 24 December 2019. No fees have been recognised in respect of them during the period to 31 December 2019.

(9) Barry Price and Stephen Davies resigned their directorships on 20 September 2018. The figures in the table above reflect their remuneration earned from 1 February 2018 to 20 September 2018. In accordance with the Remuneration Policy, Barry Price and Stephen Davies retained their unvested RSUs granted on 24 October 2017 and 20 April 2018. The RSUs became capable of exercise on the first anniversary of their respective grant dates and have now been exercised.

IMPLEMENTATION OF REMUNERATION POLICY FOR THE CHIEF EXECUTIVE OFFICER IN THE CURRENT PERIOD

Base salary, pension and benefits changes during the financial period (subject to audit)

The Remuneration Committee awarded Glyn Edwards, the former Chief Executive Officer, an increase to base salary of 3%, effective from 1 February 2019, taking base salary for the period ended 31 December 2019 to £323,044 per annum from £313,635 for the year ended 31 January 2019. This increase was in line with the wider employee population. In addition, in line with our Remuneration Policy and as detailed in the Annual Report on Remuneration for the year ended 31 January 2019, the pension contribution for Mr Edwards was increased to 8% of base salary, effective from 1 April 2019. This followed a market competitive review undertaken in November 2017 and is in line with all other Summit UK employees. Mr Edwards chose to receive this as a cash amount.

Short-term incentive payments made during the financial period (subject to audit)

Corporate goals are adopted each year in connection with establishing the business plan for the year in order to advance the overall long-term strategy of the Company. Performance against these corporate goals is measured at the end of the year and is the main factor used to determine the award of any short-term incentive payment to the Executive Director. For the performance period ended 31 December 2019, the Board of Directors set corporate goals in January 2019 after discussions with the senior management team.

Corporate goals were initially selected and weighted as per the table below. The Board considers details of these corporate objectives to be commercially sensitive as they relate to key milestones in the progression of our clinical and preclinical programmes. The Company will disclose these objectives and performance measures in a future Remuneration Report to the extent that any disclosure does not include commercially sensitive information.

Performance goal	Weighting
Clinical development goals related to ridinilazole for CDI	30%
Research goals related to the Company's antibacterial discovery programmes	25%
Financial and Operational goals including objective related to the Company's cash position	30%
Commercial-related goals	15%
Total	**100%**

In January 2020, after the end of the performance period, the Board of Directors assessed that 35% of the corporate goals had been achieved. They also considered the relative weighting of the objectives and determined that the weighting for the clinical advancement of ridinilazole was too low compared to its importance to the success of the Company. Therefore, as allowed by the Remuneration Policy, the Committee exercised its discretion to determine an annual bonus of 0% of base salary for Mr Edwards, the former Chief Executive Officer, in respect of the achievement of corporate goals for the performance period ended 31 December 2019. However, in December 2019 the Board did award a nominal amount of £2,000 in respect of the former executive's personal performance during the year. This was paid in cash in January 2020.

Long-term incentive awards during the financial year (subject to audit)

On 29 March 2019, Summit made an annual grant of share options to all employees, including the former Chief Executive Officer.

Details of the share options granted to the former Chief Executive Officer on 29 March 2019 are set out below.

Number of shares	Face value at grant[1]	Exercise price	Performance period
3,000,000	£825,000	27.5p	3 years

(1) Calculated based on the number of share options granted multiplied by the mid-market closing share price on the grant date.

These share options vest on an all-or-nothing basis on the third anniversary of the data of grant, subject to the achievement of specific performance conditions based on meeting strategic milestones. The Company considers the details of these performance conditions to be commercially sensitive and therefore is not disclosing them at this time. Further details regarding the performance conditions and targets will be disclosed when they cease to be commercially sensitive, and the Committee will confirm such timing once it has been determined.

There were no awards that vested during the year.

Payments to past Directors (subject to audit)

Other than as stated herein, there were no payments to past Directors made during the period ending 31 December 2019.

Payments for loss of office (subject to audit)

There were no payments for loss of office during the period ending 31 December 2019.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (SUBJECT TO AUDIT)

The table below details the total number of shares owned by the Directors and their connected parties, the total number of share options held with and without performance conditions, the number of share options vested but not yet exercised, and those exercised during the period as of 31 December 2019 (or as at 24 December 2019 for Frank Armstrong, Leopoldo Zambeletti and David Wurzer and 11 October 2019 for Valerie Andrews).

The Company does not have a formal policy on Director shareholdings.

	Shares	Unvested with performance conditions	Unvested without performance conditions	Vested not yet exercised	Exercised during the year	Total (shares, options and RSUs)
Executive[1]						
Glyn Edwards	835,808	5,375,309	–	409,959	–	6,621,076
Non-Executives						
Robert W. Duggan[5]	244,445,255	–	–	–	–	244,445,255
Elaine Stracker[5][6]	–	–	1,000,000	–	–	1,000,000
Manmeet Soni[5][6]	–	–	1,000,000	–	–	1,000,000
Ventzislav Stefanov[5][6]	74,500	–	1,000,000	–	–	1,074,500
Frank Armstrong[2][3]	158,789	–	325,046	–	36,585	520,420
Leopoldo Zambeletti[2][3]	33,052	–	151,688		17,073	201,813
David Wurzer[2][3]	63,196	–	151,688		17,073	231,957
Valerie Andrews[2][4]	66,196	–	151,688	–	17,073	234,957
	245,676,796	**5,375,309**	**3,780,110**	**409,959**	**87,804**	**255,329,978**

(1) Glyn Edwards is granted share options awards.
(2) The former Non-Executives Directors were granted RSUs in the form of nominal cost options.
(3) Frank Armstrong, Leopoldo Zambeletti, and David Wurzer stepped down from the Board on 24 December 2019.
(4) Valerie Andrews stepped down from the Board on 11 October 2019.
(5) Appointed to the Board on 24 December 2019.
(6) Elaine Stracker, Manmeet Soni and Ventzislav Stefanov were granted share options on 23 December 2019 prior to joining the Board.
(7) It should be noted that Mr Duggan holds warrants to subscribe for 24,923,555 ordinary shares and Dr Stracker holds warrants to subscribe for 2,099,207 ordinary shares each at an exercise price of 24.3 pence. Mr Duggan was granted warrants as part of the subscription and placing to raise $50 million that closed on 24 December 2019. On 7 February 2020, Dr Stracker was assigned the warrants for no consideration from Maky Zanganeh and Associates. The Company has a consultancy agreement with MZA where Dr Stracker is General Counsel and Senior Vice President for Corporate Development.

The interests of the current Directors in the Company's share options for the eleven-months ended 31 December 2019 were as follows:

Director	Date of grant	1 February 2019	Granted during the period	Exercised during the period	Surrendered during the period	**31 December 2019**	Price per share (p)	Date from which exercisable	Expiry date
Glyn Edwards	10-May-12	150,046				**150,046**	60.0	Note (i)	10-May-22
	31-Jan-13	72,973				**72,973**	20.0	Note (ii)	31-Jan-23
	18-Dec-13	76,364				**76,364**	20.0	Note (iii)	18-Dec-23
	23-Jun-16	110,576				**110,576**	1.0	Note (iv)	23-Jun-26
	19-Oct-18	2,375,309				**2,375,309**	29.5	Note (v)	19-Oct-28
	29-Mar-19		3,000,000			**3,000,000**	27.5	Note (vi)	29-Mar-29
		2,785,268	**3,000,000**	–		**5,785,268**			
Robert W. Duggan	–	–	–	–	–	–	–	Note (vii)	–
Elaine Stracker	23-Dec-19	1,000,000					21.0	Note (viii)	23-Dec-29
		1,000,000							
Manmeet Soni	23-Dec-19	1,000,000					21.0	Note (viii)	23-Dec-29
		1,000,000							
Ventzislav Stefanov	23-Dec-19	1,000,000					21.0	Note (viii)	23-Dec-29
		1,000,000							

(i) These options vested and became exercisable on 10 May 2015 following the satisfaction of the performance conditions relating to share price.
(ii) These deferred bonus options vested and became exercisable on 31 July 2013. These options were awarded as a bonus for the financial year ended 31 January 2013.
(iii) These deferred bonus options vested and became exercisable on 18 June 2014. These options were awarded as a bonus for the financial year ended 31 January 2014.
(iv) These deferred bonus options vested and became exercisable on 21 July 2016. These options were awarded as a part settlement of the bonus for the financial year ended 31 January 2016.
(v) These options are subject to achievement of performance conditions pertaining to corporate and programme development milestones. These options will vest on 19 October 2021 if the performance condition is met on or before that date.
(vi) These options are subject to achievement of performance conditions pertaining to corporate and programme development milestones. These options will vest on 29 March 2022 if the performance condition is met on or before that date.
(vii) Robert W. Duggan has neither been awarded, nor holds, any share options.
(viii) These options will vest in four equal instalments commencing on the first anniversary of the grant.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (SUBJECT TO AUDIT) CONTINUED

The interests of the former Directors in the Company's restricted stock units for the eleven-months ended 31 December 2019 were as follows:

Director	Date of grant	1 February 2019	Granted during the period	Exercised during the period	**31 December 2019**	Price per share (p)	Date from which exercisable	Expiry date
Frank Armstrong	20-Apr-18	36,585		(36,585)	–	1.0	Note (i)	31-Dec-19
	11-Jan-19	288,461		–	288,461	1.0	Note (ii)	31-Dec-20
		325,046	**–**	**(36,585)**	**288,461**			
Leopoldo Zambeletti	20-Apr-18	17,073		(17,073)	–	1.0	Note (i)	31-Dec-19
	11-Jan-19	134,615			134,615	1.0	Note (ii)	31-Dec-20
		151,688	**–**	**(17,073)**	**134,615**			
Valerie Andrews	20-Apr-18	17,073		(17,073)	–	1.0	Note (i)	31-Dec-19
	11-Jan-19	134,615			134,615	1.0	Note (ii)	31-Dec-20
		151,688	**–**	**(17,073)**	**134,615**			
David Wurzer	20-Apr-18	17,073		(17,073)	–	1.0	Note (i)	31-Dec-19
	11-Jan-19	134,615			134,615	1.0	Note (ii)	31-Dec-20
		151,688	**–**	**(17,073)**	**134,615**			

(i) This award was exercised by all Non-Executive Directors during the period.
(ii) This award vested on 11 January 2020 and will expire on 31 December 2020.

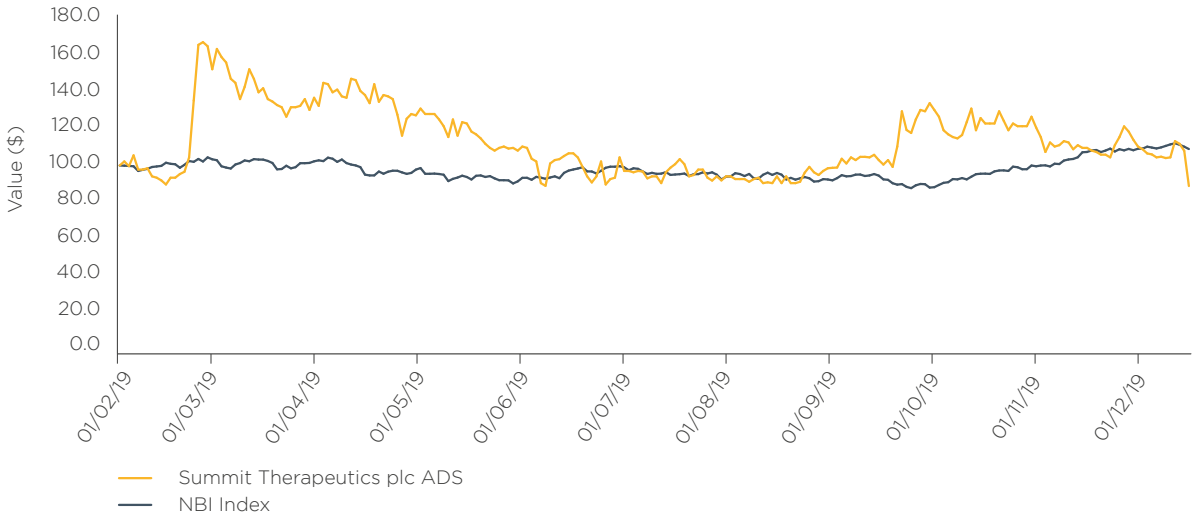
These RSUs are in the form of nominal cost options with no performance conditions and no risk of forfeiture. These RSUs vest and become exercisable on the first anniversary of the date of grant. The amount awarded represents a face value of one times the base fee for each Director. The amount represented in the table is the face value of the award calculated on the day of the award (which can differ slightly to the point at which the amount was calculated if the award was made the following day) minus the exercise price of one penny per share.

The remainder of the Annual Report on Remuneration is not subject to audit.

TOTAL SHAREHOLDER RETURN

The graph below shows the daily movements, by 31 December 2019, of $100 invested in Summit Therapeutics plc American Depository Shares ('ADS') on 5 March 2015 compared with the value of $100 invested in the Nasdaq Biotech Index.

The Company has chosen to use the Nasdaq Biotech Index because it is the most suitable comparator index for US-listed shares in the Company's sector.



Due to the cancelling of its ordinary shares to trading on AIM on 24 February 2020, the Company has not included a performance comparator chart for an AIM index in this year's Remuneration Report.

CHIEF EXECUTIVE OFFICER TOTAL REMUNERATION HISTORY

Period ended[1]	Chief Executive Officer single figure of total remuneration	Short-term incentive pay – as a percentage of maximum	Long-term incentive vesting rates as a percentage of maximum
31 December 2019 Glyn Edwards	£323,401	1%	0%
31 January 2019 Glyn Edwards	£650,009	67%	0%
31 January 2018 Glyn Edwards	£628,629	67%	0%
31 January 2017 Glyn Edwards	£1,072,626	73%[1]	100%
31 January 2016 Glyn Edwards	£516,439	67%[2]	66%
31 January 2015 Glyn Edwards	£541,045	43%	77%
31 January 2014 Glyn Edwards	£189,817	46%[2]	100%
31 January 2013 Glyn Edwards	£133,875	20%[2]	–
31 January 2013 Barry Price[3]	£17,500	–	–

(1) Prior to December 2019, the financial year ended on 31 January. The accounting reference date was changed during 2019 to 31 December. The figures for the period ended 31 December 2019 represent an eleven-month period.
(2) The bonus awards made to Glyn Edwards for the years ended 31 January 2016, 2014 and 2013 were made in part by way of a grant of deferred bonus options.
(3) Barry Price undertook the role of Chief Executive Officer on an interim basis from November 2010 until April 2012 through his position as Executive Chairman. Glyn Edwards joined the Board as Chief Executive Officer on 4 April 2012 and Barry Price returned to his former role of Non-Executive Chairman on this date.

On 13 April 2020, Glyn Edwards resigned as Chief Executive Officer with Robert W. Duggan assuming this role. Robert W. Duggan has elected not to take remuneration for performing this role.

PERCENTAGE CHANGE IN REMUNERATION OF THE DIRECTOR UNDERTAKING THE ROLE OF CHIEF EXECUTIVE OFFICER

The table below shows the percentage change in remuneration of the former Chief Executive Officer and the Group's employees as a whole (or a subset of employees) as set out below between the year ended 31 January 2019 and the eleven-months ended 31 December 2019. Employees, unless otherwise indicated, includes all employees who were employed on a like for like basis in both of the financial years under comparison.

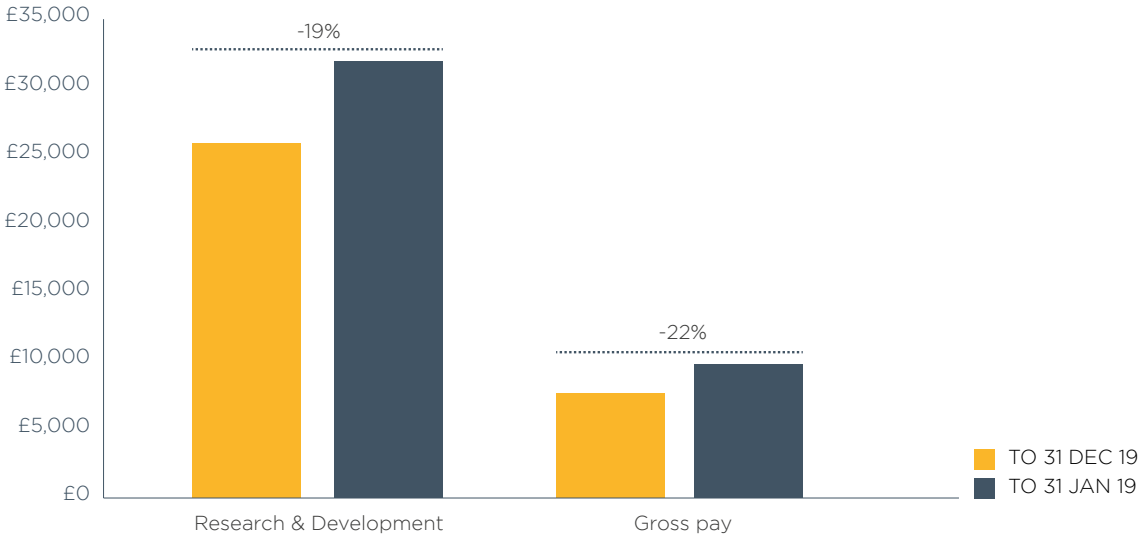
	Percentage increase or decrease in remuneration in the eleven-months ended 31 December 2019 compared with remuneration in the year ended 31 January 2019	
	Former Chief Executive Officer	All UK employees
Basic salary[1]	-5%	-16%
Short-term incentives[2]	-99%	-52%
Taxable benefits[3]	18%	35%

(1) The Committee awarded the former Chief Executive Officer a cost of living increase to base salary of 3% which took effect from 1 February 2019. The difference of the percentage increase for the former Chief Executive Officer as compared to all employees is due to a higher than normal increase being awarded to all employees in the year ending in 31 January 2019 as well as the comparison of this eleven-month period versus 12 months for the period ending 31 January 2019.
(2) The change in short-term incentives is calculated on a per head basis using UK employees only as the most appropriate comparator group due to exchange rate variations between the UK and US.
(3) The change in taxable benefits is calculated using taxable benefits to UK employees only as this is considered the most appropriate measure given that the former Chief Executive Officer resides in the UK, participating in UK benefits only, and that there are considerable market norm variations between the UK and US in terms of taxable benefits provision. This figure is calculated on a per head basis.

RELATIVE IMPORTANCE OF SPEND ON PAY

The Committee considers the Group's research and development expenditure relative to gross pay for all employees, as reported in the Consolidated Statement of Comprehensive Income, to be the most appropriate metric for assessing overall spend on pay due to the nature and stage of the Group's business.

The graph below illustrates the gross pay to all employees per year as compared to research and development expenditure and the change. The figures below are based on the eleven-months ending 31 December 2019, as compared to the year ending 31 January 2019.



Dividend distribution and share buy-back comparators have not been included as there have been no transactions of this nature in the Group.

STATEMENT OF VOTING AT THE ANNUAL GENERAL MEETINGS

Voting is held at our annual general meeting and is conducted through a show of hands by shareholders who are in attendance at the meeting and by votes that are lodged by proxy in advance of the meeting.

The following table sets out votes cast by proxy in respect of the resolutions to approve the Directors' Remuneration Report (at the annual general meeting held on 19 June 2019) and Directors' Remuneration Policy (at the annual general meeting held on 18 July 2017):

	For (including discretionary votes)	Against	Total votes cast (excluding votes withheld)	Votes withheld(i)	Total votes cast (including votes withheld)
To approve the Remuneration Report % of votes cast	90,465,325 83.21%	18,259,674 16.79%	108,724,999	8,014,656	116,739,655
To approve the Remuneration Policy % votes cast	39,428,050 99.72%	111,321 0.28%	39,539,371	8,721	39,548,092

(i) A vote that is withheld does not constitute a vote in law and has not therefore been included in the totals above.

STATEMENT OF THE IMPLEMENTATION OF THE POLICY FOR THE YEAR ENDING 31 DECEMBER 2020

The Policy was approved by the Company's shareholders at the 2017 annual general meeting. A new Policy will be proposed and voted upon by shareholders at the 2020 AGM. The new Policy can be found on pages 35 to 44. The Group retains the right to make any payments per contractual arrangements with Executive Directors that were entered into prior to the approval of the Policy.

Fixed elements of remuneration

With effect from 1 February 2020, the base salary of the Chief Executive Officer, Glyn Edwards, was £330,474. Pension contributions for Mr Edwards remained at 8% of base salary. Any increases to fixed elements of remuneration are in line with those of the Summit UK employee population. On 13 April 2020, Mr Edwards resigned as Chief Executive Officer with Mr Duggan assuming this role; Mr Duggan will not receive any salary or pension contributions.

On 13 April 2020 and 17 April 2020, Dr Elaine Stracker and Dr Ventzislav Stefanov were appointed to executive officer roles. The base salary of Dr Elaine Stracker and Dr Ventzislav Stefanov will be $450,000 with contributions to benefits, including pensions in line with those of the wider employee population and in accordance with the approved Remuneration Policy. From these dates, they will no longer receive compensation related to being Non-Executive Directors.

VARIABLE ELEMENTS OF REMUNERATION

Short-term incentives

In early 2021, the Remuneration Committee will assess Executive Directors' performance against pre-determined objectives to determine whether any annual bonus is payable.

