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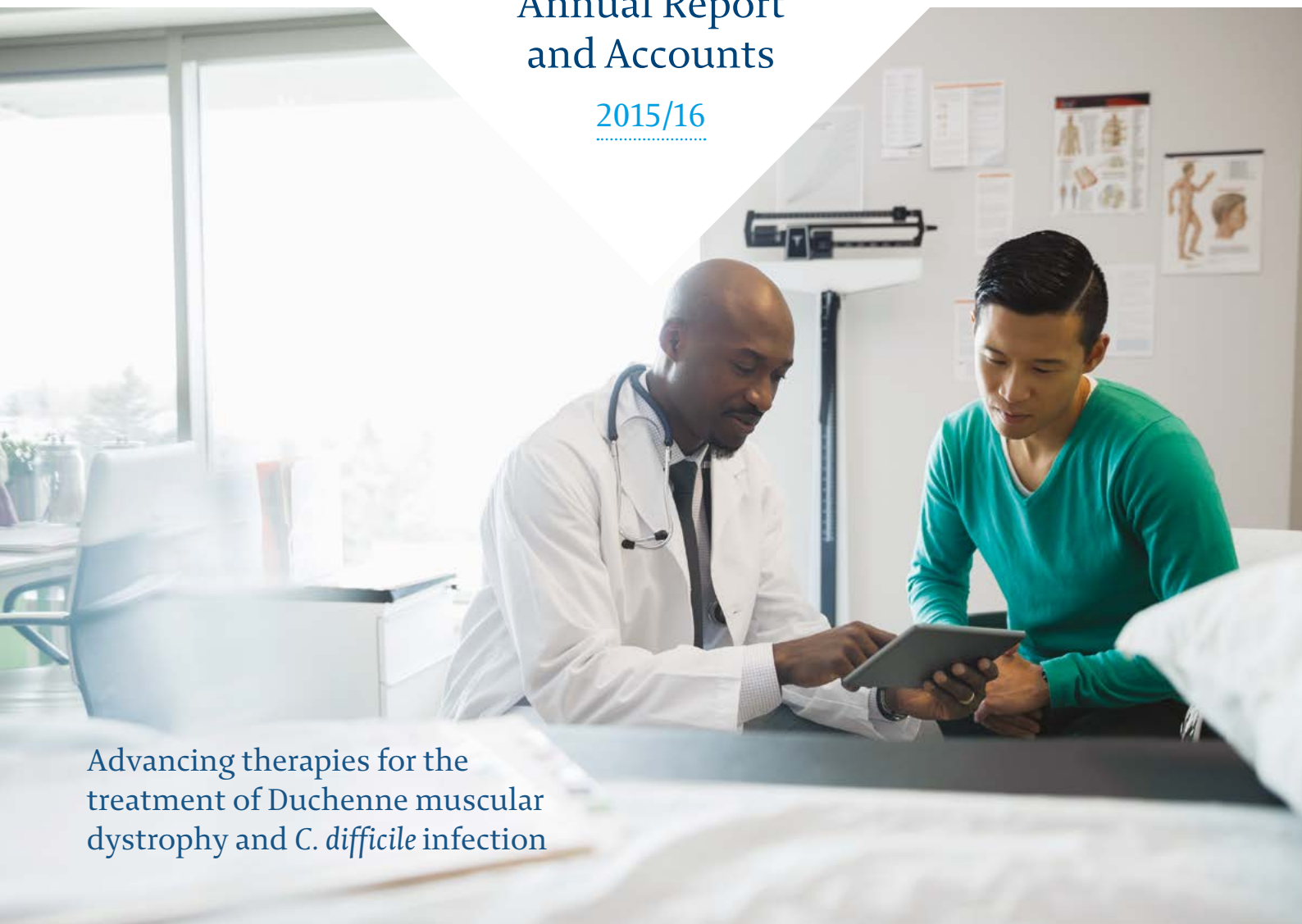
Summit Therapeutics plc Annual Report and Accounts

2015/16



Advancing therapies for the treatment of Duchenne muscular dystrophy and *C. difficile* infection

Welcome to Summit Therapeutics plc

Discovery, Development and Commercialisation

We are seeking to treat all boys and men affected by Duchenne muscular dystrophy ('DMD') with our pioneering utrophin modulation technology. We are also advancing a highly selective novel antibiotic to treat *Clostridium difficile* infection ('CDI'). Headquartered in Oxfordshire, UK, we have a clear strategy for generating value for shareholders.

Inside our Report

Full details of our programmes can be found online at:

www.summitplc.com
@summitplc

Go to page 05 to read our highlights

Creating Value

Summit is seeking to treat all patients affected by Duchenne muscular dystrophy by investigating and developing its pioneering utrophin modulation technology. Summit is also advancing a highly selective novel antibiotic to treat *Clostridium difficile* infection.

Our business model

Summit is focussed on the discovery, development and commercialisation of novel medicines for diseases for which there are no existing or only inadequate therapies. Our goal is to become a fully integrated biopharmaceutical company.

Therapeutic focus

Our therapeutic focus is on the genetic disease Duchenne muscular dystrophy ('DMD') and the infectious disease caused by *Clostridium difficile* bacteria.

Summit is developing a pipeline of small molecule utrophin modulators for the treatment of DMD and a highly selective, novel antibiotic for the treatment of *Clostridium difficile* infection ('CDI').

Our strategy

1

Rapidly advance the development of our lead product candidates

Summit is focussed on rapidly advancing the development of its DMD and CDI programmes. For DMD, Summit has a pipeline of utrophin modulators which include the lead product candidate ezutromid. For CDI, Summit's lead product candidate is ridinilazole, a novel class antibiotic that has the potential to treat initial infection and reduce rates of recurrent disease.