The annual bonus will be based on corporate goals. The corporate goals for the performance year ending 31 December 2020 were established in January 2020. These goals are weighted approximately 80% for the clinical advancement of ridinilazole, 5% for advancement of our research objectives related to our infectious diseases pipeline programmes, 5% for CMC activities, 5% for regulatory activities and 5% for corporate/finance related activities reflecting the stage of development of ridinilazole. The Board has determined that the assigned weighting for the clinical objectives may be increased in the event that patient enrolment into the clinical studies is delivered to time such that the maximum opportunity is greater than 100%. The bonus opportunity of the Executive Directors is 45% of their base salary.

The Board currently considers more detailed information about these future objectives to be commercially sensitive, as they relate to the organisation's strategy with regard to advancement of its key clinical and preclinical programmes. The Company will disclose objectives and performance measures in a future Remuneration Report to the extent that any disclosure does not include commercially sensitive information.

Long-term incentives

The Company anticipates that long-term incentives for 2020 will be awarded at the earliest opportunity.

Awards made to the Executive Directors will be within the framework of the Policy in effect at the time of the award, details of which will be disclosed in the necessary Regulatory Information Service announcement, and in the Annual Report on Remuneration for the year ending 31 December 2020.

OTHER REMUNERATION-RELATED ASPECTS

Chairman and Non-Executive Director fees

The Committee periodically reviews the fees of our Chairman and other Non-Executive Directors in line with the Policy. Any increases to fees are effective from the date of approval by the Board. The last such review took place in March 2020, at which time fees were converted into dollar amounts to reflect the majority US residency of the Board, and the delisting from AIM. In addition, fees for the chair of the Audit Committee were increased to reflect the nature of the role. The Executive Chair does not receive any fees.

The table below shows the annual cash fees currently payable to our Non-Executive Directors.

Board fee structure	
Non-Executive Director base fee	£42,000
Committee Chair – Audit	£33,000
Committee Chair – Remuneration/Nominating and Corporate Governance Committee	£12,000
Committee member	£6,000

Non-Executive Director non-cash fees

In addition to cash fees, Non-Executive Directors also receive an annual grant of either RSUs or market value share options. The RSUs are in the form of nominal-cost options. The RSUs and share options have a one-year vesting period. There are no performance conditions attached to these awards and there is no risk of forfeiture.

REMUNERATION POLICY

The information provided in this part of the report is not subject to audit.

The Remuneration Policy ('Policy') provides a framework for execution of the Company's remuneration strategy. The current Policy was approved by shareholders at the AGM held on 18 July 2017 ('2017 AGM') and has been in effect since that date. A new Policy will be proposed and voted upon by shareholders at the 2020 AGM. The proposed new Policy can be found on the following pages. There are certain changes between the current Policy in effect and the proposed new Policy.

The Policy aims to establish remuneration programmes that provide an appropriate mix of rewards, incentives and benefits balanced across fixed and variable pay as well as short- and long-term performance.

Summit Therapeutics' remuneration philosophy

Summit aims to create value through the advancement of its drug development programmes, to deliver innovative new therapies to patients with serious unmet medical needs. To do this, the Company must maintain a remuneration policy which:

- attracts suitably qualified Executive and Non-Executive Directors with appropriate drug development and commercialisation experience, and retains this talent within the business;
- incentivises and rewards the execution of the Company strategy; and
- promotes long-term growth and sustainability.

To achieve this, the Company's Remuneration Policy and programmes aim to:

- compete effectively in the talent market;
- pay for performance by rewarding achievement of objectives which deliver real value creation;
- align Directors' long-term interests with those of other shareholders;
- be weighted heavily toward equity elements to conserve cash needed to advance the clinical programmes; and
- provide flexibility in the amounts payable under the Company's remuneration programme to accommodate potential growth in both the size and complexity of the business as it seeks to become a fully integrated biopharmaceutical Company.

Summit believes it can achieve its aims through a remuneration programme that connects the types and levels of pay to the achievement of our short-term and long-term objectives. Accordingly, for Executive Directors, our remuneration programme includes:

- a market-based base salary and benefits package;
- short-term (annual) performance-based incentives awarded for the achievement of corporate goals and individual performance, payable in cash, equity, or a combination of both; and
- long-term performance-based incentives that align the Executive Director's interests with shareholders structured as equity awards with performance conditions in line with the Company's longer-term strategy (unless the Board determines the award shall not be subject to performance conditions).

Committee processes and decision making

The Remuneration Committee (the 'Committee') considers recommendations from management only in determining overall remuneration levels for the wider employee population; management has no involvement in decisions determining its own remuneration.

The Committee carefully considers shareholder feedback when determining remuneration for Executive and Non-Executive Directors. The Committee commits to continuing to engage with shareholders to aid future development of the Directors' Remuneration Report and overall Remuneration Policy.

Factors considered in determining amounts to be paid

In determining remuneration for Executive Directors, the Committee considers remuneration as a whole, aiming for a balance between the elements of compensation, and weighting toward variable performance-based and equity (non-cash) elements. The Committee takes account of the seniority and experience of Executive Directors, and their short-term and long-term performance record, as well as relative levels of internal remuneration to maintain the integrity of organisational structure. Shareholder feedback may inform the Committee's decision-making process.

External comparisons

In determining overall remuneration levels, the Committee periodically considers remuneration paid in similar companies as reference points. The Committee aims to undertake this review once every three years, unless a change to the organisation's size, life cycle or structure justifies an earlier review. The Company's review of peer data is not the single determining factor upon which remuneration decisions are made, but rather helps to ensure that remuneration remains fair and reasonable overall. The relative compensation of both UK and US peers forms a part of this.

Elements of executive compensation

Base salary, pension and benefits

Summit aims to provide a base salary and benefits package to attract and retain highly skilled and experienced Executive Directors.

Elements of executive compensation continued

Annual bonus

The Company has a performance-based short-term (annual) bonus programme, which rewards achievement of Company goals and individual performance. The Committee sets stretching strategic goals at the start of the performance year which are aligned with overall Company and shareholder interests.

The annual Company goals are chosen on the basis of objective milestones related to a combination of progression of the Company's drug programmes, maintenance of financial strength and advancement and management of the organisational capability required to support successful development of the drug programmes.

The Committee assesses the achievement of the strategic goals at the end of the performance year, and a percentage bonus is determined. The bonus depends on the proportion of the strategic goals achieved, the relative importance of the strategic goals achieved and individual performance. The Committee retains the discretion to make adjustments for exceptional achievement of stretch targets or exceptional performance.

Each year, as far as they are not commercially sensitive, the prior year's strategic goals will be retrospectively published in the annual report.

Long-term incentives ('LTIs')

Long-term incentives are designed to align Executive Directors' interests with those of shareholders. This promotes long-term value generation and responsible management. Summit's LTI Plan for Executive Directors represents a significant element of their total remuneration but such gains will only be realised in the event that the Company value increases.

LTIs are granted in the form of share options and have a three-year vesting period (unless a different vesting period is determined by the Board), subject to the completion of performance conditions (unless the Board determines the award shall not be subject to performance conditions). If the performance conditions are not met, the awards lapse at the end of the applicable vesting period.

Strategic milestones, such as the reporting of clinical trial data or maintaining the Company's financial strength, have been chosen as performance conditions to align executive remuneration to Company strategy and ensure that the management team are focused on significant value generating milestones which will have potential to create long-term Company growth.

Chairman and Non-Executive Director fees

The Chairman and Non-Executive Directors are selected based on the skills and experience they can bring to the Company relative to the stage of the Company's development. To attract suitably qualified and experienced directors, the Company recognises that it must remain competitive on fees. For this reason, Chairman and Non-Executive Director fees are periodically reviewed against the selected comparator group (as described above).

In addition to cash fees, Non-Executive Directors also receive an annual grant of restricted stock units ('RSUs') or share options. The RSUs or share options have a one-year vesting period and no performance conditions. The RSUs are granted in the form of nominal-cost options. The share options are priced based on the fair market value on the date of grant. Equity grants for Non-Executive Directors contribute to the holding of shares in the Company, ensuring Directors' interests are aligned with those of shareholders, and conserve cash in the Company, whilst permitting the flexibility to ensure that remuneration practices are sufficiently competitive. The RSU or share option award is usually made as early in the year as permitted.

REMUNERATION POLICY TABLE

The tables below set out the proposed Remuneration Policy that will be voted on by shareholders at the 2020 AGM. If approved, the Policy will be in effect for three years from that date, unless or until a new policy is approved by shareholders.

There are certain changes between this proposed new Policy and the current Policy that was approved at the 2017 AGM.

Executive Director(s)		
Salary	**Purpose**	Recognises the skills, experience and expertise of Executive Directors required to deliver the Group's strategy, and provides the basis for a competitive remuneration package.
	Operation	• Position salary levels for Executive Directors at a level calculated to attract and retain experienced, skilled executive talent, with reference to: – relevant experience and time in the role; – compensation of similarly situated executives at companies in an appropriately constituted peer group as reviewed from time to time but not on an annual basis; – general economic environment; and – individual performance. • Salaries normally are reviewed annually. • Any salary increases normally take effect in the first quarter of the financial year.
	Maximum opportunity	• Whilst there is no salary maximum, salary increases for the Executive Directors normally are expected to be broadly in line with inflation. • The Committee will consider average salary increases for executives in an appropriate peer group and the wider workforce as well as the individual's personal performance and experience in the role. • At the Committee's discretion, higher than normal increases may be awarded to reflect changes in role size or complexity, which have resulted in salary falling below competitive market levels for the enhanced responsibilities of the role.
	Performance	Review takes account of individual performance and contribution to the Company during the year.
Pension	**Purpose**	Recruit and retain executive talent by providing market competitive pension benefits to encourage and enable executives to build savings for their retirement.
	Operation	• There is no separate pension scheme in place that covers only Executive Directors; all UK employees, including UK Executive Directors, are eligible to participate in the UK defined contribution scheme operated by the Company. • US employees and US Executive Directors are eligible to join the Summit 401k Plan. • Company contribution level is regularly reviewed against local market practices. • Executive Directors may choose to receive all or part of the Company contribution in cash. • At present, the level of employer contribution is 8% of base salary for the pension plan. • The actual level of employer contribution may be changed in the future within the stated policy maximum.
	Maximum opportunity	There is no maximum opportunity in relation to pension, however employer contributions are expected to be generally in line with those for the wider employee population in the geographic territory in which the Executive Director resides.
	Performance	N/A.

Executive Director(s) continued		
Other benefits	**Purpose**	Recruit and retain executive talent by providing other benefits in line with market practice.
	Operation	• Benefits are set in line with local market practice and will be reviewed periodically. Currently, benefits include: – life assurance; and – health insurance. • In exceptional circumstances, such as the relocation of an Executive Director, or for a new hire, additional benefits may be provided in the form of relocation allowance and benefits including tax equalisation, reimbursement of expenses for temporary accommodation, transportation, travel and legal/financial assistance, as well as the provision of any health or medical insurance in line with local market norms.
	Maximum opportunity	There is no monetary maximum given that the cost will depend on individual's circumstances; however, it will not exceed an amount the Committee considers reasonable.
	Performance	N/A.
Annual bonus	**Purpose**	Aligns incentives with the level of achievement of key annual objectives linked to the Group strategy.
	Operation	• The Committee sets objectives at the beginning of each performance year, which is aligned with the calendar year. • Annual performance measures and objectives and their relative weights are determined with reference to the Group's overall strategy and annual business plan and priorities for the year. • The Committee determines the bonus amount at the end of the performance year on the basis of the Company's performance against the pre-established objectives and the individual's performance in the year. • Clawback provisions apply (detail provided below). • At the discretion of the Committee, a portion of the bonus may be settled in the form of nominal cost options ('deferred bonus options') to deliver a balance between long-term and short-term reward. These options will normally be exercisable six months from the date of bonus determination by the Committee. There will be no restrictions on the shares acquired on exercise, although the award will be subject to clawback provisions as applicable to awards under the Company's LTIP.
	Maximum opportunity	• The 'in-line' target performance will result in a payout of 45% of salary (for achievement of 'normal' goals), and the 'maximum' target performance will result in a payout of 100% of salary (for achievement of 'stretch'/exceptional performance goals). • In exceptional circumstances (for example in a recruitment situation) the Committee may determine that the maximum bonus opportunity will be 200% of salary. • In exceptional circumstances (for example where the Committee structures cash compensation of base salary to be a nominal or low amount, with the majority of compensation in some other form such as equity) the Committee may determine the maximum bonus opportunity in its reasonable discretion.

Executive Director(s) continued		
Annual bonus continued	**Performance**	• Bonus amount is determined on the basis of performance measured at the end of the performance year against corporate goals established at the beginning of the year and in consideration of the individual's performance in the year. • The Committee sets corporate objectives at the beginning of each performance year and reviews them at the end of the performance year. • These objectives are typically weighted towards progress in our research and development programmes, as well as financial, commercial and operational objectives. • The performance measures are considered commercially sensitive by the Committee given their direct link to the business strategy and so are not disclosed to shareholders in advance. The Committee will review the sensitivity of this information following the end of the performance period with a view to sharing these with shareholders as soon as this information is no longer deemed sensitive. • Deferred bonus options granted under the annual bonus plan will not attract further performance conditions.
Long-Term Incentive Plan ('LTIP')	**Purpose**	Aligns incentives with shareholder value creation and rewards the achievement of long-term objectives linked to the Group's strategy.
	Operation	• Awards under the LTIP may take the form of performance share awards, nominal cost share options or market value share options. • The Committee will consider awards under the LTIP twice a year. • Awards will be subject to performance conditions, unless otherwise determined by the Committee. • At the discretion of the Board, awards may be settled either in ordinary shares, American Depositary Shares, or converted to a cash equivalent mirroring the value of shares at the date of vesting. • Malus and clawback provisions apply (detail provided in notes).
	Maximum opportunity	Individual grants of market-value share options in respect of any one financial year will have a face value of no more than ten times base salary. Equivalent limits apply for other types of award (reflecting that alternative awards are nil cost / free shares). The Committee anticipates that the usual awards will be lower than this maximum limit. In exceptional circumstances (for example where the Committee structures cash compensation of base salary to be a nominal or low amount, with the majority of compensation in some other form such as equity), the Committee may determine the quantum of the award in its reasonable discretion.
	Performance	• Awards will vest over a minimum period of three years (or such other period as determined by the Board), such vesting subject to the achievement of performance measures (unless the Board determines the award shall not be subject to performance conditions). • Performance measures for performance shares will be set by the Committee, normally on the basis of strategic Company objectives or strategic Company objectives in addition to growth in the Company's share price (unless the Board determines the award shall not be subject to performance conditions). • Where the Committee determines that the LTIP vesting will be based on strategic objectives, these will typically be the achievement of research and development objectives. As these typically will be commercially sensitive, the Committee is committed to disclosing such objectives once they are no longer considered to be sensitive.
All-employee plans	**Purpose**	Aligns incentives with shareholder value creation and rewards the achievement of long-term objectives linked to the Group's strategy.
	Operation	• Executive Directors will be eligible to participate in all-employee plans (such as a Save As You Earn ('SAYE') plan in the UK or an Employee Share Purchase Plan ('ESPP') in the US) on the same basis as other employees of the Group to the extent such plans are offered to employees.
	Maximum opportunity	The maximum level of participation will be as per the relevant tax authorities' guidelines.
	Performance	None.

Executive Director(s) continued

Notes

(1) Malus and clawback provisions for annual bonus and LTIP
Annual bonus, deferred bonus options and LTIP awards granted under the 2016 Long-Term Incentive Plan are subject to malus and/or clawback provisions. These provisions apply to all grants made from 21 January 2016. Under the policy, the Board, at its discretion, may reduce or cancel, or recover all or a portion of, awards granted to Executive Directors in certain circumstances.

Under the malus provisions, in the case of unvested LTIP awards, or unvested deferred bonus options, the Company may cancel or reduce an award in circumstances including but not limited to: material misstatement of the Group's audited financial results, material failure of risk management, and serious reputational damage to the Company or material misconduct on the part of the participant.

Under the clawback provisions, in relation to vested LTIP awards or deferred bonus options, in circumstances where the Company is required to restate financial statements due to the misconduct of that Director, and that misconduct has contributed significantly to the need for restatement, the Company may require that the participant's award of vested but unexercised options be reduced or cancelled, or that the participant make a cash payment to the Company, or transfers shares to the Company where the award has already been exercised. In the case of bonus awards, the Company may require that the participant make a cash payment to the Company in repayment of some or all of the bonus award where the circumstances outlined in the clawback provisions of the LTIP apply. The clawback must be implemented within 24 months of the payment in respect of bonus awards paid in cash, or within five years of the grant date of LTIP awards, or deferred bonus options.

(2) Use of discretion
The Committee will operate the annual bonus plan and LTIP according to their respective rules and in accordance with the Nasdaq Rules where applicable. The Committee retains discretion, consistent with market practice, in a number of areas with regard to the operation and administration of these plans.

These include, but are not limited to, the following in relation to LTIP awards and deferred bonus options:

- the participants;
- the timing of grant of an award;
- the vehicle of award;
- the size of an award;
- the determination of vesting;
- discretion required in respect of assessment of performance conditions and the disapplication of time pro-rating when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends) or acceleration of vesting as an alternative; and
- the annual review of performance measures and weighting, and performance measures for the LTIP from year to year.

In relation to the annual bonus plan, the Committee retains discretion over:

- the participants;
- the timing of grant of a payment;
- the determination of the bonus payment;
- dealing with a change of control;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen; and
- the annual review of performance measures and weighting, and performance measures for the annual bonus plan from year to year.

In relation to both the Company's LTIP and annual bonus plan, the Committee retains the ability to adjust the performance objectives and/or set different measures if events occur (e.g. material acquisition and/or divestment of a Group business) which cause the Committee to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration.

Non-Executive Directors ('NED')		
Fees	**Purpose**	Allows the Company to attract and retain NEDs of a high calibre and with experience in the Company's markets.
	Operation	• NEDs receive basic fees with additional fees paid for Board committee chairmanships and participation. • Should the Committee so determine, NEDs' basic and additional fees may be paid in the form of shares and not cash. • Fee levels take into account market practice, the required time commitment, and expectation of responsibilities for each NED role. • Fees will be reviewed by the Committee periodically and with regard to market comparatives. • NEDs are not eligible to participate in the annual bonus plan and do not receive other benefits or pensions.
	Maximum opportunity	Value of aggregate fees will not exceed £850,000 in any given year.
	Performance	N/A.
Taxable benefits	**Purpose**	To reimburse reasonable travel costs for attendance at Board meetings.
	Operation	NEDs receive all reasonable travel costs in connection with attendance at Board meetings.
	Maximum opportunity	All expenses will be borne where the Committee considers that these are reasonable. In addition, the Company bears the income tax and social security costs in respect of these benefits on behalf of the NEDs.
	Performance	N/A.
Restricted Stock Units ('RSUs')	**Purpose**	Strengthen NEDs' alignment to shareholder interests through ownership of Company shares and align UK and US market practice for NED equity grants.
	Operation	Granted annually, with a one-year vesting period in the form of nominal-cost options.
	Maximum opportunity	N/A.
	Performance	RSU grants are subject to no performance conditions.
Share options	**Purpose**	To reflect US market practice, supporting the recruitment and retention of our NEDs with US market experience and expertise, and strengthen NEDs' alignment to shareholder interests through ownership of Company shares.
	Operation	The Remuneration Committee retains the discretion to award share options to Non-Executive Directors (for example, a one-time award of share options on appointment).
	Maximum opportunity	N/A.
	Performance	Share options awarded to NEDs will not be subject to any performance conditions.

ARRANGEMENTS MADE BEFORE THE POLICY CAME INTO EFFECT

Arrangements that were entered into prior to the date when the Policy came into effect are being allowed to continue. This included arrangements with respect to base salary and benefits, relocation, short-term incentives and long-term incentives. In the event of internal promotion, arrangements entered into prior to promotion will be permitted to continue. This includes arrangements with respect to base salary and benefits, relocation, short-term incentives and long-term incentives that were awarded before the effective date of promotion.

For the avoidance of doubt, Non-Executive Directors are not eligible to participate in the annual bonus plan and do not receive other benefits or pensions but may receive additional remuneration in the form of shares or RSUs (as set out above).

RECRUITMENT POLICY

The remuneration package for any new Executive Director will be set in accordance with the terms of the Policy at the time of appointment (including salary, pension, benefits, annual bonus and long-term incentives). It is recognised that in order to attract and recruit talented individuals, the recruitment remuneration policy needs to maintain sufficient flexibility. The Committee therefore reserves the ability, in recruitment circumstances, to offer an annual bonus equivalent to a maximum of 200% of basic salary, subject to Committee discretion as set forth in the Policy. Any award under the LTIP will be limited to a maximum in respect of any financial year of ten times basic salary for a grant of market value options, when calculated at face value on the date of grant, or an equivalent level for other awards, subject to Committee discretion as set forth in the Policy.

To facilitate recruitment, the Committee may offer additional cash and/or share-based remuneration to take account of and compensate for remuneration that the Director is required to relinquish when leaving a former employer. Where possible, the Committee would look to award this under the existing LTIP. The Committee will seek to structure any such replacement awards to be no more generous overall in terms of quantum or vesting than the award to be forfeited from the previous employer and will take into account the timing, form and performance requirements of the awards forgone. The Committee also retains the discretion to award such share-based remuneration as it considers reasonable to recruit appropriate Directors.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role will be allowed to pay out according to its terms. In addition, any other contractual remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the Company will provide reasonable relocation support.

In all cases, the Committee will ensure that decisions made are in the best interests of the Company.

Where it is appropriate to offer a below market salary on the appointment of a new Executive Director, the Committee will have the discretion to award higher percentage salary increases over a period of time in order to transition the Executive Director to a market standard salary.

The remuneration for the appointment of any Non-Executive Directors will be set in accordance with the prevailing Policy and no additional payments will be made.

POLICY ON PAYMENTS FOR LOSS OF OFFICE

There is no automatic entitlement to any bonus payment, or proportion thereof, upon loss of office; however, the Committee may exercise its discretion to make such a payment, taking into consideration performance to the date of cessation of employment and time in role in that calendar / performance year. Any bonus paid will be time pro-rated unless, at the discretion of the Committee, it is deemed appropriate to award a full bonus (for example in cases of cessation by way of death, illness, injury, disability, or retirement).

Whether any LTIP awards or deferred bonus options would vest and be exercisable upon loss of office would be subject to the Plan Rules under which such award was granted, which allow vesting and exercise of awards in the event of death, retirement, ill-health, injury, redundancy, change of control and any other reason at the discretion of the Committee. The Committee retains discretion to determine the extent to which the award will vest, taking into consideration the circumstances, unless the Committee determines otherwise, whether any performance condition has been met. Awards that have vested will normally be pro-rated for service unless the Committee determines otherwise. In cases of cessation of employment that are not considered to qualify for treatment as a good leaver, all unvested awards shall lapse.

The Committee reserves the right to make payments it considers reasonable under a compromise or settlement agreement, including payment or reimbursement of reasonable legal and professional fees, and any payment in respect of statutory rights under employment law in the UK or other jurisdictions. Payment or reimbursement of reasonable outplacement fees may also be provided.

DIRECTORS' SERVICE CONTRACTS

It is Group policy that Executive Directors should have contracts with an indefinite term providing for a maximum of 12 months' notice.

The Non-Executive Directors have contracts which will continue until terminated by mutual agreement of the parties but can be terminated without notice by either party. Their remuneration is reviewed by the Board annually. All Directors are subject to re-election by shareholders in accordance with the Company's articles of association. If a resolution to re-elect a Non-Executive Director is not passed by shareholders, their appointment is terminated with immediate effect.

There are no other agreements which could give rise to payment in the event of loss of office.

Details of Directors' service contracts or letters of appointment are as follows:

Director	Date of contract
Executive	
Robert W. Duggan	24 December 2019
Elaine Stracker	24 December 2019
Ventzislav Stefanov	24 December 2019
Non-Executive	
Glyn Edwards	4 April 2012‡
Manmeet Soni	24 December 2019
Rainer Erdtmann	17 April 2020

‡ Glyn Edwards resigned as Chief Executive Officer on 13 April 2020 and assumed a role as a Non-Executive Director.

ILLUSTRATIONS OF MINIMUM, EXPECTED, AND MAXIMUM REMUNERATION FOR EXECUTIVE DIRECTORS

The following provides an illustration of the potential remuneration for Executive Directors for the year ending 31 December 2020 under the proposed Remuneration Policy outlined above under the following three scenarios:

Minimum: fixed elements of remuneration

This scenario is illustrative only and is not expected to be a prediction of remuneration for Executive Directors for the financial year ending 31 December 2020.

This scenario assumes that the latest known current basic salary of $450,000 will be earned in the financial year ending 31 December 2020.

The value of benefits receivable for the year ended 31 December 2020 is assumed to be in line with the value of benefits received in the preceding full year on a per person basis. This has been calculated by dividing the benefits figure as set out in the single total figure of remuneration table on page 28 for the eleven-month period ending 31 December 2019 and multiplying this by 12.

The pension contribution receivable by the Executive Directors for the year ended 31 January 2020 is assumed to be 8% of the latest known basic salary, being $450,000.

No short-term incentive payments are assumed.

No vesting of long-term equity-based incentives has been assumed.

Performance in line with expectations

This scenario is illustrative only and is not expected to be a prediction of remuneration for Executive Directors for the financial year ending 31 December 2020.

Fixed elements of remuneration as set out above, plus:

Short-term incentive payment is taken to be 45% of basic salary, being the current best estimate of the average bonus likely to be awarded by the Committee in years when performance is in line with expectations.

This scenario assumes a normal long-term incentive award with a face value of six times basic salary. For this illustration, we have multiplied the face value by one third to reflect the average fair value, which is in line with the recommendation given by the Financial Reporting Council's Lab project report, dated March 2013.

ILLUSTRATIONS OF MINIMUM, EXPECTED, AND MAXIMUM REMUNERATION FOR EXECUTIVE DIRECTORS CONTINUED

Maximum remuneration receivable

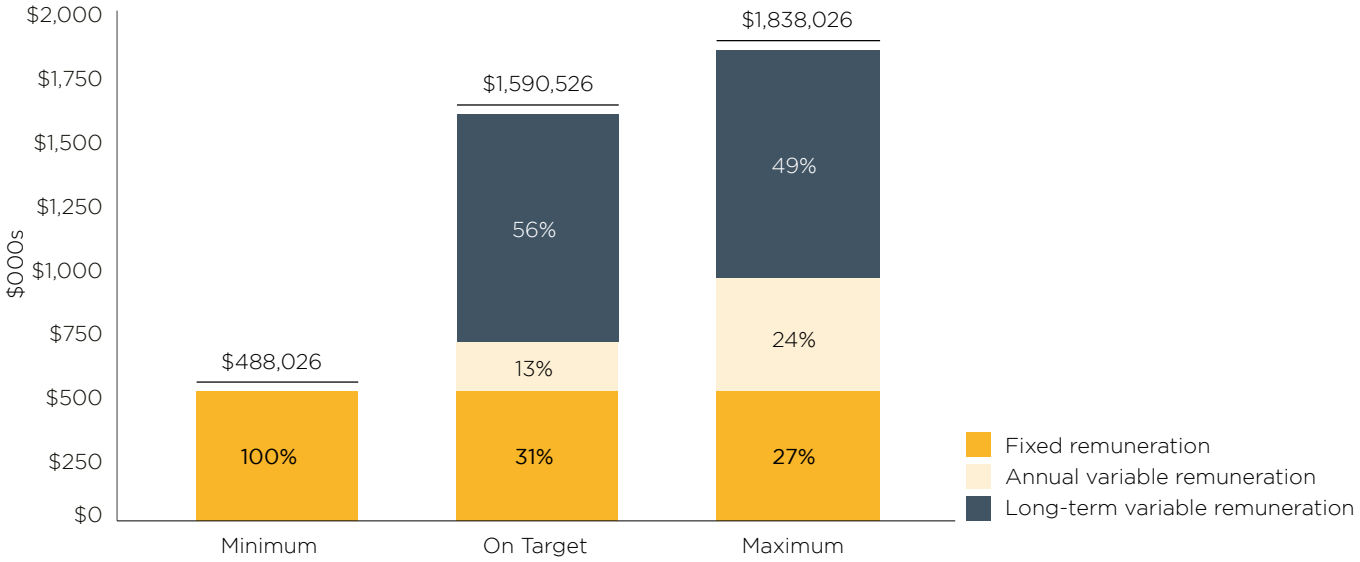
This scenario is illustrative only and is not expected to be predictive of remuneration for Executive Directors for the financial year ending 31 December 2020.

Fixed elements of remuneration as set out above, plus:

The maximum level of short-term incentive payment is assumed to be equivalent to 100% of basic salary.

This scenario assumes a normal long-term incentive award with a face value of six times basic salary. For this illustration, we have multiplied the face value by one third to reflect the average fair value, which is in line with the recommendation given by the Financial Reporting Council's Lab project report, dated March 2013.

Executive Directors (excluding Chief Executive Officer)



The Chief Executive Officer is not taking any remuneration from the Company.

The long-term remuneration shown in the graph above illustrates the potential 'Face Value' of equity shares that could be granted and not gains made which are or could be realised by the Executive Directors.

STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

Whilst the Committee does not consult directly with employees regarding its Policy for Directors, the Committee does consider the policy for remuneration of employees within the Group.

In terms of fixed pay, when determining the Executive Directors' base salary increases, the Committee considers the base salary increases for the wider employee population.

Many employees are eligible to receive a bonus and may also be granted options under the LTIP (higher bonus percentage and LTIP opportunities are available for Executive Directors).

The Committee can confirm that the Policy has been designed with due regard to the policy for remuneration of employees within the Group.

STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

The Committee takes an active interest in shareholders' views and voting on the Directors' Remuneration Report. The Committee has consulted with shareholders to understand any concerns to allow these to be addressed if these arise.

This report was approved by the Board of Directors on 1 May 2020 and signed on its behalf by

Manmeet Soni
Remuneration Committee Chair

1 May 2020

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019

The Directors present their report and the audited financial statements for Summit Therapeutics plc ('Summit') and its subsidiaries (the 'Group') for the eleven-months ended 31 December 2019. The Company has chosen to set out some of the matters otherwise required by regulations made under section 414C of the Companies Act 2006 to be disclosed in the Strategic Report as the Directors consider they are of strategic importance to the Company.

DIRECTORS

The Directors who were in office during the period and up to the date of signing the financial statements were:

Executive

Robert W. Duggan	Chief Executive Officer and Executive Chairman (appointed Executive Chairman on 25 February 2020 and Chief Executive Officer on 13 April 2020 having been appointed Non-Executive Director on 24 December 2019)
Elaine Stracker	Executive Director (appointed 13 April 2020 having been appointed Non-Executive Director on 24 December 2019)
Ventzislav Stefanov	Executive Director (appointed 17 April 2020 having been appointed Non-Executive Director on 24 December 2019)

Non-Executive

Glyn Edwards, MBE	Non-Executive Director (after resigning as Chief Executive Officer on 13 April 2020)
Rainer Erdtmann	Non-Executive Director (appointed 17 April 2020)
Manmeet Soni	Non-Executive Director (appointed 24 December 2019)
Frank Armstrong, FRCPE, FFPM	Non-Executive Chairman (resigned 24 December 2019)
Leopoldo Zambeletti	Non-Executive Director (resigned 24 December 2019)
Valerie Andrews	Non-Executive Director (resigned 11 October 2019)
David Wurzer	Non-Executive Director (resigned 24 December 2019)

Details of the Directors' interests, share options, service contracts and letters of appointment are shown in the Directors' Remuneration Report (pages 26 to 44).

The Company maintained Directors' and Officers' liability insurance cover throughout the year and has entered into a deed of indemnity with each of the Directors and Executive Officers. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the eleven-months ended 31 December 2019 and remain in force for all current and past Directors of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

For a discussion of the principal risks and uncertainties which face Summit please see pages 16 to 20.

RESULTS AND DIVIDENDS

The Consolidated Statement of Comprehensive Income for the period is set out on page 56.

The Group's comprehensive loss for the financial period after taxation was £22,032,000 (2018/19: comprehensive profit £7,509,000 adjusted). The profit recorded for the financial year ended 31 January 2019 was primarily due to the recognition of all remaining deferred revenue related to the licence and collaboration agreement with Sarepta Therapeutics Inc., following the Group's decision to discontinue the development of ezutromid in June 2018.

The Directors do not recommend the payment of a dividend (2018/19: nil).

FINANCIAL INFORMATION

The Group produces a detailed budget and cash flow projections on an annual basis for approval by the Board. These are updated during the year as appropriate to meet the changing needs of the business. Detailed management accounts are produced on a monthly basis, with all significant variances investigated promptly. The management accounts are reviewed and commented on by the Board at the full Board meetings and are reviewed on a monthly basis by the management team.

FINANCIAL KEY PERFORMANCE INDICATORS ('KPIs')

For a review of the Group's KPIs please see page 15.

RESEARCH AND DEVELOPMENT

Details of the Group's key research and development activities can be found in the Strategic Report on pages 4 to 23. The Group spent £31,201,000 on research and development activities during the eleven-month period ended 31 December 2019 (year ended 31 January 2019: £39,182,000). Further information is also available on the Company website, www.summitplc.com.

FUTURE DEVELOPMENTS

The Group's activities, strategy and future prospects are described in the Strategic Report on pages 4 to 23.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF LIQUID RESOURCES

The Group's principal financial instrument comprises cash, and this is used to finance the Group's operations. The Group has various other financial instruments such as trade credit facilities that arise directly from its operations. The Group has a policy, which has been consistently followed, of not trading in financial instruments. The Group aims to place deposits surplus to short-term working capital requirements with a range of reputable UK-based and US-based banks and building societies. These balances are placed at fixed rates of deposit with maturities between one month and three months. The Group's treasury policy is reviewed annually. See Note 22 'Financial instruments' in the Notes to the Financial Statements for IFRS 7 disclosure regarding financial instruments.

EMPLOYEE ENGAGEMENT

The Group reports its approach to employee engagement and the Group's culture and values as part of its corporate and social responsibility section within the Strategic Report.

SUBSEQUENT EVENTS

The outbreak of infections caused by the novel coronavirus, coronavirus disease 2019 (COVID-19), was declared a pandemic by the World Health Organization ('WHO') in early 2020, and it has affected business and economy activities around the world. The Group considers this pandemic to be a non-adjusting post balance sheet event as of 31 December 2019. Given the spread of COVID-19, the range of potential outcomes for the global economy are difficult to predict at the current time. When it comes to our business, the Directors are monitoring the COVID-19 pandemic closely. The Group follows guidance from the WHO and the US Centers for Disease Control and Prevention, and abides by the requirements of local governments.

POLITICAL AND CHARITABLE DONATIONS

The Group makes no political donations however the Group continues to support charitable causes.

CORPORATE GOVERNANCE

The Directors' intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance. For the period under review, the Company adopted the principles of the Quoted Companies Alliance Corporate Governance code or QCA Code. Following the cancellation to trading on AIM of the Company's ordinary shares on 24 February 2020, Summit applies the appropriate corporate governance standards as a Nasdaq listed company.

GREENHOUSE GAS EMISSIONS

The Group reports its carbon dioxide emissions as part of its corporate and social responsibility section within the Strategic Report.

ANNUAL GENERAL MEETING ('AGM')

The date for the 2020 AGM will be announced shortly with further details to be provided to shareholders in advance of the meeting. The arrangements for the AGM may be affected by the COVID-19 pandemic and government quarantine and travel restrictions.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors for the year. A resolution to reappoint them will be proposed at the forthcoming AGM.

On behalf of the Board

Robert W. Duggan
Chief Executive Officer

1 May 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

The Directors of the ultimate parent company are responsible for the maintenance and integrity of the Group and Company's website, www.summitplc.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

Each Director in office at the date of the Directors' Report confirms that:

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

FINANCIAL STATEMENTS

The Financial Statements disclose our performance for the eleven-months ended 31 December 2019.

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMIT THERAPEUTICS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- Summit Therapeutics plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2019 and of the Group's loss and cash flows for the eleven-month period (the "period") then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2019; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the eleven-months then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the Group's and Company's ability to continue as a going concern.

At the balance sheet date, the Group held cash that the Directors believe is sufficient to support the Group's and Company's operating expenses and capital expenditure requirements for its major programmes up until 31 January 2021. The Directors have concluded that they will be able to secure sufficient financing for the Group and Company however, this financing is not committed at the date of approval of these financial statements. Management have an ability to restrict costs under a cash pressured scenario to continue their activities, although this would only be for a short period beyond 12 months from the date of approval of these financial statements. The Directors believe that they are able to carry out the necessary additional measures and that the Group and Company can continue as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements. However, there are risks associated with the matters outlined above, and these conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

The audit procedures we performed

In concluding there is a material uncertainty, our audit procedures assessed the impact of the Group's and Company's ability to raise funds on the future cash flows of the business, in particular the impact on the ability to fund clinical trial activity. We therefore performed the following procedures:

- agreed the underlying cash flow projections to Board approved forecasts, assessed how these forecasts were compiled, and assessed the accuracy of these forecasts by reviewing historic data and the contractual arrangements in place;
- assessed the reasonableness of the sensitivities applied to the forecasts, including downside scenarios;
- assessed with management their ability and willingness to restrict cost as required and raise funding through the disclosed means;
- critically assessed the adequacy of the disclosures related to the application of the going concern assumption; and
- checked the mathematical accuracy of the spreadsheet used to model future financial performance and determined whether the minimum cash balance requirements will be met.

Our audit approach

Overview

- Overall Group materiality: £1,277,000 (Year ended 31 Jan 2019: £1,445,000), based on 5% of loss before tax.
- Overall Company materiality: £1,157,000 (Year ended 31 Jan 2019: £1,121,000), based on 1% of total assets.

- We identified three significant components: Summit Therapeutics Plc, Summit (Oxford) Limited and Discuva Limited, all of which required a full scope audit because of their contribution to loss before tax.
- No component auditors supported the Group audit team which conducted all necessary audit procedures.
- These three significant components, together with other reporting components within the scope of our audit, amount to 96% of Group loss before tax and 98% of Group total assets.

- Going concern (Group and Company) – see material uncertainty section above.
- Impairment of non-current assets (Group and Company).
- Revenue and other operating income recognition (Group).
- COVID-19 (Group and Company).
- Impairment of intercompany receivables (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Impairment of non-current assets In June 2018, the Group announced that the PhaseOut DMD trial failed to meet its primary or secondary endpoints, leading to a decline in the Group's share price. The share price has not subsequently recovered and as a result this is an indicator of impairment for the Group and Company's assets, notably goodwill and intangible assets held at the Group level, and investments held at the Company level. Management have therefore performed an impairment assessment on all material goodwill, intangible assets, and investments in accordance with IAS 36. Management have assessed that the use of a milestone approach is appropriate for the Discuva technology platform intangible and goodwill arising on the acquisition in 2017, as due to the early stage of R&D activities, management cannot reasonably estimate the expected future cash flows from the underlying assets. This approach has also been used with regards to the recoverability of the investments held by the Company in respect of Discuva Limited. The significant judgement within this model relates to whether key development milestones have been achieved during the period and, therefore, initial recoverable value recognised on acquisition requires impairment. With regard to the investments held by the Company which relate to Summit (Oxford) Limited, management have assessed that given the stage of progression of research into ridinilazole, a reliable estimate of future cash flows can be formed based on potential market size, penetration and drug pricing. Management have therefore prepared a value in use discounted cash flow model to estimate the recoverable value of ridinilazole as this is indicative of the value of Summit (Oxford) Limited. The key judgements identified were: • Whether an indicator of impairment exists; and • The appropriateness of the model used and assumptions applied as described above. *This is a key audit matter relevant to the Group and Company.*	We performed the following procedures: • We assessed the business processes and controls related to impairment of assets; • We critically assessed management's assessment of whether an indication of impairment exists; • We evaluated the methodology applied by management for each impairment review and assessed whether this is in line with IAS 36; • We critically assessed management's valuation model associated with their impairment assessment and challenged management on the robustness of the assumptions applied within the model; for example the discount rate, probability of success and progression of current clinical trials; • We used PwC valuation specialists to review the discount rate assumption; • We performed sensitivity analysis based on reasonably possible outcomes; • We inquired of key members of management outside the finance team to corroborate the stage of clinical research; and • We checked the mathematical accuracy of the calculations. We concluded that management's approach to the impairment reviews and accounting treatment is in line with IFRS standards. We reviewed the appropriateness of the disclosures within the financial statements.
Revenue and other operating income recognition The Group recognised revenue in the period in relation to: • cost sharing income received from Sarepta Therapeutics Inc.; and • ratable spreading of the upfront payment received for entering the licence and collaboration agreement with Eurofarma Laboratórios SA. The Group recognised other operating income in the period in relation to: • Funding from the US Biomedical Advanced Research and Development Authority (BARDA); and • Funding from CARB-X, a US based not for profit organisation funded through a variety of public and private initiatives. Revenue and other operating income recognition are considered a key audit matter due to the material and judgmental nature of the accounting for the Group's research, licence and collaboration agreements under IFRS 15 and IAS 20 respectively. Management have assessed the requirements of both standards in order to determine whether they can recognise revenue and other operating income in respect of the above agreements.	We performed the following procedures related to the agreements and the related recognition of revenue and other operating income: • Inspected the contractual terms which give Summit the right to recognise revenue and other operating income; • Tested the fair value allocation of the contract price to the different elements; • Inspected external support to validate the revenue and other operating income recognised in the period; and • Inspected cost invoices on which other operating income is recognised to validate that amounts have been appropriately recognised. We concluded that management's revenue recognition was supported and consistent with IFRS 15 and IAS 20.

Key audit matter	How our audit addressed the key audit matter
Revenue and other operating income recognition continued The key judgements identified were: • the determination of whether revenue recognition should be made at a point in time, or spread under the terms of the contract; • the determination of the performance obligations requiring individual accounting for the associated revenue; • the assessment of whether spending qualifies for reimbursement for other operating income; and • the estimation of the time period over which revenue and other operating income has been spread. *This is a key audit matter relevant to the Group.*	
COVID-19 As noted within the Strategic Report, Directors' Report and Note 30 to the Annual Report and Financial Statements, in December 2019, a novel strain of coronavirus surfaced in China and has spread globally. The extent of the impact of the virus was not anticipated as at 31 December 2019, and it was not considered a global pandemic until after the year end. Consequently, the impact of the virus is not considered an adjusting post balance sheet event for the purposes of impairment reviews. The coronavirus has had an impact on the global economy, and may impact the Group's ability, as well as the ability of the Group's suppliers, to maintain the expected timeline of the clinical trials. Management has considered the impact of a delay in the progress of clinical trials on the Group's results, particularly with respect to the availability of cash for the foreseeable future to meet liabilities as they fall due. No material impact of this matter was noted as any delay to the expected timeline of clinical trials is anticipated to extend the current cash runway to beyond January 2021. *This is a key audit matter relevant to the Group and Company.*	Our procedures included the following: • considering the extent to which future cash flows might be adversely affected by the COVID-19 situation. Considering the cash held by the Group and the planned expenditure in the foreseeable future, we did not identify any new significant risks in relation to going concern; and • reading management's disclosures in the financial statements. We found that management's assessment is supportable and did not identify any material misstatement as a result of the procedures performed. We also found that management's disclosures within the Annual Report and Financial Statements are appropriate. While we were not able to predict all future events and possible ramifications of COVID-19, the current situation did not result in a substantial modification of our risk assessment in relation to our audit of the Financial Statements.
Impairment of intercompany receivables As is required by IFRS 9, management have assessed whether an expected credit loss ('ECL') is required for the Company's intercompany receivables with both Summit (Oxford) Limited and Discuva Limited. As the research and development activities that sit within both subsidiaries are yet to conclude, management have determined that an ECL should be recorded based on the industry standard likelihood of success of pipeline candidates as amounts are likely to only be recovered should regulatory approval be obtained for the drug candidates. The key judgement identified was: • the estimation of the expected credit loss percentage required. *This is a key audit matter relevant to the Company.*	We performed the following procedures: • We evaluated the methodology applied by management to calculate the expected credit loss and assessed whether this is in line with IFRS 9; • We verified management's industry standard likelihood of success against external third-party data sources; and • We checked the mathematical accuracy of the calculations. We concluded that management's approach to the expected credit loss is in line with IFRS standards and that the provision recorded is required and appropriate. We reviewed the appropriateness of the disclosures within the financial statements.

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

The Group comprises eleven entities, of which seven are dormant. Of the four trading entities, we determined three to be in scope. This was determined based on each entity's contribution to consolidated loss before tax. The in-scope components and other reporting components amounted to 96% of Group loss before tax.

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

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

	Group financial statements	Company financial statements
Overall materiality	£1,277,000 (Year ended 31 Jan 2019: £1,445,000).	£1,157,000 (Year ended 31 Jan 2019: £1,121,000).
How we determined it	5% of loss before tax.	1% of total assets.
Rationale for benchmark applied	As a research and development focussed Group, loss before tax is considered the appropriate benchmark for calculating materiality.	The Company is a holding company and therefore an assets-based benchmark is considered appropriate.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £355,000 and £1,213,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £63,000 (Group audit) (Year ended 31 Jan 2019: £72,250) and £57,850 (Company audit) (Year ended 31 Jan 2019: £56,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 and ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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 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 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Jaskamal Sarai
(Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants
and Statutory Auditors
Reading

1 May 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE ELEVEN-MONTHS ENDED 31 DECEMBER 2019 AND YEAR ENDED 31 JANUARY 2019

	Note	**Eleven-months ended 31 December 2019 £000**	Year ended 31 January 2019 (Adjusted*) £000
Revenue	5	**583**	43,012
Other operating income	6	**15,163**	15,156
Operating expenses			
Research and development	8	**(31,201)**	(39,182)
General and administration	8	**(9,877)**	(12,328)
Impairment of goodwill and intangible assets	9	**–**	(3,985)
Total operating expenses		**(41,078)**	(55,495)
Operating (loss) / profit		**(25,332)**	2,673
Finance income	11	**4**	2,788
Finance costs	11	**(228)**	(467)
(Loss) / profit before income tax		**(25,556)**	4,994
Income tax	12	**3,524**	2,496
(Loss) / profit for the period/year		**(22,032)**	7,490
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**–**	19
Total comprehensive (loss) / profit		**(22,032)**	7,509
Basic and diluted (loss) / earnings per ordinary share from operations	13	**(13)p**	9p

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 '*Leases*'.'

The accompanying notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

	Note	31 December 2019 £000	31 January 2019 (Adjusted*) £000	31 January 2018 (Adjusted*) £000
ASSETS				
Non-current assets				
Goodwill	14	**1,814**	1,814	2,478
Intangible assets	15	**9,950**	10,604	14,785
Property, plant and equipment	16	**1,167**	1,540	2,067
		12,931	13,958	19,330
Current assets				
Trade and other receivables	17	**8,116**	13,491	11,087
Current tax receivable		**3,659**	6,328	4,654
Cash and cash equivalents		**48,417**	26,858	20,102
		60,192	46,677	35,843
Total assets		**73,123**	60,635	55,173
LIABILITIES				
Non-current liabilities				
Deferred revenue	19	**(374)**	(831)	(27,270)
Lease liabilities	23	**(320)**	(647)	(962)
Financial liabilities on funding arrangements		**–**	–	(3,090)
Provisions for other liabilities and charges	24	**(2,050)**	(1,851)	(1,641)
Deferred tax liability	25	**(1,560)**	(1,675)	(2,379)
		(4,304)	(5,004)	(35,342)
Current liabilities				
Trade and other payables	18	**(8,020)**	(8,733)	(8,825)
Lease liabilities	23	**(358)**	(358)	(324)
Deferred revenue and income	19	**(1,136)**	(3,374)	(13,834)
Contingent consideration	20	**(80)**	(629)	–
		(9,594)	(13,094)	(22,983)
Total liabilities		**(13,898)**	(18,098)	(58,325)
Net assets		**59,225**	42,537	(3,152)
EQUITY				
Share capital	26	**3,359**	1,604	736
Share premium account		**129,110**	92,806	60,237
Share-based payment reserve		**1,299**	1,148	6,743
Merger reserve		**3,027**	3,027	3,027
Special reserve		**19,993**	19,993	19,993
Currency translation reserve		**56**	56	37
Accumulated losses reserve		**(97,619)**	(76,097)	(93,925)
Total equity		**59,225**	42,537	(3,152)

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 '*Leases*'.'

The accompanying notes form an integral part of these Consolidated Financial Statements.

The financial statements on pages 56 to 87 were approved by the Board of Directors and signed on its behalf by

Robert W. Duggan
Chief Executive Officer

1 May 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE ELEVEN-MONTHS ENDED 31 DECEMBER 2019 AND THE YEAR ENDED 31 JANUARY 2019

	Note	**Eleven-months ended 31 December 2019 £000**	Year ended 31 January 2019 (Adjusted*) £000
Cash flows from operating activities			
(Loss) / profit before income tax		**(25,556)**	4,994
		(25,556)	4,994
Adjusted for:			
Gain on remeasurement or derecognition of financial liabilities on funding arrangements	6,21	**–**	(539)
Loss on recognition of contingent consideration payable	20	**2**	754
Finance income	11	**(4)**	(2,788)
Finance costs	11	**228**	467
Unrealised foreign exchange (gain) / loss		**544**	(408)
Depreciation	16	**524**	644
Amortisation of intangible fixed assets	15	**760**	829
Loss on disposal of assets	8	**10**	43
Increase in provisions	24	**1**	19
Impairment of goodwill and intangible assets	14,15	**–**	3,985
Share-based payment	7	**661**	4,743
Adjusted (loss) / profit from operations before changes in working capital		**(22,830)**	12,743
Increase / (decrease) in trade and other receivables		**4,662**	(2,210)
(Decrease) in deferred revenue		**(2,696)**	(36,898)
(Decrease) / increase in trade and other payables		**(1,004)**	68
Cash used by operations		**(21,868)**	(26,297)
Contingent consideration paid		**(549)**	(192)
Taxation received		**6,234**	159
Research and development expenditure credit received	6	**516**	(333)
Net cash used by operating activities		**(15,667)**	(26,663)
Investing activities			
Purchase of property, plant and equipment	16	**(160)**	(119)
Purchase of intangible assets	15	**(107)**	(6)
Interest received		**4**	4
Net cash used by investing activities		**(263)**	(121)
Financing activities			
Proceeds from issue of share capital		**38,759**	34,648
Transaction costs on share capital issued		**(701)**	(1,313)
Proceeds from exercise of share options		**1**	102
Repayment of lease liabilities	23	**(328)**	(281)
Repayment of lease interest	23	**(30)**	(43)
Net cash generated from financing activities		**37,701**	33,113
Increase in cash and cash equivalents		**21,771**	6,329
Effect of exchange rates on cash and cash equivalents		**(212)**	427
Cash and cash equivalents at beginning of the period / year		**26,858**	20,102
Cash and cash equivalents at end of the period / year		**48,417**	26,858

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 '*Leases*'.'

The accompanying notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Eleven-months ended 31 December 2019

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Merger reserve £000	Special reserve £000	Currency translation reserve £000	Accumulated losses reserve £000	Total equity £000
At 1 February 2019 (as previously reported)	1,604	92,806	1,148	3,027	19,993	56	(76,092)	42,542
Change in accounting policy (full retrospective application (IFRS 16))	–	–	–	–	–	–	(5)	(5)
At 1 February 2019 (Adjusted*)	**1,604**	**92,806**	**1,148**	**3,027**	**19,993**	**56**	**(76,097)**	**42,537**
Loss for the period	–	–	–	–	–	–	(22,032)	(22,032)
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(22,032)**	**(22,032)**
New share capital issued	1,754	37,005	–	–	–	–	–	38,759
Transaction costs on share capital issued	–	(701)	–	–	–	–	–	(701)
Warrant expense	–	–	15	–	–	–	–	15
Share options exercised	1	–	–	–	–	–	–	1
Share-based payment	–	–	646	–	–	–	–	646
Transfer	–	–	(510)	–	–	–	510	–
At 31 December 2019	**3,359**	**129,110**	**1,299**	**3,027**	**19,993**	**56**	**(97,619)**	**59,225**

Year ended 31 January 2019

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Merger reserve £000	Special reserve £000	Currency translation reserve £000	Accumulated losses reserve £000	Total equity £000
At 1 February 2018	736	60,237	6,743	3,027	19,993	37	(93,957)	(3,184)
Change in accounting policy (full retrospective application (IFRS 16))	–	–	–	–	–	–	32	32
At 1 February 2018 (Adjusted*)	**736**	**60,237**	**6,743**	**3,027**	**19,993**	**37**	**(93,925)**	**(3,152)**
Profit for the year	–	–	–	–	–	–	7,490	7,490
Currency translation adjustment	–	–	–	–	–	19	–	19
Total comprehensive profit for the year	**–**	**–**	**–**	**–**	**–**	**19**	**7,490**	**7,509**
New share capital issued	864	33,784	–	–	–	–	–	34,648
Transaction costs on share capital	–	(1,313)	–	–	–	–	–	(1,313)
Share options exercised	4	98	–	–	–	–	–	102
Share-based payment	–	–	4,743	–	–	–	–	4,743
Transfer	–	–	(10,338)	–	–	–	10,338	–
At 31 January 2019 (Adjusted*)	**1,604**	**92,806**	**1,148**	**3,027**	**19,993**	**56**	**(76,097)**	**42,537**

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 '*Leases*'.'

The accompanying notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Share capital and premium
When shares are issued, the nominal value of the shares is credited to the share capital reserve. Any premium paid above the nominal value is credited to the share premium reserve. Ordinary shares of Summit Therapeutics plc have a nominal value of one penny per share.

Share-based payment reserve
The share-based payment reserve arises as the expense of issuing share-based payments is recognised over time (share option grants). The reserve reduces and transfers to the accumulated losses reserve as share options are exercised, lapsed or surrendered, and the impact of the subsequent dilution of earnings crystallises. The reserve may equally rise or might see any reduction offset, as new potentially dilutive share options are issued.

Merger reserve
A merger reserve arises as a result of the application of S612 CA2006 relating to business combination accounting. The merger reserve relates to the difference between the nominal value of Summit (Oxford) Limited and fair value of shares issued in business combinations using the acquisition method of accounting arising from the Group reconstruction in 2004 and the difference between the nominal value of Discuva Limited and fair value of shares issued in business combinations using the acquisition method of accounting arising from the acquisition in 2017.

Accumulated losses reserve
The accumulated losses reserve records the accumulated profits and losses, less any subsequent elimination of losses, of the Group since inception of the business. Where businesses or companies are acquired, only the profits or losses arising from the date of acquisition are included. When share options are exercised, lapsed or surrendered, the share-based payment reserve relating to those options is transferred to the accumulated losses reserve.

Special reserve
The special reserve was created during the consolidation and subdivision of the Company's share capital as part of a capital reorganisation completed in September 2014. It represents the net balance of the cancellation of the deferred shares, the reduction of the share premium account and elimination of current losses from the accumulated deficit.

Currency translation reserve
The currency translation reserve records the foreign exchange difference that arises on the translation of the US subsidiary, Summit Therapeutics Inc.

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. BASIS OF ACCOUNTING

The principal accounting policies adopted by Summit Therapeutics plc and its subsidiaries in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods and years presented, unless otherwise stated.

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations ('IFRS') as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Consolidated Financial Statements have been prepared on a going concern basis and under the historical cost convention modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss.

Going concern

The financial information in these financial statements has been prepared assuming the Group will continue on a going concern basis. Based on management's forecasts, the Group's existing cash and cash equivalents, anticipated payments from BARDA under its contract for the development of ridinilazole, anticipated payments from CARB-X under its contract for the development of its gonorrhoea antibiotic programme, and anticipated milestone payments from its licence and commercialisation agreement with Eurofarma are expected to be sufficient to enable the Group to fund its operating expenses and capital expenditure requirements through to 31 January 2021. The Group will need to raise additional funding in order to support, beyond this date, its planned research and development efforts, its preparatory commercialisation related activities should ridinilazole receive marketing approval, as well as to support activities associated with operating as a public company in the United States.

The Group is evaluating various options to finance its cash needs through a combination of some, or all, of the following: equity offerings, collaborations, strategic alliances, grants and clinical trial support from government entities, philanthropic, non-government and not-for-profit organisations and patient advocacy groups, debt financings, and marketing, distribution or licensing arrangements. While the Group believes that funds would be available in this manner before the end of January 2021, there can be no assurance that the Group will be able to generate funds, on terms acceptable to the Group, on a timely basis or at all, which would impact the Group's ability to continue as a going concern. The failure of the Group to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Group's business, results of operations and financial condition.

Should the Group be unable to raise additional funding, management has the ability to take mitigating action to fund its operating expenses and capital expenditure requirements in relation to its clinical development activities for only a short period beyond 12 months from the date of issuance of these financial statements. These circumstances represent a material uncertainty which may cast and raise significant doubt on the Group's ability to continue as a going concern.

Use of estimates

The preparation of the financial statements, in conformity with IFRS, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 2 'Critical accounting judgements and key sources of estimation uncertainty'.

Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Group and entities controlled by the Group made up to the reporting date. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiary undertakings acquired or disposed of in the year / period are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1. BASIS OF ACCOUNTING CONTINUED

Revenue recognition

Revenue is accounted for in line with principles of IFRS 15 '*Revenue from contracts with customers'*.

Licensing agreements may consist of multiple elements and provide for varying consideration terms, such as upfront, development, regulatory and sales milestones, sales-based royalties and similar payments. Such arrangements are determined to be within the scope of IFRS 15 and are assessed under the five-step model of the standard to determine revenue recognition. The distinct performance obligations within the contract and the arrangement transaction price are identified. The fair value of the arrangement transaction price is allocated to the different performance obligations based on the relative stand-alone selling price of those services provided and the performance obligation activities to which the terms of the payments specifically relate. The allocated transaction price is recognised over the respective performance period of each performance obligation. Amounts received in advance of the revenue recognition criteria being met are initially reported as deferred revenue on the Consolidated Statement of Financial Position and are recognised as revenue over the development period.

Development and regulatory approval milestone payments are included within the allocated transaction price only when it becomes highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Revenues attributable to the development cost share element of a licensing agreement are also recognised over the performance period.

Sales-based royalty income and related milestone payments are recognised in the period when the related sales occur or when the relevant milestone is achieved, as the licence granted is the predominant element of the performance obligation and the payments are inherently received once the development period is completed and the licence granted is useable.

Business combinations

The cost of an acquisition is measured as the fair value of the assets exchanged, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired together with liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets is recorded as goodwill. Goodwill is not amortised but is reviewed for impairment at least annually and more frequently whenever there is an indication of impairment.

Intangible assets

In-process research and development that is separately acquired as part of a company acquisition or in-licensing agreement is capitalised even if they have not yet demonstrated technical feasibility, which is usually signified by regulatory approval. Amortisation will commence when either products underpinned by the intellectual property rights or the rights themselves become available for use. Intangible assets not subject to amortisation are tested for impairment at least annually or whenever there is an indicator of impairment.

The intangible asset relating to the acquired Discuva Platform capitalised as part of the acquisition of Discuva Limited in December 2017 is available for use. As such, it is subject to amortisation over the period of the relevant associated patents.

Other intangible assets are amortised in equal instalments over their useful estimated lives as follows:

All patents (once filed)	Over the period of the relevant patents (assumed to be 20 years)
Software licences	3-5 years
Option over non-financial assets	Over the period of the relevant agreement

Impairment of assets

At each year / period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation, where appropriate. Impairment losses recognised for cash-generating units are charged pro rata to the other assets in the cash generating unit. All tangible and intangible assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. See Note 15 'Intangible assets' for details.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Cost comprises the purchase price plus any incidental costs of acquisition and commissioning. Depreciation is calculated to write-off the cost, less residual value, in equal annual instalments over their estimated useful lives as follows:

Leasehold improvements	Over the period of the remaining lease
Right of use assets	Over the period of the lease
Laboratory equipment	2-10 years
Office and IT equipment	3-5 years

The residual value, if not insignificant, is reassessed annually.

1. BASIS OF ACCOUNTING CONTINUED

Financial liabilities on funding arrangements

When entering into funding agreements with charitable and not for profit organisations, management is required to assess whether, based on the terms of the agreement, it can avoid a transfer of cash by settling using a non-financial obligation. Under IFRS, when such arrangements also give the counterparties rights over unexploited intellectual property, all or part of the funding agreement should be accounted for as a financial liability recognised in the Consolidated Statement of Financial Position rather than as a charitable grant.

Financial liabilities are initially recognised at fair value using a discounted cash flow model with the difference between the fair value of the liability and the cash received considered to represent a charitable grant. The financial liabilities are subsequently measured at amortised cost using discounted cash flow models which calculate the risk adjusted net present values of estimated potential future cash flows for the relevant project. The financial liabilities are remeasured when there is a specific significant event that provides evidence of a significant change in the probability of successful development such as the completion of a phase of research or public reporting of significant interim data and changes in use or market for a product. The model is updated for changes in the clinical probability of success and other associated assumptions with the discount factor remaining unchanged within the model.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the expected future cash flows will be discounted using a pre-tax risk-free discount rate.

Other operating income

Other operating income includes income received and recognised from government agencies, philanthropic, non-government, not for profit organisations and patient advocacy groups which are accounted for in accordance with IAS 20, '*Accounting for Government Grants and Disclosure of Government Assistance*'. Monies received through these means are held as deferred income in the Consolidated Statement of Financial Position and are released to the Consolidated Statement of Comprehensive Income as the underlying expenditure is incurred and to the extent the conditions of the grant are met.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end date. All differences are taken to the Consolidated Statement of Comprehensive Income.

Assets and liabilities of subsidiaries that have a functional currency different from the presentation currency (pound sterling) are translated at the closing rate at the date of the Consolidated Statement of Financial Position presented. Income and expenses are translated at average exchange rates. Any resulting differences are recognised in other comprehensive income / (loss) in the Consolidated Statement of Comprehensive Income.

Employee benefits

All employee benefit costs, notably holiday pay, bonuses and contributions to Group or personal defined contribution pension schemes are charged to the Consolidated Statement of Comprehensive Income on an accruals basis.

Leases

At inception of a contract, a company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right-of-use asset and a lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if it is reasonably certain to exercise that option and period covered by an option to terminate if it is reasonably certain not to exercise that option. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the applicable incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method and is remeasured when there is a change in future lease payments or if the assessment of whether a company will exercise a purchase, extension or termination option.

See Note 3 'Changes to accounting policies – Adoption of IFRS 16 '*Leases*'' for details of the impact of the initial adoption of IFRS 16. The above is lessee accounting only and any practical expedients taken were in line with Note 3.

Research and development

All ongoing research expenditure is currently expensed in the period in which it is incurred. Due to the regulatory environment inherent in the development of the Group's products, the criteria for development costs to be recognised as an asset, as set out in IAS 38 '*Intangible Assets*', are not met until a product has received regulatory approval, and it is probable that future economic benefit will flow to the Group. The Group currently has no qualifying expenditure.

1. BASIS OF ACCOUNTING CONTINUED

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held on call with the bank.

Share-based payments
In accordance with IFRS 2 '*Share-based Payment*', share options and restricted stock units are measured at fair value at their grant date. The fair value for the majority of the options is calculated using the Black-Scholes formula and charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the expected vesting period. For those options issued with vesting conditions other than remaining in employment (for example, those conditional upon the Group achieving certain predetermined financial criteria) a simulation model has been used. At each period end date, the Group revises its estimate of the number of options that are expected to become exercisable. This estimate is not revised according to estimates of changes in market-based conditions.

Current taxation
Income tax is recognised or provided at amounts expected to be recovered or paid using the tax rates and tax laws that have been enacted or substantively enacted at the period end date.

Current tax includes research and development tax credits which are calculated in accordance with the UK research and development tax credit regime applicable to small and medium sized companies. Research and development expenditure which is not eligible for reimbursement under the small and medium sized companies regime, such as expenditure incurred on projects for which the Group receives income, may be reimbursed under the UK Research and Development Expenditure Credit ('RDEC') scheme. Receipts under the RDEC scheme are presented within other operating income as they are similar in nature to grant income.

Deferred taxation
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated Statement of Financial Position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference, and it is probable that the difference will not reverse in the foreseeable future.

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

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

Financial instruments
The Group recognises financial assets and liabilities in the respective categories 'Financial assets at amortised cost' and 'Financial liabilities measured at amortised cost'. Financial assets at amortised cost are non-derivative financial assets which are held to collect the contractual cash flows on specified dates. They arise when the Group provides money, goods or services directly to the debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the year / period end date, which are classified as non-current assets. Other liabilities consist of trade and other payables, being balances arising in the course of normal business with suppliers, contractors and other service providers, and borrowings, being loans and hire purchase funds advanced for the refit of leasehold premises and the purchase of laboratory equipment, fixtures and fittings. Financial assets at amortised cost, and other liabilities are initially recorded at fair value, and thereafter at amortised cost, if the timing difference is deemed to impact the fair value of the asset or liability.

The Group assesses at each year / period end date the expected credit losses of a financial asset or a group of financial assets with consideration given to the risk of default occurring. Expected credit losses are the difference between the contractual cash flows due to the Group and the cash flows the Group expects to receive.

The Group does not hold or trade in derivative financial instruments.

Warrants
Warrants issued by the Group are recognised and classified as equity when, upon exercise, the Company would issue a fixed amount of its own equity instruments (ordinary shares) in exchange for a fixed amount of cash or another financial asset.

Consideration received, net of incremental costs directly attributable to the issue of such new warrants, is shown in equity. Such warrants are not remeasured at fair value in subsequent reporting periods.

Warrants issued in which external services are received as consideration for equity instruments of the Company should be measured at the fair value of the goods or services received. Only if the fair value of the services cannot be measured reliably would the fair value of the equity instruments granted be used. The fair value for the warrants is calculated using the Black-Scholes formula and charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the consulting services. If the services are terminated prior to the end of the consultancy agreement, the warrants cease vesting and any unvested portion of the warrants will lapse immediately.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Consolidated Financial Statements requires the Group to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the year / period end date that may have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are noted below.

Revenue recognition

The Group recognises revenue from licensing fees, collaboration fees, development, regulatory and approval milestone fees, sales milestones and sales-based royalties. Agreements generally include a non-refundable upfront fee, milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones, as well as royalties on product sales of licensed products, if and when such product sales occur. For these agreements, the Group is required to apply judgement as follows: the identification of the number of performance obligations within a contract, the allocation of the transaction price to those performance obligations and the timing of when milestone payments are included in the transaction price.

In relation to the licence and commercialisation agreement with Eurofarma Laboratórios S.A. ('Eurofarma'), the Group has assessed that the licence to commercialise the Group's intellectual property is not distinct in the context of the contract and that there is a transformational relationship between the licence and the research and development activities delivered as they are highly interrelated elements of the contract. The Group has therefore determined that there is one single performance obligation under IFRS 15 in relation to the licence granted and research and development activities which is the transfer of a licence for which the associated research and development activities are completed over time.

The allocation of the transaction price is based on the relative stand-alone selling price of those services provided and the performance obligation activities to which the terms of the payments specifically relate. Milestone payments and other variable consideration are only included in the transaction price allocated to a performance obligation when it becomes highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The allocated transaction price is recognised over the respective performance period of each performance obligation.

As a result, the upfront payments, development milestones and development cost share income allocated to the licence granted and research and development activities, which is the transfer of a licence for which the associated research and development activities are completed over time, are initially reported as deferred revenue in the Consolidated Statement of Financial Position and are recognised as revenue over the development period.

See Note 5 'Revenue' for details of our contracts with customers.

Indications of asset impairment

The Group is required to exercise judgement as to whether there is any indication that its tangible and intangible assets have suffered an impairment loss when reviewing the carrying value of those assets. See Note 15 'Intangible assets' for details of the impairment reviews performed by the Group relating to this financial period.

Recognition of research and development expenditure and associated funding income

The Group recognises expenditure incurred in carrying out its research and development activities and the associated funding income in line with management's best estimation of the work completed on each separately contracted study or activity. This includes the calculation of research and development accruals and prepayments at each period to account for expenditure that has been incurred and the associated funding income. This requires estimations of the expected costs to complete each study or activity and the estimation of the current stage of completion. In all cases, the full cost of each study or activity is expensed by the time the final report or where applicable, product, has been received. See Notes 17 'Trade and other receivables' and 18 'Trade and other payables' for further details of these estimates.

Assumed contingent liability

The Group's assumed contingent liability is recognised in the Consolidated Financial Statements at fair value as required by IFRS 3 '*Business Combinations*'. In determining the fair value of this liability, a number of assumptions need to be made by management which include significant estimates. See Note 24 'Provisions for other liabilities and charges and contingent liabilities'.

3. CHANGES TO ACCOUNTING POLICIES

Adoption of IFRS 16 *'Leases'*

IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for reporting periods beginning on or after 1 January 2019 and replaces the accounting standard IAS 17 *'Leases'*. Two adoption methods are permitted for transition: retrospectively to all prior reporting periods presented in accordance with IAS 8 *'Accounting Policies, Changes in Accounting Estimates and Errors'*, with certain practical expedients permitted; or retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Group adopted this new standard effective 1 February 2019 as required, using the full retrospective transition method in accordance with IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*'. Under this method, the Group has adjusted its results for the year ended 31 January 2019, and applicable interim periods, as if IFRS 16 had been effective for those periods. The Group has assessed the effect of adoption of this standard as it relates to its leased properties in Oxford and Cambridge, UK, and has concluded that any other contracts are not within the scope of IFRS 16 or are of low value, for which the Group has elected not to apply the requirement of IFRS 16.

Due to the adoption of IFRS 16, the Group has recognised both right-of-use assets and lease liabilities related to its UK leased properties. The Group no longer recognises a lease incentive accrual which was recorded in trade and other payables or remaining rent prepayments and has reclassified some costs from research and development expenses and general and administration expenses to finance costs, being the interest expense on lease liabilities. In addition, some amounts previously presented as cash outflows from operating activities in the Group's Consolidated Statement of Cash Flows are now presented as cash flows from investing or financing activities.

This change in accounting policy has been reflected retrospectively in the comparative Statement of Financial Position for the years ended 31 January 2019 and 2018.

The impact of the change in accounting policy to IFRS 16 discussed above on the comparatives to these financial statements is disclosed in the following tables.

Impact on the Consolidated Statement of Financial Position	Original As at 31 January 2019 £000s	Adjusted As at 31 January 2019 £000s	Impact £000s
Non-current assets			
Property, plant and equipment	616	1,540	924
Current assets			
Trade and other receivables	13,547	13,491	(56)
Non-current liabilities			
Lease liabilities	–	(647)	(647)
Current liabilities			
Trade and other payables	(8,865)	(8,733)	132
Lease liabilities	–	(358)	(358)
Equity			
Accumulated losses reserve	(76,092)	(76,097)	(5)

Impact on the Consolidated Statement of Comprehensive Income	Original Year ended 31 January 2019 £000s	Adjusted Year ended 31 January 2019 £000s	Impact £000s
Operating expenses			
Research and development	(39,174)	(39,182)	(8)
General and administration	(12,342)	(12,328)	14
Operating profit	2,667	2,673	6
Finance costs	(424)	(467)	(43)
Profit for the period	**7,527**	**7,490**	**(37)**

Impact on the Consolidated Statement of Cash Flows	Original Year ended 31 January 2019 £000s	Adjusted Year ended 31 January 2019 £000s	Impact £000s
Profit before income tax	5,031	4,994	(37)
Adjusted for:			
Finance costs	424	467	43
Depreciation	309	644	335
Increase in trade and other receivables	(2,218)	(2,210)	8
Decrease in trade and other payables	93	68	(25)
Financing activities			
Repayment of lease liabilities	–	(281)	(281)
Repayment of lease interest	–	(43)	(43)
Impact on net cash flows			**–**

3. CHANGES TO ACCOUNTING POLICIES CONTINUED

Impact on Consolidated Statement of Financial Position	Original As at 31 January 2018 £000s	Adjusted As at February 1 2018 £000s	Impact £000s
Non-current assets			
Property, plant and equipment	809	2,067	1,258
Current assets			
Trade and other receivables	11,134	11,087	(47)
Non-current liabilities			
Lease liabilities	–	(962)	(962)
Current liabilities			
Trade and other payables	(8,932)	(8,825)	107
Lease liabilities	–	(324)	(324)
Equity			
Accumulated losses reserve	(93,957)	(93,925)	32

The Group will continue to monitor interpretations released by the IFRS Interpretations Committee and amendments to IFRS 16 and, as appropriate, will adopt these from the effective dates.

For additional details regarding the Group's lease agreements see Note 23 *'Leases'.*

The Directors do not expect that the adoption of the remaining standards and interpretations in future periods will have a material impact on the financial statements of the Group.

During the period ended 31 December 2019, the following additional new standards, amendments to standards or interpretations became effective for the Group for the first time. The adoption of these interpretations, standards or amendment to standards was either not relevant for the Group or has not led to any significant impact on the Group's financial statements.

International Accounting Standards (IAS/IFRS)	Effective date
Amendments to IFRS 9 *'Financial Instruments, Prepayment Features with Negative Compensation'*	1 January 2019
Amendments to IAS 19 '*Employee Benefits, Plan Amendments, Curtailments or Settlements*'	1 January 2019
Amendments resulting from Annual Improvements 2015–2017 Cycle	1 January 2019
IFRIC 23 '*Uncertainty over Income Tax Treatments*'	1 January 2019

At the date of authorisation of these Consolidated Financial Statements, the following standards, amendments and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

International Accounting Standards (IAS/IFRS)	Effective date
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 '*Business Combinations, Definition of a Business*'	1 January 2020
Amendments to IAS 1 and IAS 8, '*Definition of Material*'	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, '*Interest Rate Benchmark Reform*'	1 January 2020

The Group does not believe the adoption of these standards will have a material impact on the Group's financial statements.

4. SEGMENTAL REPORTING

The Summit Group comprises eleven legal entities, of which four are trading. These include the ten subsidiary companies and the Group holding company, Summit Therapeutics plc. The Group operates in one reportable segment: Drug Development. The chief operating decision-maker has been identified as the Executive Management Team. Up until April 2020, this team consisted of the former Chief Executive Officer, the Chief Operating Officer (prior to his departure in January 2020) and the former Chief Commercial Officer. From April 2020, the Executive Management Team consists of the Chief Executive Officer, the Executive Vice President and the Interim Chief Operating Officer. The Executive Management Team reviews the consolidated operating results regularly to make decisions about the financial and organisational resources and to assess overall performance.

The Drug Development segment covers Summit's research and development activities carried out by the Group, primarily comprising the CDI programme, antibiotic pipeline research activities.

The corporate and other activities of Summit Therapeutics plc, Summit (Oxford) Limited, Summit Therapeutics Inc and Discuva Limited, which comprise the costs incurred in providing the facilities, finance, human resource and information technology services, are incurred by the main segment of the Group.

Substantially all of the Group's assets are held in the United Kingdom.

5. REVENUE

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Analysis of revenue by category:		
Licensing agreements	**583**	42,766
Research collaboration agreement	**–**	246
	583	43,012

Revenue recognised in the period consists of amounts received from the licence and commercialisation agreement with Eurofarma Laboratórios S.A. ('Eurofarma'), and amounts received from the licence and collaboration agreement with Sarepta Therapeutics, Inc. ('Sarepta') which was terminated in August 2019. See Note 19 'Deferred revenue and income' for details of amounts deferred in the Consolidated Statement of Financial Position.

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Analysis of revenue by geography:		
United States	**126**	42,267
Latin America	**457**	499
Europe	**–**	246
	583	43,012

The analysis of revenue by geography has been identified on the basis of the customer's geographical location.

Eurofarma Laboratórios S.A.

On 21 December 2017, Summit announced it had entered into an exclusive licence and commercialisation agreement with Eurofarma, pursuant to which the Group granted Eurofarma the exclusive right to commercialise ridinilazole in specified countries in South America, Central America and the Caribbean. The Group has retained commercialisation rights in the rest of the world.

Under the terms of the licence and commercialisation agreement with Eurofarma, the Group received an upfront payment of $2.5 million (£1.9 million) from Eurofarma in December 2017. The terms of the contract have been assessed under IFRS 15 '*Revenue from contracts with customers*' and currently only the upfront payment is included in the transaction price. The upfront payment was initially reported as deferred revenue in the Consolidated Statement of Financial Position and is recognised as revenue over the development period. The Group recognised revenue related to the upfront payment of £0.5 million during the eleven-months ended 31 December 2019.

In addition, the Group will be entitled to receive additional development milestones upon the achievement of staged patient enrolment targets in the licensed territory in one of the two ongoing Phase 3 clinical trials of ridinilazole. In February 2020, post the period under review, the first of these patient enrolment targets was achieved to trigger a milestone payment of $1.0 million, and the Group is eligible to receive up to an additional $2.75 million in development milestones upon the achievement of additional staged enrolment targets. The Group is also eligible to receive up to $21.5 million in development, commercial and sales milestones when cumulative net sales equal or exceed $100.0 million in the Eurofarma licensed territory. Each subsequent achievement of an additional $100.0 million in cumulative net sales will result in the Group receiving additional milestone payments, which, when combined with anticipated product supply transfer payments from Eurofarma paid to the Group in connection with a commercial supply agreement to be entered into between the two parties, will provide payments estimated to range from a mid-teens to high-teens percentage of cumulative net sales in the Eurofarma licensed territory. The Group estimates such product supply transfer payments from Eurofarma will range from a high single-digit to low double-digit percentage of cumulative net sales in the licensed territory.

Sarepta Therapeutics, Inc.

On 4 October 2016, Summit announced it had entered into an exclusive licence and collaboration agreement with Sarepta. In June 2018, the Group announced the discontinuation of the development of ezutromid after its Phase 2 clinical trial called PhaseOut DMD did not meet its primary or secondary endpoints. As part of the licence and collaboration agreement with Sarepta, the Group agreed to collaborate with Sarepta on the research and development of the licensed products pursuant to a joint development plan through a joint steering committee comprised of an equal number of representatives from each party. From 1 January 2018, the Group was responsible for 55% of the budgeted research and development costs related to the licensed products, and Sarepta was responsible for 45% of such costs. Any costs in excess of 110% of the budgeted amount were borne by the party that incurred such costs. This development cost share income is recognised as part of licensing agreements revenue as the Group acted as a principal in the scope of the research and development activities of the agreement. The Group recognised cost share income for both wind-down activities in relation to PhaseOut DMD and next and future generation utrophin modulation development activities of £0.1 million during the eleven-months ended 31 December 2019. Effective as of August 2019, the Sarepta agreement was terminated with no material ongoing obligations for either party.

6. OTHER OPERATING INCOME

	Eleven-months 31 December 2019 £000	Year ended 31 January 2019 £000
Analysis of other operating income by category:		
Income recognised in respect of BARDA	**13,864**	13,091
Grant income	**650**	1,187
Income on release or derecognition of financial liabilities on funding arrangements (Note 21)	**–**	539
Research and development credit	**649**	333
Other income	**–**	6
	15,163	15,156

BARDA

In September 2017, the Group was awarded a funding contract from the Biomedical Advanced Research and Development Authority ('BARDA'), an agency of the US government's Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response, to fund a specified portion of the clinical and regulatory development activities of ridinilazole for the treatment of CDI.

Under the terms of this contract, the Group was initially eligible to receive base period funding of $32 million. In addition, the contract included three option work segments that, if exercised in full by BARDA, would increase the total federal government funding under the contract to approximately $62 million. In August 2018, BARDA exercised one of the option work segments worth $12 million. In June 2019, BARDA increased the total value of the funding contract to up to $63.7 million and also exercised a second option work segment worth $9.6 million to bring the total amount of committed BARDA funding to $53.6 million. In January 2020, BARDA increased its award by $8.8 million to increase the total value of the funding contract up to $72.5 million and brought the total amount of committed BARDA funding to $62.4 million. The remaining federal government funding is dependent on BARDA in its sole discretion exercising the final independent option work segment, upon the achievement by the Group of certain agreed-upon milestones for ridinilazole.

Grant income includes income from funding arrangements with CARB-X and Innovate UK grants for the Group's antibiotic pipeline research and development activities.

CARB-X

In July 2018, the Group was granted a sub-award of up to $4.5 million from the Trustees of Boston University under the Combating Antibiotic Resistant Bacteria Biopharmaceutical Accelerator programme, or CARB-X, to fund, in part, the development of new mechanism antibiotics for the potential treatment of infections caused by gonorrhoea. Under the CARB-X award, the Group received an initial $2.0 million in funding from CARB-X in July 2018. In February 2020, CARB-X increased the value of this award by increasing the value of the initial funding by $1.2 million, which means the award is now worth up to a total of $5.7 million. The remaining $2.5 million is split into two option segments, which may be exercised by CARB-X upon the achievement of certain development milestones. If exercised in full, this funding could support the development of a selected gonorrhoea candidate through the end of a Phase 1 clinical trial.

7. DIRECTORS AND EMPLOYEES

The average monthly number of employees of the Group, including Executive Directors, during the year was:

	Eleven-months ended 31 December 2019	Year ended 31 January 2019
Technical, research and development	**36**	45
Corporate and administration	**29**	29
	65	74

The average number of employees reflects a decrease in the Group's workforce during the second half of the year ended 31 January 2019, from the implementation of cost-cutting measures following the decision to discontinue ezutromid development in June 2018. The number of employees as at 31 December 2019 was 70 (31 January 2019: 61). This increase in headcount reflects an increase in hirings to support Phase 3 preparatory activities for ridinilazole.

Their aggregate remuneration comprised:

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Wages and salaries	**6,304**	8,268
Social security costs	**758**	844
Other pension costs	**396**	390
Share-based payment	**646**	4,743
	8,104	14,245

Included within wages and salaries are termination benefits of £nil (31 January 2019: £0.2 million).

7. DIRECTORS AND EMPLOYEES CONTINUED

Key management of the Group are members of the Executive Management Team and the aggregate amounts of key management compensation are set out below:

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Short-term employee benefits		
Wages and salaries	**871**	1,406
Social security costs	**40**	168
	911	1,574
Post-employment benefits		
Amounts paid in lieu of employer pension contributions	**46**	43
Other pension costs	**20**	11
	66	54
Share-based payment	**337**	3,177
Total remuneration	**1,314**	4,805

In respect of Directors' remuneration, the Company has taken advantage of the permission in Paragraph 6(2) of Statutory Instrument 2008/410 to omit aggregate information that is capable of being ascertained from the detailed disclosures in the audited section of the Directors' Remuneration Report on pages 27 to 34, which form part of these Consolidated Financial Statements.

8. LOSS BEFORE INCOME TAX

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Research and development		
Employee benefit expense	**4,718**	6,264
Share-based payment expense	**283**	1,091
Programme related costs	**24,288**	29,868
Amortisation of intangible assets	**760**	829
Depreciation of property, plant and equipment	**272**	297
Other research and development costs	**880**	833
	31,201	39,182
General and administration		
Employee benefit expense	**2,741**	3,238
Share-based payment expense	**363**	3,652
Foreign exchange loss / (gain)	**1,037**	(491)
Depreciation of property, plant and equipment	**252**	347
Loss on disposal of assets	**10**	43
Other general and administration costs	**5,473**	4,766
Loss on contingent consideration	**–**	754
Royalty expense	**1**	19
	9,877	12,328

9. IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS

As a result of the Group's decision in June 2018 to discontinue development of ezutromid, management concluded that this was an indication of impairment and hence reviewed the intangible asset and goodwill associated with the acquisition of MuOx Limited which related to the utrophin programme acquired. Based on this review, an impairment charge of £4.0 million was recognised during the year ended 31 January 2019, representing the full aggregate carrying value of the intangible asset of £3.3 million and goodwill of £0.7 million.

See Note 15 'Intangible assets'.

10. AUDITORS' REMUNERATION

Services provided by the Group's auditors

During the year, the Group obtained the following services from the Group's auditors at the cost detailed below:

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Fees payable to the auditors and its associates for the audit of the Company and Consolidated Financial Statements	**137**	100
Fees payable to the auditors and its associates for other services:		
– Audit of the Company's subsidiaries[1]	**125**	119
– Audit related assurance services[2]	**161**	60
– Other assurance services[3]	**174**	115
– Tax compliance and advisory services	**38**	25
– Other services not covered by the above	**22**	–
Total fees payable	**657**	419

(1) For the year ended 31 January 2018, fees payable for the Consolidated Financial Statements and fees payable for the Company's subsidiaries include audit services relating to the initial audit and business combination accounting for Discuva Limited. These were non-recurring fees.
(2) Fees relate to the review of the quarterly information.
(3) For the eleven-months ended 31 December 2019, other assurance services include services provided to future SEC filings and qualitative assessment of IFRS to US GAAP differences, in anticipation of the loss of FPI status. For the year ended 31 January 2019, other assurance services includes reporting in connection with the Company's registration statement on Form F-3 that was filed with the SEC on 15 May 2018. For the year ended 31 January 2018, other assurance services includes reporting in connection with the Company's underwritten public offering completed on 18 September 2017. These amounts were recognised directly in share premium.

11. FINANCE INCOME AND COSTS

		Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 (Adjusted*) £000
Finance income			
Remeasurement or derecognition of financial liabilities on funding arrangements		**–**	2,784
Interest income on deposits		**4**	4
Finance income		**4**	2,788
Finance costs			
Unwinding of discount factor	22	**(198)**	(424)
Lease liability interest	23	**(30)**	(43)
Finance costs		**(228)**	(467)

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 *'Leases'*.'

12. INCOME TAX

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 (Adjusted*) £000
Analysis of credit in the period		
Current tax:		
Current tax income	**3,523**	1,286
Adjustments in respect of prior years	**(114)**	506
Total current tax	**3,409**	1,792
Total deferred tax	**115**	704
Total tax	**3,524**	2,496

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 *'Leases'*.'

12. INCOME TAX CONTINUED

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 (Adjusted*) £000
(Loss) / profit before tax	**(25,556)**	4,994
(Loss) / profit multiplied by the standard rate of corporation tax in the United Kingdom (Current tax) 19% (2019: 19%)	**(4,856)**	949
Adjustment on adoption of IFRS 15	**–**	(2,481)
Adjustment on adoption of IFRS 16	**(1)**	7
Change in unrecognised tax losses	**2,449**	820
Non-deductible expenses	**343**	1,797
Tax relief for qualifying research and development expenditure	**(1,494)**	(2,656)
Prior year adjustments	**114**	(506)
Share options exercised	**–**	(15)
Overseas profits taxed at different rates	**36**	292
Release of temporary difference relating to intangible assets	**(115)**	(703)
Total tax	**(3,524)**	(2,496)

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 *'Leases'*.'

There are no current tax liabilities as at 31 December 2019 (31 January 2019: £nil; 31 January 2018: £nil).

Tax relief for qualifying research and development expenditure relates to UK research and development tax credits claimed through the small or medium-sized enterprise scheme ('SME') under the Finance Act 2015. The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the year-end date. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the unprovided deferred tax asset by £1.8 million.

The closing deferred tax liability at 31 December 2019 has been calculated at 17% reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods. Unrecognised deferred tax has been calculated at 17% reflecting the latest enacted rate. In respect of unrecognised deferred tax on losses, the new loss restriction rules effective from 1 April 2017 limit the amount of brought forward losses available to use against future taxable profits on a year by year basis to the extent that taxable profits exceed £5.0 million in the year. However, the losses will not lapse and therefore the full amount will be relieved over time provided there are sufficient profits against which the losses can be utilised.

See Note 25 'Deferred tax liability' for information on the unrecognised tax losses carried forward.

13. (LOSS) / EARNINGS PER SHARE

The calculation of (loss) / earnings per share is based on the following data:

	Eleven-months ended 31 December 2019 000s	Year ended 31 January 2019 (Adjusted*) 000s
(Loss) / profit for the period / year	**£(22,032)**	£7,490
Weighted average number of ordinary shares for basic (loss) / earnings per share	**164,145**	85,702
Effect of dilutive potential ordinary shares (share options and warrants)	**–**	442
Weighted average number of ordinary shares for diluted earnings per share	**164,145**	86,144
Basic (loss) / earnings per ordinary share from operations	**£(0.13)**	£0.09
Diluted (loss) / earnings per ordinary share from operations	**£(0.13)**	£0.09

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 *'Leases'*.'

13. EARNINGS / (LOSS) PER SHARE CONTINUED

Basic loss per ordinary share has been calculated by dividing the loss for the eleven-month period ended 31 December 2019 by the weighted average number of shares in issue during the eleven-month period ended 31 December 2019. Diluted earnings per ordinary share has been calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares and warrants. Potentially dilutive ordinary shares are the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to share options and warrants in-the-money compared with the number of shares that would have been issued assuming the exercise of share options and warrants in-the-money.

At 31 December 2019, total outstanding share options were 23,224,188, total outstanding restricted stock units ('RSUs') were 692,306 and total outstanding warrants were 43,100,425. Of these equity instruments, 67,016,919 were not included in the calculation of potentially dilutive ordinary shares for the eleven-months ended 31 December 2019 as they are not dilutive as exercise price was above market price.

IAS 33 '*Earnings per Share*' requires the presentation of diluted earnings per share where a company could be called upon to issue shares that would decrease net profit or loss per share. As the Group reported net losses for the eleven-months ended 31 December 2019, the weighted average number of ordinary shares outstanding used to calculate the diluted earnings / (loss) per ordinary share is the same as that used to calculate the basic earnings / (loss) per ordinary share, as the exercise of share options would have the effect of reducing loss per ordinary share which is not dilutive.

14. GOODWILL

	Discuva Limited £000	MuOx Limited £000	Total £000
Cost			
At 1 February 2019	1,814	664	2,478
At 31 December 2019	**1,814**	**664**	**2,478**
Accumulated impairment			
At 1 February 2019	–	(664)	(664)
At 31 December 2019	**–**	**(664)**	**(664)**
Net book amount			
At 1 February 2019	1,814	–	1,814
At 31 December 2019	**1,814**	**–**	**1,814**

	Discuva Limited £000	MuOx Limited £000	Total £000
Cost			
At 1 February 2018	1,814	664	2,478
At 31 January 2019	**1,814**	**664**	**2,478**
Accumulated impairment			
At 1 February 2018	–	–	–
Impairment	–	(664)	(664)
At 31 January 2019	**–**	**(664)**	**(664)**
Net book amount			
At 1 February 2018	1,814	664	2,478
At 31 January 2019	**1,814**	**–**	**1,814**

Goodwill represents the difference between the fair value of the identifiable assets acquired and liabilities assumed and the amount paid in consideration. In accordance with IAS 36 '*Impairment of Assets*', the remaining goodwill has been reviewed for impairment and no further provision is considered necessary. The impairment reviews of goodwill undertaken during the financial period and at the period end are included as part of the intangible assets impairment review in Note 15 'Intangible assets' as goodwill relating to MuOx Limited formed part of the same cash-generating unit as the utrophin programme acquired. Goodwill relating to Discuva Limited forms part of the same cash-generating unit as the Discuva Platform acquired.

On 23 December 2017, the Group acquired 100% of the share capital of Discuva Limited, a privately held UK-based company, resulting in the recognition of £1.8 million of goodwill. Goodwill recognised in respect of Discuva Limited is attributable to the synergies expected with the Group's ongoing business as a result of the acquisition and the existing Discuva Limited workforce (which cannot be separately valued under IFRS accounting standards).

15. INTANGIBLE ASSETS

	Utrophin programme acquired £000	Discuva Platform acquired £000	Option over non-financial assets £000	Other patents and licences £000	Total £000
Cost					
At 1 February 2019	3,321	10,670	668	222	14,881
Additions	–	–	–	106	106
At 31 December 2019	**3,321**	**10,670**	**668**	**328**	**14,987**
Accumulated amortisation					
At 1 February 2019	(3,321)	(818)	(49)	(89)	(4,277)
Charge for the period	–	(677)	(45)	(38)	(760)
At 31 December 2019	**(3,321)**	**(1,495)**	**(94)**	**(127)**	**(5,037)**
Net book amount					
At 1 February 2019	–	9,852	619	133	10,604
At 31 December 2019	**–**	**9,175**	**574**	**201**	**9,950**

	Utrophin programme acquired £000	Discuva Platform acquired £000	Option over non-financial assets £000	Other patents and licences £000	Total £000
Cost					
At 1 February 2018	3,321	10,670	668	265	14,924
Additions	–	–	–	6	6
Disposals	–	–	–	(49)	(49)
At 31 January 2019	**3,321**	**10,670**	**668**	**222**	**14,881**
Accumulated amortisation					
At 1 February 2018	–	(79)	(4)	(56)	(139)
Charge for the year	–	(739)	(45)	(45)	(829)
Impairment	(3,321)	–	–	–	(3,321)
Disposals	–	–	–	12	12
At 31 January 2019	**(3,321)**	**(818)**	**(49)**	**(89)**	**(4,277)**
Net book amount					
At 1 February 2018	3,321	10,591	664	209	14,785
At 31 January 2019	**–**	**9,852**	**619**	**133**	**10,604**

Amortisation of intangible assets is included in the line 'Research and development' shown on the face of the Consolidated Statement of Comprehensive Income.

In accordance with IAS 36, intangible assets not subject to amortisation and the associated goodwill are reviewed for impairment annually or whenever there is an indication that the intangible asset may be impaired. The recoverable amount of an asset or a cash-generating unit is defined as the higher of its fair value and its value in use.

MuOx Limited goodwill and utrophin programme acquired cash-generating unit

As discussed in Note 9 'Impairment of goodwill and intangible assets', as a result of the Group's decision in June 2018 to discontinue development of ezutromid, an impairment charge of £4.0 million was recognised, representing the full aggregate carrying value of the intangible asset of £3.3 million and goodwill of £0.7 million.

Discuva Limited goodwill and Discuva Platform acquired cash-generating unit

The Discuva Platform acquired as part of the acquisition of Discuva Limited and the associated goodwill have been reviewed for impairment. However, the Company was unable to produce a value in use model to measure the recoverable amount as reliable future cash flows cannot yet be determined. The Company has assessed whether the fair value of these assets, determined upon acquisition of Discuva Limited in December 2017, still remain appropriate through evaluating the following seven factors:

- there has been any significant change in the results of the Investee Company compared to budget plan or milestone;
- there have been any changes in expectation that technical milestones will be achieved;
- there has been any significant change in the market for the Investee Company or its products or potential products;
- there has been any significant change in the global economy or the economic environment in which the Investee Company operates;
- there has been any significant change in the observable performance of comparable companies, or in the valuations implied by the overall market;
- any internal matters such as fraud, commercial disputes, litigation, changes in management or strategy; and
- evidence from external transactions in the investee's equity, either by the investee (such as a fresh issue of equity), or by transfers of equity instruments between third parties.

15. INTANGIBLE ASSETS CONTINUED

The key milestone events that were considered as part of the milestone analysis approach are as follows:

- research and development milestones achieved; and
- external transactions achieved.

The key sensitivity is our ability to meet ongoing milestone events; if these milestone events are not achieved as expected, this would likely result in a material impairment of the Platform up to and including full impairment.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Right of use assets £000	Laboratory equipment £000	Office and IT equipment £000	Total £000
Cost (as adjusted*)					
At 1 February 2019	189	1,561	339	496	2,585
Additions	–	–	155	5	160
Disposals	–	–	(10)	(6)	(16)
Revaluation	–	–	–	1	1
At 31 December 2019	**189**	**1,561**	**484**	**496**	**2,730**
Accumulated depreciation					
At 1 February 2019	(36)	(515)	(171)	(323)	(1,045)
Charge for the period	(65)	(272)	(101)	(86)	(524)
Disposals	–	–	–	6	6
At 31 December 2019	**(101)**	**(787)**	**(272)**	**(403)**	**(1,563)**
Net book value					
At 1 February 2019	153	1,046	168	173	1,540
At 31 December 2019	**88**	**774**	**212**	**93**	**1,167**

	Leasehold improvements £000	Right of use assets £000	Laboratory equipment £000	Office and IT equipment £000	Total £000
Cost (as adjusted*)					
At 1 February 2018	189	1,561	299	486	2,535
Additions	–	–	62	57	119
Disposals	–	–	(22)	(52)	(74)
Revaluation	–	–	–	5	5
At 31 January 2019	**189**	**1,561**	**339**	**496**	**2,585**
Accumulated depreciation					
At 1 February 2018	(2)	(180)	(36)	(249)	(467)
Charge for the year	(34)	(335)	(156)	(119)	(644)
Disposals	–	–	21	47	68
Revaluation	–	–	–	(2)	(2)
At 31 January 2019	**(36)**	**(515)**	**(171)**	**(323)**	**(1,045)**
Net book value					
At 1 February 2018	187	1,380	263	237	2,067
At 31 January 2019	**153**	**1,046**	**168**	**173**	**1,540**

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 '*Leases*'.'

17. TRADE AND OTHER RECEIVABLES

	31 December 2019 £000	31 January 2019 (Adjusted*) £000
Trade receivables	**410**	1,656
Other receivables	**905**	3,791
Prepayments	**6,645**	7,433
Accrued income	**156**	611
	8,116	13,491

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 *'Leases'*.'

Trade receivables consist of amounts outstanding from Sarepta at 31 December 2019. This amount has been received post the period.

Included within prepayments at 31 December 2019 is £5.8 million (31 January 2019: £6.8 million) of prepayments relating to research and development expenditure. These amounts are determined based on the estimated costs to complete each study or activity, the estimation of the current stage of completion and the invoices received. The key sensitivity is the estimated current stage of completion of each study or activity. If the estimated stage of completion increased by 5%, then the aggregate increase in accruals and decrease in prepayments would result in an overall increase in total research and development expenses of £1.5 million. If the estimated stage of completion decreased by 5% then the aggregate decrease in accruals and increase in prepayments would result in an overall decrease in total research and development expenses of £1.4 million.

18. TRADE AND OTHER PAYABLES

	31 December 2019 £000	31 January 2019 (Adjusted*) £000
Trade payables	**3,389**	4,422
Other taxes and social security	**245**	190
Accruals	**4,353**	3,963
Other creditors	**33**	158
	8,020	8,733

* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 *'Leases'*.'

Included within accruals at 31 December 2019 is £2.4 million (31 January 2019: £1.9 million) of accruals relating to research and development expenditure. These amounts are determined based on the estimated costs to complete each study or activity, the estimation of the current stage of completion and the invoices received. See Note 17 'Trade and other receivables' for information regarding the sensitivity of this estimate.

19. DEFERRED REVENUE AND INCOME

	31 December 2019 £000	31 January 2019 £000
Due within one year		
Deferred revenue	**499**	499
Deferred other operating income	**637**	2,875
	1,136	3,374
Due more than one year		
Deferred revenue	**374**	831
	374	831
Total deferred revenue	**873**	1,330
Total deferred other operating income	**637**	2,875

Revenues and other operating income of £3.3 million included in deferred revenue and income as at 31 January 2019, were recognised during the period ended 31 December 2019. Revenues and other operating income of £37.4 million included in deferred revenue and income as at 31 January 2018 were recognised during the year ended 31 January 2019.

See Note 5 'Revenue' for details on the Group's revenue agreements and revenue recognition.

20. CONTINGENT CONSIDERATION

During the eleven-months ended 31 December 2019, the Group reassessed the contingent consideration in line with the anticipated settlement of consideration liabilities relating to the acquisition of Discuva Limited ('Discuva') in December 2017. The Group estimated the total expected additional cash outflows to be £0.1 million, which is based on the terms of the share purchase agreement. The additional expected payment is primarily due to research and development tax credits received and receivable by Discuva in respect of financial years prior to the Group's acquisition, of which the sellers are due a specified portion of these amounts. During the eleven-months ended 31 December 2019, a payment of £0.5 million was made for the research and development tax credits received, leaving an estimated contingent consideration liability of £0.1 million.

21. FINANCIAL LIABILITIES ON FUNDING ARRANGEMENTS

The Group entered into charitable funding arrangements with the Wellcome Trust and the US not for profit organisations, the Muscular Dystrophy Association ('MDA') and Duchenne Partners Fund ('DPF'). In exchange for the funding provided, these arrangements required the Group to pay royalties on potential future revenues generated from the CDI and DMD programmes respectively or transfer the rights over unexploited intellectual property.

Discount factors used in the financial liability models were calculated using appropriate measures and rates which could have been obtained in the period that the funding agreements were entered into and are in the range of 16% to 18% for the financial liabilities of funding arrangements previously recognised.

Because of the Group's decision in June 2018 to discontinue the development of ezutromid, the financial liabilities attributable to the charitable funding arrangements with MDA and DPF were remeasured during the year ended 31 January 2019, as future royalties on revenues generated from the DMD programme are no longer anticipated. This remeasurement resulted in a credit to the Statement of Comprehensive Income. The portion of the credit presented as other operating income during the year ended 31 January 2019 represents the component of the funding received from MDA and DPF not previously credited to the Statement of Comprehensive Income upon initial recognition of the financial liability. The portion of the credit presented as finance income during the year ended 31 January 2019 relates to previous remeasurements and discounting associated with the financial liability which were previously recognised as finance costs.

The value of the estimated financial liabilities for funding arrangements as of 31 December 2019 amounted to £nil (31 January 2019: £nil).

	31 December 2019 £000	31 January 2019 £000
At 1 February	**–**	3,090
Unwinding of discount factor	**–**	233
Remeasurement of financial liabilities on funding arrangements – (finance income) / finance cost	**–**	(2,784)
Net finance income on funding arrangements accounted for as financial liabilities	**–**	(2,551)
Remeasurement or derecognition of financial liabilities – other operating income	**–**	(539)
At 31 December / 31 January	**–**	–

As the Group has discontinued the development of ezutromid, there are no sensitivities disclosed in relation to the charitable funding arrangements with MDA and DPF, since there are no reasonably possible changes in assumptions that would result in a different value of the liability as at 31 January 2019.

22. FINANCIAL INSTRUMENTS

	Note	31 December 2019 £000	31 January 2019 (Adjusted*) £000
Financial assets at amortised cost			
Trade and other receivables[1]	17	**1,315**	5,447
Cash and cash equivalents		**48,417**	26,858
		49,732	32,305
Financial liabilities measured at amortised cost			
Trade and other payables	18	**8,020**	8,733
		8,020	8,733
Financial liabilities measured at fair value through profit and loss			
Contingent consideration	20	**80**	629

(1) Prepayments and accrued income have been excluded as they are not considered to be a financial instrument.
* See Note 3 – 'Changes to accounting policies – Adoption of IFRS 16 'Leases'.'

The Group's activities expose it to a variety of financial risks: foreign currency risk; interest rate risk; credit risk; and liquidity risk.

The Group's principal financial instrument comprises cash and cash equivalents, and this is used to finance the Group's operations. Other financial instruments include trade and other receivables and trade and other payables that arise directly from its operations. The category of other receivables all mature within one year.

The Group has compared fair value to book value for each class of financial asset and liability and no differences were identified. The Group has a policy, which has been consistently followed, of not trading in financial instruments.

Fair value estimation

For the contingent consideration, the Group has compared fair market value to book value. The contingent consideration is considered a level 3 financial instrument as it is not based on observable market data, given it was based on the share purchase agreement. The movement on this was a £0.5 million decrease for the eleven-month period ended 31 December 2019 which related to payments made as detailed in Note 20.

Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's net income and financial position, as expressed in pounds sterling, are exposed to movements in foreign exchange rates against the US dollar and the euro. The main trading currencies of the Group are pounds sterling, the US dollar, and the euro. The Group is exposed to foreign currency risk as a result of trading transactions, including the receipt of potential payments related to the Group's agreements with Eurofarma, BARDA and CARB-X, capital raises in the US and the translation of foreign bank accounts.

The exposure to foreign exchange is monitored by the Group's finance function. Exposures are generally managed through natural hedging via the currency denomination of cash balances and any realised impact currently is not material to the Group.

Cash at bank and in hand	31 December 2019 £000	31 January 2019 £000
Pounds Sterling	**4,162**	3,363
Euro	**4**	–
US Dollar	**44,251**	23,495
	48,417	26,858

Sensitivity analysis

A reasonably possible strengthening or weakening of the US dollar against pounds sterling as of 31 December 2019 and 31 January 2019 would have affected the measurement of the financial instruments denominated in a foreign currency. The following table shows how a movement in a currency would give rise to a profit or (loss) and a corresponding entry in equity.

	Profit or loss and equity	
	Strengthening £000	Weakening £000
31 December 2019		
USD (5%)	(2,107)	2,329
31 January 2019		
USD (5%)	(1,119)	1,237

22. FINANCIAL INSTRUMENTS CONTINUED

Interest rate risk

One of the risks arising from the Group's financial instruments is interest rate risk. The Group holds no derivative instruments to manage interest rate risk; instead, the Group placed deposits surplus to short-term working capital requirements with a variety of reputable UK-based and US-based banks and building societies. These balances are placed at fixed rates of deposit with maturities between one month and three months. There were no amounts on short-term deposit at the year end.

The Group's cash and short-term deposits were as follows:

	31 December 2019 £000	31 January 2019 £000
On current account	**48,417**	26,858
	48,417	26,858

The interest rates for dated deposits were dependent on the rates offered by the Group's borrowers. The interest rate for short-term deposits is variable dependent on the rates offered by the Group's banks. During the eleven-months ended 31 December 2019, the banking facilities returned an average rate after fees of 0.02% (year ended 31 January 2019: 0.02%).

The Group's exposure to interest rate risk is illustrated with regard to the opening and closing cash balances and the difference that an increase or decrease of 1% in interest rates would have made based on the average cash balance of £37.6 million (year ended 31 January 2019: £23.5 million) in the eleven-month period:

Eleven-months ended 31 December 2019	**-1%**	**Actual**	**+1%**
Interest rate (%)	**–**	**0.02**	**1.02**
Interest received (£000)	**–**	**4**	**239**

Year ended 31 January 2019	-1%	Actual	+1%
Interest rate (%)	–	0.02	1.02
Interest received (£000)	–	4	239

Credit risk

The credit risk with respect to customers is limited as the Group has only a small number of customers, previously being Sarepta and Eurofarma and now solely Eurofarma. The Group had £0.4 million of trade receivables outstanding at 31 December 2019 from Sarepta.

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of short-term cash deposits and trade accounts receivable. Cash is held at a variety of financial institutions with strong credit ratings; these cash deposits typically bore minimal credit risk in the year.

Cash balances maintained during the year have been principally held with reputable UK-based and US-based banks and building societies. The Group does not believe that this constituted a major credit risk.

As of 31 December 2019 and 31 January 2019, the majority of cash and cash equivalents were placed with HSBC Bank plc.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group ordinarily finances its activities through cash generated from operating activities, and private and public offerings of equity securities. The Group's operating cash flows together with available cash and cash equivalents are expected to be sufficient to enable the Group to fund its anticipated needs through 31 January 2021. See Note 1 'Going concern'.

All of the financial liability categories at each balance sheet date, excluding the financial liabilities on funding arrangements, have maturity dates of less than 12 months from the year end date. Provisions are amounts contingent upon events taking place and the recognition of deferred taxation is dependent upon future profits arising.

Capital management

The primary aim of the Group's capital management, defined as its share capital and share premium, is to safeguard the Group's ability to continue as a going concern, to support its programmes and maximise shareholder value.

The Group monitors its capital structure and makes adjustments, as and when it is deemed necessary and appropriate to do so, using such methods as the issuing of new ordinary shares and granting of warrants. The capital structure of the Group has come entirely from equity issues.

23. LEASES

The Group has two leases relating to its UK leased properties in Oxford and Cambridge that are within the scope of IFRS 16. A summary of these leases is as follows:

- In February 2017, the Group entered into a ten-year lease agreement for its office premises in Oxford, UK. The lease contains a break clause with the option to terminate the lease on the fifth anniversary of the agreement. The Group does not factor in the period covered by the break clause when accounting for this lease.
- In December 2017, the Group entered into a four-year lease agreement for its office and lab premises in Cambridge, UK. The lease contains a break clause with the option to terminate the lease on the second anniversary of the agreement. The Group factors in the period covered by the break clause when accounting for this lease, as the break clause notice period has now passed and was not exercised by the Group.

The adoption of IFRS 16 resulted in the recognition of lease liabilities and right-of-use assets. The carrying value of the right-of-use assets included within property, plant and equipment as at 31 December 2019 is £0.8 million (31 January 2019: £1.0 million). The following table summarises the future minimum lease payments under the Group's lease liabilities:

Maturity of lease liabilities	**31 December 2019 £000**	31 January 2019 £000
Fiscal year ended 31 December / 31 January		
2019	**N/A**	N/A
2019 / 2020	**–**	358
2020 / 2021	**358**	358
2021 / 2022	**294**	294
2022	**55**	55
Total minimum lease payments	**707**	1,065
Less: imputed interest	**(29)**	(60)
Total lease liabilities	**678**	1,005
Liabilities		
Current lease liabilities	**358**	358
Non-current lease liabilities	**320**	647
	678	1,005

The weighted average remaining lease term is 2.1 years (31 January 2019: 3.0 years). The weighted average discount rate is 3.75% (31 January 2019: 3.75%).

The following table contains a summary of the lease costs recognised under IFRS 16 and other information pertaining to the Group's leases for the eleven-months ended 31 December 2019 and year ended 31 January 2019:

	Eleven-months ended 31 December 2019 £000	Year ended 31 January 2019 £000
Lease cost		
Depreciation	**320**	335
Interest expense paid	**30**	43
Total lease cost	**350**	378
Other information		
Lease payments	**358**	324

For details of the Group's transition to IFRS 16 see Note 3 'Basis of Accounting – Adoption of IFRS 16 '*Leases*'.'

24. PROVISIONS FOR OTHER LIABILITIES AND CHARGES AND CONTINGENT LIABILITIES

	Assumed contingent liability £000	Dilapidations £000	Royalties £000	Total £000
At 1 February 2019	1,657	150	44	1,851
Additions	–	–	1	1
Unwinding of the discount factor	198	–	–	198
At 31 December 2019	**1,855**	**150**	**45**	**2,050**

	Assumed contingent liability £000	Dilapidations £000	Royalties £000	Total £000
At 1 February 2018	1,466	150	25	1,641
Additions	–	–	19	19
Unwinding of the discount factor	191	–	–	191
At 31 January 2019	**1,657**	**150**	**44**	**1,851**

Assumed contingent liability

As part of the acquisition of Discuva Limited ('Discuva') in December 2017, the Group assumed certain contingent liabilities as certain employees, former employees and former directors of Discuva are eligible for payments from Discuva based on specified development and clinical milestones related to proprietary product candidates developed under the Discuva Platform. The timing of these potential payments is uncertain.

On the date of acquisition, the fair value of the assumed contingent liability was estimated using the expected value of the payments. The assumed contingent liabilities are subsequently measured at amortised cost using discounted cash flow models which calculate the risk adjusted net present values of estimated potential future cash flows of the payments. The assumed contingent liabilities are remeasured when there is a specific significant event that provides evidence of a significant change in the probability of successful development and clinical milestones being achieved. The models will be updated for changes in the probability of successful development and clinical milestones being achieved and other associated assumptions with the discount factor to remain unchanged within the model. A discount factor of 13% has been used to discount the contingent liabilities back to net present value. This discount factor has been calculated using appropriate measures and rates which could have been obtained in the period that the contingent liabilities were assumed.

The estimated fair value of the assumed contingent liability as at 31 December 2019 is £1.9 million (31 January 2019: £1.7 million). The contingent liability has not been remeasured during the period. The table below describes the value of the assumed contingent liabilities as at 31 December 2019 of £1.9 million compared to what the total value would be following the presented variations to the underlying assumptions in the model:

	31 December 2019 £000
Estimated assumed contingent liabilities	**1,855**
1% lower discount rate	**1,927**
1% higher discount rate	**1,791**
10% lower probability of success	**1,635**
10% higher probability of success	**2,057**

Dilapidations

Management has made a provision in respect of the dilapidation costs associated with the reinstatement obligations on their current lease based on best estimates. It is management's intention to utilise the provision at the end of the lease term.

24. PROVISIONS FOR OTHER LIABILITIES AND CHARGES AND CONTINGENT LIABILITIES CONTINUED

Royalties

The provision in respect of royalties relates to the amounts due to the Wellcome Trust under the terms of the funding arrangement as described below. The provision has been discounted to take account of the effect of the time value of money, applying a discount rate of 0.8%. Further information on the contingent liabilities included in the Wellcome Trust arrangement are detailed below.

In addition to those items provided for above, the Group also has the following contingent liabilities:

The School of Pharmacy, University of London

The Group has agreed to pay The School of Pharmacy, University of London, a low single-digit share of all revenue, pre and post commercialisation, received by the Group in respect of ridinilazole up to a maximum of £1.0 million. This revenue share is in consideration of the School of Pharmacy's role in the development of the initial compound series from which ridinilazole was later identified. Following the licence and commercialisation agreement entered into with Eurofarma Laboratórios S.A., an initial payment was made to The School of Pharmacy of £0.04 million.

Wellcome Trust

Under the terms of the funding arrangement entered into in October 2017, the Wellcome Trust is entitled to a share of the cumulative net revenue that the Group or its affiliates receive from exploiting the exploitation IP or award products. If Summit undertakes the commercialisation of ridinilazole, the Wellcome Trust would be eligible to receive a low-single digit percentage share of net revenues. If a third party undertakes the commercialisation of ridinilazole, the Wellcome Trust would be eligible to receive a mid-single digit percentage share of net revenues received by Summit from sales by the third party and a milestone payment of a low-single digit percentage of any cumulative pre-commercial payments received by Summit from third-party licensees. In both instances outlined above, the Group would also be obligated to pay the Wellcome Trust a milestone of a specified amount if cumulative net revenue exceeds a specified amount. Following the licence and commercialisation agreement entered into with Eurofarma, an initial payment became due to the Wellcome Trust upon commercialisation of ridinilazole. The payment has been provided for by the Group as at the year end date and has been discounted back to net present value relative to the expected timing of commercialisation of ridinilazole.

25. DEFERRED TAX LIABILITY

The Group's deferred tax liability includes amounts recognised upon acquisition of Discuva Limited, which took place in the year ended 31 January 2018. During the year ended 31 January 2019, amounts recognised upon acquisition of MuOx Limited of £0.6 million were released to the Consolidated Statement of Comprehensive Income when the related intangible asset was impaired in full, see Note 9 'Impairment of goodwill and intangible assets' for further details.

	£000	£000
Amounts falling due after more than one year		
At 1 February	**1,675**	2,379
Release of temporary difference relating to the intangible asset	**(115)**	(704)
At 31 December / 31 January	**1,560**	1,675

There is an unrecognised deferred tax asset in relation to the trading losses carried forward of £15,240,000 (31 January 2019: £12,400,000), £26,000 in relation to provisions (31 January 2019: £26,000) and £27,000 (31 January 2019: £32,000) in relation to future exercisable shares. There is a deferred tax liability of £14,000 (31 January 2019: £43,000) in respect of accelerated capital allowances, this has been offset against the deferred tax asset in relation to trading losses carried forward.

The unrecognised deferred tax asset would be recovered against future company taxable profits. In the opinion of the Directors, there is insufficient evidence that the asset will be recovered, as such the deferred tax asset has not been recognised in the financial statements.

26. SHARE CAPITAL

	31 December 2019 £000	31 January 2019 £000
Allotted, called up and fully paid		
335,890,281 (31 January 2019: 160,389,881) ordinary shares of 1p each	**3,359**	1,604

Changes to the number of ordinary shares in issue have been as follows:

	Number of shares	Total nominal value £000	Total share premium £000	Total consideration £000
At 1 February 2018[1]	73,563,624	736	60,237	60,973
New share capital issued (net of transaction costs)	86,458,333	864	32,471	33,335
Share options exercised	367,924	4	98	102
At 31 January 2019	**160,389,881**	**1,604**	**92,806**	**94,410**
At 1 February 2019	160,389,881	1,604	92,806	94,410
New share capital issued (net of transaction costs)	175,378,450	1,754	36,304	38,058
Share options exercised	121,950	1	–	1
At 31 December 2019	**335,890,281**	**3,359**	**129,110**	**132,469**

(1) The difference between the nominal value of the share capital acquired in Discuva Limited and fair value of shares issued in the business combination using the acquisition method of accounting was recognised as part of the Group's merger reserve arising as a result of certain requirements in the United Kingdom.

On 24 December 2019, the Company completed an equity placing on the AIM market of the London Stock Exchange, issuing 175,378,450 new ordinary shares at a price of 22.1 pence and warrants for 26,306,765 new ordinary shares at an exercise price of 24.3 pence. Total gross proceeds of $50.0 million (£38.8 million) were raised and directly attributable transaction costs £0.7 million were incurred.

During the eleven-months to 31 December 2019, the following exercises of restricted stock units took place:

Date	Number of RSUs exercised
23 April 2019	104,877
23 December 2019	17,073
	121,950

The total net proceeds from exercised RSUs during the year was £1,220.

All new ordinary shares rank *pari passu* with existing ordinary shares.

Following the equity placings and the exercise of the above restricted stock units, as of 31 December 2019 the number of ordinary shares in issue was 335,890,281.

Dividends

No dividends were paid or declared in the eleven-months ended 31 December 2019 (year ended 31 January 2019: £nil).

27. SHARE OPTION SCHEME AND RESTRICTED STOCK UNITS

At 31 December 2019, the outstanding share options, which include the share options granted to Directors, are shown below:

	Date of grant	Exercise price (£)	Number of shares	Date from which exercisable	Expiry date
Approved EMI scheme					
	7 April 2011	0.65	5,873	8 April 2014	7 April 2021
	10 May 2012	0.60	150,046	10 May 2014	10 May 2022
	24 December 2012	0.85	21,500	24 December 2015	24 December 2022
	31 January 2013	0.20	72,973	31 July 2013	31 January 2023
			250,392		
Unapproved scheme					
	18 December 2013	0.20	76,364	18 June 2014	18 December 2023
	15 July 2014	0.80	100,000	30 May 2015	30 May 2023
	23 June 2016	0.01	110,576	21 July 2016	23 June 2026
	19 October 2018	0.30	3,941,886	19 October 2019	19 October 2028
	19 October 2018	0.30	3,814,970	19 October 2021	19 October 2028
	29 March 2019	0.275	4,580,000	29 March 2020	29 March 2029
	29 March 2019	0.275	6,500,000	29 March 2022	29 March 2029
	23 December 2019	0.21	3,000,000	23 December 2020	23 December 2029
	23 December 2019	0.21	850,000	23 December 2020	23 December 2029
			22,973,796		
			23,224,188		

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The movement in the number of share options is set out below:

	Weighted average exercise price £	**Eleven-months ended 31 December 2019**	Weighted average exercise price £	Year ended 31 January 2019
Outstanding at the start of the period	**0.35**	**9,168,396**	1.43	8,577,236
Granted during the period	**0.27**	**15,246,000**	0.76	13,081,048
Lapsed / surrendered during the period	**0.69**	**(1,190,208)**	1.52	(12,397,841)
Exercised during the period	**–**	**–**	1.08	(92,047)
Number of options outstanding at the end of the period	**0.27**	**23,224,188**	0.35	9,168,396

During the year ended 31 January 2019, the former Executive Director, key management and employees voluntarily surrendered options to subscribe for a total of 7,172,054 ordinary shares. The share-based payment expense for the eleven-months ended 31 December 2019 was £0.6 million (year ended 31 January 2019: £4.7 million). This decrease is primarily due to the surrender of share options, resulting in an accelerated share-based payment expense of the remaining fair value of those awards during the twelve months ended 31 January 2019.

As at 31 December 2019, 1,005,072 share options were capable of being exercised with a weighted average exercise price per option of 36 pence (31 January 2019: 1,029,228 with a weighted average exercise price per option of 82 pence). The options outstanding at 31 December 2019 had a weighted average exercise price per option of 27 pence (31 January 2019: 35 pence), and a weighted average remaining contractual life of 9.1 years (31 January 2019: 9.2 years).

The fair value per share option award granted and the assumptions used in the calculations are as follows:

Date of grant	Type of award	Number of shares	Exercise price (£)	Share price at grant date (£)	Fair value per option (£)	Award life (years)	Risk free rate
7 April 2011	EMI	5,873	0.65	0.65	0.47	5.00	2.70%
10 May 2012	EMI	150,046	0.60	0.52	0.24	5.00	1.00%
24 December 2012	EMI	21,500	0.85	0.85	0.59	5.00	0.90%
31 January 2013	EMI	72,973	0.20	0.94	0.74	5.00	1.00%
18 December 2013	Unapproved	76,364	0.20	1.85	1.65	5.00	1.00%
15 July 2014	Unapproved	100,000	0.80	0.81	0.65	1.90	0.50%
23 June 2016	Unapproved	110,576	0.01	1.05	1.04	0.50	0.30%
19 October 2018	Unapproved	3,941,886	0.30	0.30	0.09	3.00	0.81%
19 October 2018	Unapproved	3,814,970	0.30	0.30	0.12	3.00	0.90%
29 March 2019	Unapproved	4,580,000	0.275	0.275	0.1	3.00	0.63%
29 March 2019	Unapproved	6,500,000	0.275	0.275	0.12	3.00	0.63%
23 December 2019	Unapproved	3,000,000	0.21	0.21	0.08	4.00	0.54%
23 December 2019	Unapproved	850,000	0.21	0.21	0.07	3.00	0.54%
		23,224,188					

27. SHARE OPTION SCHEME AND RESTRICTED STOCK UNITS CONTINUED

The key assumptions used in calculating the share-based payments are as follows:

a. Black-Scholes valuation methodology was used for all share options issued since 2016. These options do not have market-based performance related conditions.
b. The majority of share option awards made before 2016 had market-based performance related conditions and have been modelled using the Monte-Carlo methodology. The options granted on 31 January 2013 and 18 December 2013 do not have market-based performance related conditions.
c. Figures in the range of 39%-134% have been used for expected volatility. This has been derived from historic share price performance, weighted to exclude periods of unusually high volatility.
d. Expected dividend yield is nil, consistent with the Directors' view that the Group's business model is to generate value through capital growth rather than the payment of dividends.
e. The risk-free rate is equal to the prevailing UK Gilts rate at grant date that most closely matches the expected term of the grant.
f. Share options are assumed to be exercised immediately on vesting.
g. The fair value of share options awarded where there are different vesting instalments is the average of the fair values calculated per instalment.

At 31 December 2019, the outstanding restricted stock units ('RSUs') in the form of nominal-cost options, which have been granted to Non-Executive Directors, are shown below:

Date of grant	Exercise price (£)	Number of shares	Date from which exercisable	Expiry date
11 January 2019	0.01	692,306	11 January 2020	31 December 2020
		692,306		

The movement in the number of RSUs is set out below:

	Weighted average exercise price £	**Eleven-months ended 31 December 2019**	Weighted average exercise price £	Year ended 31 January 2019
Outstanding at beginning of period	**0.01**	**814,256**	0.01	275,877
Granted during the year	**0.01**	**–**	0.01	814,256
Exercised during the year	**0.01**	**(121,950)**	0.01	(275,877)
Number of RSUs outstanding at end of period	**0.01**	**692,306**	0.01	814,256

As at 31 December 2019, nil RSUs were capable of being exercised (31 January 2019: nil). The RSUs outstanding at 31 December 2019 had a weighted average exercise price per RSU of 1 penny (31 January 2019: 1 penny), and a weighted average remaining contractual life of 1 years (31 January 2019: 1.8).

The fair value per RSU award granted and the assumptions used in the calculations are as follows:

Date of grant	Number of shares	Exercise price (£)	Share price at grant date (£)	Fair value per RSU (£)	Award life (years)	Risk free rate
11 January 2019	692,306	0.01	0.26	0.25	1.00	0.79%

The key assumptions used in calculating the share-based payments are as follows:

a. Black-Scholes valuation methodology was used for all RSUs.
b. Figure of 57% has been used for expected volatility. This has been derived from historical share price performance, weighted to exclude periods of unusually high volatility.
c. Expected dividend yield is nil, consistent with the Directors' view that the Group's business model is to generate value through capital growth rather than the payment of dividends.
d. The risk-free rate is equal to the prevailing UK Gilts rate at grant date that most closely matches the expected term of the grant.
e. RSUs are assumed to be exercised immediately on vesting.

27. SHARE OPTION SCHEME AND RESTRICTED STOCK UNITS CONTINUED

At 31 December 2019, the outstanding warrants, which have been granted to consultants for services, are shown below:

Date of grant	Exercise price (£)	Number of shares	Date from which exercisable	Expiry date
24 December 2019	0.22	16,793,660	24 March 2020	24 December 2029
		16,793,660		

As at 31 December 2019, nil consultant warrants were capable of being exercised. The consultant warrants outstanding at 31 December 2019 had a weighted average exercise price of 22 pence and a weighted average remaining contractual life of 9.98 years. The fair value per consultant warrant granted and the assumptions used in the calculations are as follows:

Date of grant	Number of shares	Exercise price (£)	Share price at grant date (£)	Fair value per RSU (£)	Award life (years)	Risk free rate
24 December 2019	16,793,660	0.22	0.21	0.06	3.00	0.54%

The key assumptions used in calculating the share-based payments are as follows:

a. Black-Scholes valuation methodology was used for the consultant warrants.
b. Volatility has been estimated using a range of 52% to 69%. This has been derived from historical share price performance, weighted to exclude periods of unusually high volatility.
c. Expected dividend yield is nil, consistent with the Directors' view that the Group's business model is to generate value through capital growth rather than the payment of dividends.
d. The risk-free rate is equal to the prevailing UK Gilts rate at grant date that most closely matches the expected term of the grant.
e. Consultant warrants are assumed to be exercised immediately on vesting.

28. COMMITMENTS

Fixed asset purchase commitments

At 31 December 2019, the Group had no capital commitments (31 January 2019: nil).

Other commitments

The Group enters into contracts in the normal course of business with contract research organisations to assist in the performance of research and development activities and other services and products for operating purposes. These contracts generally provide for termination on notice, and therefore are cancellable contracts and not required to be disclosed.

29. RELATED PARTY TRANSACTIONS

On 24 December 2019, the Group completed a private placement with Mr Robert W. Duggan, who subscribed for an aggregate of 166,157,050 ordinary shares, par value £0.01 per share, and warrants to purchase an aggregate of 24,923,555 ordinary shares at a subscription price of £0.221 for a Subscription Share plus a Subscription Warrant, pursuant to a securities purchase agreement he entered into with us. The exercise price of the Subscription Warrants is £0.243 per ordinary share. The Subscription Warrants are exercisable any time in the period commencing on 24 June 2020 and ending on 24 December 2029.

On 6 December 2019, we entered into a deed of termination of the relationship agreement with Mr Duggan and Cairn Financial Advisers LLP, a limited liability partnership incorporated in England and Wales with the Registrar of Companies of England and Wales, as our nominated adviser. The relationship agreement regulated the Company's relationship with Mr Duggan and limited Mr Duggan's influence over the Company's corporate actions and activities and the outcome of general matters pertaining to the Company. The deed of termination became effective on 24 February 2020, upon the cancellation of the admission of the ordinary shares on AIM.

Dr Elaine Stracker, a Non-Executive Director appointed on 24 December 2019, is also the General Counsel and Senior Vice President for Corporate Development for Maky Zanganeh and Associates, Inc. ("MZA"). The Group has a consultancy agreement with MZA to provide support into clinical operation activities related to the ongoing global Phase 3 clinical trials of ridinilazole for the treatment of CDI, regulatory activities pertaining to a potential new drug application should the Phase 3 trials be successful and strategic planning support more generally for the ridinilazole programme. The fees for such services under this consultancy agreement are $75,000 per month. In addition to such monthly fee, MZA was granted warrants over 16,793,660 Ordinary Shares with an exercise price of £0.221 each and which vest on a quarterly basis over three years from the date of grant, subject to MZA's provision of consultancy services to the Group during such period. During the period from appointment £16,000 of consultancy fees (year ended 31 January 2019: £nil) were incurred by the Group and a warrant expense of £14,000 was recognised (year ended 31 January 2019: £nil). Of the amounts in respect of the consulting services £5,000 was outstanding at the end of the period (year ended 31 January 2019: £nil). As of 13 April 2020, Dr Stracker was appointed as the Interim Chief Operating Officer and an Executive Director.

On 7 February 2020, MZA, Dr Zanganeh, Dr Stracker and the Company entered into an assignment and assumption agreement (the "Assignment and Assumption Agreement"). Pursuant to the Assignment and Assumption Agreement, MZA assigned a portion of the Consultant Warrant to each of Dr Zanganeh and Dr Stracker. Dr Zanganeh assumed a warrant to acquire 14,694,453 ordinary shares and Dr Stracker assumed a warrant to acquire 2,099,207 ordinary shares. Each of them has the right to exercise their respective portion of the Consultant Warrant in accordance with the terms and conditions of the MZA Warrant Agreement.

See Note 7 'Directors and employees' for details of key management emoluments.

30. POST BALANCE SHEET EVENTS

The outbreak of novel coronavirus (COVID-19) in early 2020 has affected business and economic activities around the world. The Group considers this outbreak to be a non-adjusting post balance sheet event as of 31 December 2019. Given the spread of the coronavirus, the range of potential outcomes for the global economy are difficult to predict at the current time. When it comes to our business, we are monitoring the COVID-19 outbreak developments closely. The Group follows guidance from the World Health Organization and the US Centers for Disease Control and Prevention and abides by the requirements as activated by local governments.

From an employee well-being and business continuity perspective, we are proactively monitoring this outbreak and are maintaining continuous dialogue with employees regarding its status. Periodic updates are being issued and guidance to all staff on preventative measures and on maintaining good physical and mental health is being provided.

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

SUMMIT THERAPEUTICS PLC INDIVIDUAL FINANCIAL STATEMENTS (COMPANY NUMBER 5197494)

	Note	**31 December 2019 £000**	31 January 2019 (restated) £000
Non-current assets			
Investments	3	**24,672**	24,013
Current assets			
Prepayments and other receivables	4	**47,526**	63,689
Cash and cash equivalents		**43,527**	24,074
		91,053	87,763
Total assets		**115,725**	111,776
Creditors: amounts falling due within one year	5	**(925)**	(654)
Contingent consideration	6	**(80)**	(629)
Total assets less current liabilities		**114,720**	110,493
Net assets		**114,720**	110,493
Equity			
Share capital	7	**3,359**	1,604
Share premium account		**129,110**	92,806
Share-based payment reserve[1]		**1,299**	1,148
Merger reserve		**4,970**	4,970
Special reserve		**19,993**	19,993
Accumulated losses reserve[1]		**(44,011)**	(10,028)
Total equity		**114,720**	110,493

(1) As discussed in Note 1 to the Individual Financial Statements, the Company has made a retrospective transfer of £10,338,000 from the share-based payment reserve to the accumulated losses reserve for the year ended 31 January 2019. This change had no effect on the Company's operating loss or loss for the year.

The Company's loss for the period was £34,493,000 (year ended 31 January 2019: £8,520,000).

The notes on pages 90 to 94 form part of these financial statements.

The Individual Financial Statements on pages 88 to 94 were approved by the Board of Directors and signed on its behalf by

Robert W. Duggan
Chief Executive Officer

1 May 2020

COMPANY STATEMENT OF CHANGES IN EQUITY

SUMMIT THERAPEUTICS PLC INDIVIDUAL FINANCIAL STATEMENTS (COMPANY NUMBER 5197494)

Eleven-months ended 31 December 2019

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Merger reserve £000	Special reserve £000	Profit and loss account £000	Total equity £000
At 1 February 2019	1,604	92,806	1,148	4,970	19,993	(10,028)	110,493
Loss for the year	–	–	–	–	–	(34,493)	(34,493)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(34,493)**	**(34,493)**
New share capital issued	1,754	37,005	–	–	–	–	38,759
Transaction costs on share capital issued	–	(701)	–	–	–	–	(701)
Warrant expense	–	–	15	–	–	–	15
Share options exercised	1	–	–	–	–	–	1
Share-based payment	–	–	646	–	–	–	646
Transfer	–	–	(510)	–	–	510	–
At 31 December 2019	**3,359**	**129,110**	**1,299**	**4,970**	**19,993**	**(44,011)**	**114,720**

Year ended 31 January 2019 (restated)

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Merger reserve £000	Special reserve £000	Profit and loss account £000	Total equity £000
At 1 February 2018	736	60,237	6,743	4,970	19,993	(11,846)	80,833
Loss for the year	–	–	–	–	–	(8,520)	(8,520)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(8,520)**	**(8,520)**
New share capital issued	864	33,784	–	–	–	–	34,648
Transaction costs on share capital issued	–	(1,313)	–	–	–	–	(1,313)
Share options exercised	4	98	–	–	–	–	102
Share-based payment	–	–	4,743	–	–	–	4,743
Transfer[1]	–	–	(10,338)	–	–	10,338	–
At 31 January 2019	**1,604**	**92,806**	**1,1486**	**4,970**	**19,993**	**(10,028)**	**110,493**

(1) As discussed in Note 1 to the Individual Financial Statements, the Company has made a retrospective transfer of £10,338,000 from the share-based payment reserve to the accumulated losses reserve for the year ended 31 January 2019. This change had no effect on the Company's operating loss or loss for the year.

The accompanying notes form an integral part of these Individual Financial Statements.

Information pertaining to the share options issued in the year are analysed in Note 27 'Share option scheme and restricted stock units'. The share-based payment reserve is borne on behalf of the underlying subsidiaries.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below:

Basis of preparation

The Individual Financial Statements of the Company, Summit Therapeutics plc, have been prepared in accordance with FRS 100 'Application of Financial Reporting Requirements' and FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006 applicable to companies reporting under FRS 101. The principal accounting policies adopted in the preparation of the Summit Therapeutics plc Individual Financial Statements (Company Number 5197494) are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Individual Financial Statements have been prepared on a historical cost basis.

The Individual Financial Statements are presented in pound sterling (£) and have been presented in round thousands (£000).

Going concern

These Individual Financial Statements have been prepared assuming the Company will continue on a going concern basis. The Company is committed to providing support to the Group, however the Group has incurred significant losses and negative cash flows from operations since inception. Based on management's forecasts, the Company's existing cash and cash equivalents as well as its subsidiaries' anticipated payments from BARDA under its contract for the development of ridinilazole, anticipated payments from CARB-X under its contract for the development of its gonorrhoea antibiotic programme, and anticipated milestone payments from its licence and commercialisation agreement with Eurofarma are expected to be sufficient to enable the Group to fund its operating expenses and capital expenditure requirements through 31 January 2021. The Company will need to raise additional funding in order to support, beyond this date, the Group's planned research and development efforts, its commercialisation preparatory related activities, should ridinilazole receive marketing approval, as well as to support activities associated with operating as a public company in the United States. Should the Company be unable to raise additional funding, management has the ability to take mitigating action to fund the Group's operating expenses and capital expenditure requirements for a period beyond 12 months from the date of issuance of these financial statements. These circumstances represent a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not contain any adjustments that might result if the Company was unable to continue as a going concern.

The Company is evaluating various options to finance these cash needs, through a combination of some, or all, of the following: equity offerings, collaborations, strategic alliances, grants and clinical trial support from government entities, philanthropic, non-government and not-for-profit organisations and patient advocacy groups, debt financings, and marketing, distribution or licensing arrangements. Whilst the Company believes that funds would be available in this manner before the end of January 2021, there can be no assurance that the Company will be able to generate funds, on terms acceptable to the Company, on a timely basis or at all, which would impact both the Company's and the Group's ability to continue as a going concern. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on both the Company's and the Group's business, results of operations, financial condition and the recoverability of investments and amounts owed by Group undertakings.

Disclosure exemptions adopted

In preparing these financial statements, the Company has taken advantage of the following disclosure exemptions conferred by FRS 101:

1. A statement of cash flows and related notes.
2. The requirement of IAS 24 '*Related Party Disclosures*' to disclose related party transactions entered into between two or more members of the Group as they are wholly owned within the Group.
3. Disclosure of key management personnel compensation.
4. The effect of future accounting standards not adopted.
5. Certain share-based payment disclosures (as these are publicly available in the consolidated financial statements).
6. Disclosures in relation to impairment of assets.
7. Disclosures in respect of financial instruments.
8. Fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value).

Reclassification within the Individual Financial Statements

During the year ended 31 January 2019, the Group made a transfer of £10,338,000 from the share-based payment reserve to the accumulated losses reserve. This change was not reflected in the Individual Financial Statements of the parent company at the time and has now been reflected in the comparative period in the Company Balance Sheet and the Company Statement of Changes in Equity. This change had no effect on the Company's operating loss or loss for the year.

Investments

The Company holds 100% ownership of the subsidiaries detailed in Note 8 'Subsidiaries'; these are held at cost.
The carrying value of the subsidiaries is reviewed annually by management for any indicators of impairment. In the event that the subsidiaries are considered by management to be impaired, the recoverability of any intercompany balances may be restricted.

Impairment of financial assets

Under IFRS 9 '*Financial instruments*', intercompany receivable balances are required to be considered for impairment under the general approach model. The Company is required to recognise lifetime expected losses, which is assessed on the ability of the Group's undertakings to repay. The Company has deemed that the most appropriate measure to use to assess the recoverability of intercompany receivables is to use the cumulative probability of achieving key development milestones based on industry standards for each undertaking.

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

Share-based payments

In accordance with IFRS 2 '*Share-based payment*', share options are measured at fair value at their grant date. The fair value for the majority of the options is calculated using the Black-Scholes formula and charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the expected vesting period. For those options issued with vesting conditions other than remaining in employment (for example, those conditional upon the Group achieving certain predetermined financial criteria), a simulation model has been used. At each year end date, the Group revises its estimate of the number of options that are expected to become exercisable. This estimate is not revised according to estimates of changes in market-based conditions. A capital contribution is created over time as the Company bears the cost of issuing Summit Therapeutics plc share options to the employees of each subsidiary. See Note 27 'Share option scheme and restricted stock units' of the Group Consolidated Financial Statements for further information.

Critical accounting estimates and judgements

The preparation of the Individual Financial Statements requires the Company to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. There are not any critical accounting estimates or judgements to be disclosed in addition to the critical accounting estimates and judgements already disclosed in Note 2 'Critical accounting judgments and key sources of estimation uncertainty' to the Consolidated Financial Statements, except for the judgement in relation to the recoverability of investments and amounts owed by Group undertakings discussed below.

In accordance with IAS 36, the Company is required to exercise judgement as to whether there is any indication that its investments in subsidiaries have suffered an impairment loss when reviewing the carrying value of those assets. As a result of this review, no impairment was required for the eleven-months ended 31 December 2019. See Note 3 'Investments' of these Individual Financial Statements.

In accordance with IFRS 9, the Company is required to exercise judgement as to whether there is any indication that an expected credit loss is required for its amounts owed by Group undertakings. As a result of this review, the Company has provided against a portion of the amounts owed by Group undertakings for the eleven-months ended 31 December 2019. See Note 4 'Trade and other receivables' of these Individual Financial Statements.

Changes to accounting policies

During the eleven-months ended 31 December 2019, the following additional new standards, amendments to standards or interpretations became effective for the first time. The adoption of these interpretations, standards or amendment to standards were either not relevant for the Company or have not led to any significant impact on the Company's financial statements.

International Accounting Standards (IAS/IFRS)	Effective date
Amendments to IFRS 9 '*Financial Instruments, Prepayment Features with Negative Compensation*'	1 January 2019
Amendments to IAS 19 '*Employee Benefits, Plan Amendments, Curtailments or Settlements*'	1 January 2019
Amendments resulting from Annual Improvements 2015–2017 Cycle	1 January 2019
IFRIC 23 '*Uncertainty over Income Tax Treatments*'	1 January 2019

2. LOSS OF THE COMPANY

Loss in the year

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own income statement for the period.

Directors' remuneration

The remuneration of the Directors is disclosed in the Directors' Remuneration Report on pages 26 to 44.

Auditors' remuneration

Audit remuneration is disclosed in Note 10 'Auditors' remuneration' of the Group Consolidated Financial Statements.

Employees

The Company had no employees in the current or previous financial years.

3. INVESTMENTS

	Investment in subsidiaries £000	Capital contributions for share options recharge £000	Total £000
Cost			
At 1 February 2019	31,795	10,528	42,323
Additions	–	659	659
At 31 December 2019	**31,795**	**11,187**	**42,982**
Accumulated impairment			
At 1 February 2019	(18,180)	(130)	(18,310)
At 31 December 2019	**(18,180)**	**(130)**	**(18,310)**
Net book value			
At 1 February 2019	13,615	10,398	24,013
At 31 December 2019	**13,615**	**11,057**	**24,672**

Capital contributions for share options recharge

The charge for the share-based payment was financed by the Company in the form of a capital contribution in the accounts of the underlying subsidiaries.

Impairment assessment of investments

The Directors believe that the carrying value of investments as at 31 December 2019 is supported by their underlying net assets. We have measured the fair value of the investment in line with the fair value of goodwill / intangibles.

During the year ended 31 January 2019, management identified an indication of impairment of the carrying amounts of its investments and amounts owed by Group undertakings, being the reduction of the Group's market capitalisation to below the carrying amount of those assets following the announcement in June 2018 that the Phase 2 clinical trial of ezutromid failed to meet its primary and secondary endpoints. Accordingly, management performed an impairment review using a value in use model for assets relating to Summit (Oxford) Limited.

The key assumptions used in the value in use model are as follows:

- expected research and development costs based on management's past experience and knowledge;
- probabilities of achieving development milestones based on industry standards;
- reported disease prevalence;
- expected market share based on management's estimates;
- drug reimbursement, costs of goods and marketing estimates; and
- expected patent life.

The value in use model covers a period significantly longer than five years, which is based on expected patent life, once filed, due to the length of the development cycle for assets of this nature and a discount factor of 13% has been used over the forecast period. Based on sensitivity analysis, the failure of the Company to obtain sufficient funds on acceptable terms when needed could have an adverse effect on the recoverability of the Company's investments and amounts owed by Group undertakings.

The Discuva Platform acquired as part of the acquisition of Discuva Limited and the associated goodwill have been reviewed for impairment. However, the Company was unable to produce a value in use model to measure the recoverable amount as reliable future cash flows cannot yet be determined. The Company has assessed whether the fair value of these assets, determined upon acquisition of Discuva Limited in December 2017 still remain appropriate through evaluating the following seven factors:

- there has been any significant change in the results of the Investee Company compared to budget plan or milestone;
- there have been any changes in expectation that technical milestones will be achieved;
- there has been any significant change in the market for the Investee Company or its products or potential products;
- there has been any significant change in the global economy or the economic environment in which the Investee Company operates;
- there has been any significant change in the observable performance of comparable companies, or in the valuations implied by the overall market;
- any internal matters such as fraud, commercial disputes, litigation, changes in management or strategy; and
- evidence from external transactions in the investee's equity, either by the investee (such as a fresh issue of equity), or by transfers of equity instruments between third parties.

The key milestone events that were considered as part of the milestone analysis approach are as follows:

- research and development milestones achieved; and
- external transactions achieved.

The key sensitivity is our ability to meet ongoing milestone events; if these milestone events are not achieved as expected, this would likely result in a material impairment of the Platform up to and including full impairment.

3. INVESTMENTS CONTINUED

The Group has concluded that the value of the Discuva Platform, and therefore the carrying value of the investment, continues to be well supported based on the continued progression of the DDS-01 series of new mechanism antibiotics for the treatment of gonorrhoea infections and the identification and generation of DDS-04 programme, a series of antibiotics that have a new mechanism that targets bacterial infections caused by Enterobacteriaceae.

See Note 4 'Trade and other receivables' for management's assessment of the carrying value of amounts owed by Group undertakings.

See Note 8 'Subsidiaries' for a listing of the interests the Company had in subsidiaries at 31 December 2019.

4. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2019 £000	31 January 2019 £000
Prepayments and other receivables	**325**	237
Amounts owed by Group undertakings	**47,201**	63,452
	47,526	63,689

Amounts owed to the Company by Group undertakings are unsecured, interest free and payable on demand.

In accordance with IFRS 9 *'Financial Instruments'* management assessed the recoverability of the amounts owed to the Company by Group undertakings as at 31 December 2019. Summit (Oxford) Limited is currently in Phase 3 clinical trials with ridinilazole so the ECL was based on industry standard cumulative probabilities of achieving approval of 65.5%. If the drug is approved, the probability of collecting the intercompany loan is 100% and if it fails, 0%. For Discuva Limited we assessed ECL based on probability of taking a drug from preclinical to approval, which is less than 10%. As a result of our assessments, an impairment charge of £30.4 million was recognised against amounts owed by Group undertakings based on the relevant industry standard cumulative probabilities of achieving key development milestones.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2019 £000	31 January 2019 £000
Other creditors	**891**	601
Amounts owed to Group undertakings	**34**	53
	925	654

Amounts owed to Group undertakings are unsecured, interest free and payable on demand.

6. CONTINGENT CONSIDERATION

During the eleven-months ended 31 December 2019, the Company reassessed the contingent consideration in line with the anticipated settlement of consideration liabilities relating to the acquisition of Discuva Limited ('Discuva') in December 2017. The Company estimated the total expected additional cash outflows to be £0.1 million, which is based on the terms of the share purchase agreement. The additional expected payment is primarily due to research and development tax credits received and receivable by Discuva in respect of financial years prior to the Company's acquisition, of which the sellers are due a specified portion of these amounts. During the eleven-months ended 31 December 2019, a payment of £0.5 million was made for the research and development tax credits received, leaving an estimated contingent consideration liability of £0.1 million.

7. SHARE CAPITAL

	31 December 2019 £000	31 January 2019 £000
Allotted, called up and fully paid		
335,890,281 (31 January 2019: 160,389,881) ordinary shares of 1p each	**3,359**	1,604

Changes to the number of ordinary shares in issue have been as follows:

	Number of shares	Total nominal value £000	Total share premium £000	Total consideration £000
At 1 February 2018	73,563,624	736	60,237	60,973
New share capital issued (net of transaction costs)	86,458,333	864	32,471	33,335
Share options exercised	367,924	4	98	102
At 31 January 2019	**160,389,881**	**1,604**	**92,806**	**94,410**
At 1 February 2019	160,389,881	1,604	92,806	94,410
New share capital issued (net of transaction costs)	175,378,450	1,754	36,304	38,058
Share options exercised	121,950	1	–	1
At 31 December 2019	**335,890,281**	**3,359**	**129,110**	**132,469**

7. SHARE CAPITAL CONTINUED

On 24 December 2019, the Company completed an equity placing on the AIM market of the London Stock Exchange, issuing 175,378,450 new ordinary shares at a price of 22.1 pence and warrants for 26,306,765 new ordinary shares at an exercise price of 24.3 pence. Total gross proceeds of $50.0 million (£38.7 million) were raised and directly attributable transaction costs of £0.7 million were incurred.

On 24 December 2019, the Company issued warrants over 16,793,660 ordinary shares to a consultant in exchange for certain services. The warrants have an exercise price of 22.1 pence and vest quarterly over three years. If the consulting agreement terminates prior to three years after the date of the grant, all unvested warrants will be deemed lapsed.

During the period to 31 December 2019, the following exercise of restricted stock units took place:

Date	Number of restricted stock units exercised
23 April 2019	104,877
23 December 2019	17,073
	121,950

The total net proceeds from exercised restricted stock units during the year was £1,220.

All new ordinary shares rank *pari passu* with existing ordinary shares.

Following the equity placings and the exercise of the above restricted stock units, as of 31 December 2019, the number of ordinary shares in issue was 335,890,281.

Dividends

No dividends were paid or declared in the eleven-month period ended 31 December 2019 or year ended 31 January 2019.

8. SUBSIDIARIES

Company name	Country of incorporation	Registered address	Percentage shareholding	Description
Summit (Oxford) Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	1,000 £1 ordinary shares
Discuva Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	832,244,256 ordinary 0.1p shares 1 Z ordinary 0.1p share
Summit Therapeutics Inc.	United States of America	One Broadway Cambridge, MA 02142	100%	20,000 $1 ordinary shares
Summit Corporation Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	1 £1 ordinary shares
Summit (Wales) Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	1,000 £1 ordinary shares
Summit (Cambridge) Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	109,599,000 ordinary 1p shares
Summit Discovery 1 Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	1,000 £1 ordinary shares
Summit Corporation Employee Benefit Trust Company Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	1 £1 ordinary shares
MuOx Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	20,000 £1 ordinary shares
Summit Infectious Diseases Limited	England and Wales	136A Eastern Avenue, Milton Park, OX14 4SB	100%	1,000 £1 ordinary shares

All subsidiary companies are directly held.

The principal activity of Summit (Oxford) Limited and Discuva Limited is proprietary drug discovery research and development.

Summit Therapeutics Inc. is incorporated in Delaware and operates from an office in Cambridge, Massachusetts. It is the Group's authorised representative in the United States.

Summit Discovery 1 Limited, Summit Corporation Employee Benefit Trust Company Limited, Summit Corporation Limited, Summit (Cambridge) Limited, Summit (Wales) Limited, MuOx Limited and Summit Infectious Diseases Limited are dormant companies.

COMPANY INFORMATION

DIRECTORS	**Robert W. Duggan**	Chief Executive Officer and Executive Chairman
	Dr Elaine Stracker	Executive Director
	Dr Ventzislav Stefanov	Executive Director
	Glyn Edwards, MBE	Non-Executive Director
	Rainer Erdtmann	Non-Executive Director
	Manmeet Soni	Non-Executive Director
COMPANY SECRETARY	**Melissa Strange, FCCA**	
REGISTERED OFFICE	136a Eastern Avenue Milton Park Abingdon Oxfordshire OX14 4SB UK	
REGISTERED NUMBER	05197494 England and Wales	
AUDITORS	**PricewaterhouseCoopers LLP** 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH UK	
REGISTRARS	**Link Asset Services** 34 Beckenham Road Beckenham BR3 4TU UK	

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