Our plan of action

Summit is rapidly advancing ezutromid and ridinilazole through patient clinical trials in an effort to validate the potential clinical benefit of these two therapies.

What we have achieved

A Phase 1b modified diet clinical trial in patients with DMD showed ezutromid achieved blood concentrations that could provide therapeutic benefit. Ridinilazole demonstrated statistical superiority over the current standard of care antibiotic treatment for CDI in a Phase 2 proof of concept clinical trial.

▶ Read more on pages 08 to 13

2

Maintain and expand our leadership position in the field of utrophin modulation

Summit's DMD programme is based on utrophin modulation, a scientific approach that has the potential to treat all DMD patients, regardless of the underlying mutation in the dystrophin gene. The concept of utrophin modulation for DMD was pioneered by Summit's co-founder and scientific advisor, Professor Kay Davies at the University of Oxford.

Our plan of action

Summit plans to build on its existing knowledge, experience and intellectual property rights in this area to maintain and expand its leadership in the field of utrophin modulation.

What we have achieved

The first research milestone was in achieved in developing future generation utrophin modulators as part of the strategic alliance with the University of Oxford. The alliance was extended and expanded in 2015.

▶ Read more on pages 18 to 19

Targeting unmet need

Summit is targeting two diseases that each represent attractive commercial opportunities if effective treatments are successfully developed.

DMD — DMD is a fatal muscle wasting disease and there is currently no approved disease modifying therapy applicable to all DMD patients.

CDI — CDI is a serious healthcare threat in hospitals and long-term care homes, and existing treatment options have limitations.

Maximising value

Summit is focussed on advancing its DMD and CDI programmes through clinical trials that seek to demonstrate their potential benefit in patients.

The DMD programme is advancing into a Phase 2 proof of concept clinical trial called PhaseOut DMD and activities are being undertaken to prepare the CDI antibiotic to enter Phase 3 clinical trials.

3

Commercialise lead utrophin modulator therapy for DMD

Summit holds exclusive, worldwide commercialisation rights for ezutromid. Summit's intention is to advance this utrophin modulator through clinical trials and, if it receives marketing approval, commercialise it initially in the United States and Europe by establishing a focussed, specialised sales force.

Our plan of action

Outside of the United States and Europe, Summit will plan to evaluate the potential of entering into collaboration, distribution and other marketing arrangements with third parties to commercialise ezutromid.

What we have achieved

The future commercial prospects of ezutromid are protected by a growing intellectual property estate that now includes a key patent grant from the European Patent Office which is in addition to other major territories including the United States and Japan.

► Read more on pages 08 to 13

4

Maximise the commercial potential of CDI antibiotic

Summit plans to maximise the commercial opportunity for the CDI antibiotic ridinilazole. Summit may determine to develop and commercialise this antibiotic independently, or seek funding from government and non-profit organisations, or find a third party collaborator.

We continue to evaluate all options to support the future development and potential commercialisation of ridinilazole.

Our plan of action

Summit's preference is to seek a third party collaborator although the Company continues to evaluate the relative merits of all potential development approaches based on factors such as anticipated development costs, sales and marketing resource required, and proposed financial terms.

What we have achieved

The commercial potential of ridinilazole was strengthened by the achievement of clinical proof of concept in a Phase 2 clinical trial, grant of a key patent protecting use of ridinilazole in the United States and Europe, and award of Fast Track status by the US Food and Drug Administration.

► Read more on pages 20 to 21

Principal risks and uncertainties

Summit is a biopharmaceutical company and, in common with other companies operating in this field, is subject to a number of risks and uncertainties.

- Research & development
- Commercial
- Regulatory
- Intellectual property ('IP')
- Financial
- Operational
- Trading in our shares

► Read more on pages 14 to 17

Chairman's Statement

"Summit's strong progress in 2015 has brought us one step closer to being able to make a meaningful impact on patients' and families' lives in DMD and CDI."

Frank Armstrong
Non-Executive Chairman

Cash and cash equivalents

£16.3m

at 31 January 2016 compared to £11.3 million at 31 January 2015

The past year has been one of substantial momentum for Summit, in which a number of important milestones across the the divisions have been achieved. This commenced with our successful NASDAQ initial public offering, was followed by reporting of positive clinical data in our Duchenne muscular dystrophy ('DMD') programme that has enabled it to progress into Phase 2 trials, and culminated in the reporting of proof of concept Phase 2 clinical data for our novel *C. difficile* infection ('CDI') antibiotic.

These milestones paved the way for another exciting year to come. This is expected to feature our much anticipated first look at proof of mechanism data in DMD, and exploring a potential partnership for Phase 3 clinical development and commercialisation to maximise the potential of our CDI antibiotic. I believe that the coming period could be transformational for Summit, the patients and families affected by these two serious diseases and our shareholders.

Programmes

In DMD, we aim to treat all patients with our unique orally administered utrophin modulation approach. Utrophin is a naturally occurring protein that is structurally and functionally similar to dystrophin, the protein which is lacking in DMD. Utrophin modulation has the potential to slow or stop the progression of DMD for the entire patient population which distinguishes it from many other treatments in development for this muscle wasting condition.

The roots of the utrophin modulation programme lie with our co-founder, Professor Kay Davies, at the University of Oxford, who discovered utrophin and conducted the seminal work to unlock the potential of utrophin modulation as a universal treatment of DMD. We are focussed on maintaining our leadership position in utrophin modulation, and accordingly, we are committed to building a strong pipeline of utrophin modulators.

Our lead utrophin modulator, ezutromid (formerly SMT C1100), successfully completed a Phase 1b clinical trial in boys with DMD in 2015. Based on the positive results from this trial we are progressing into a Phase 2 proof of concept trial called PhaseOut DMD. This trial aims to assess the effect of ezutromid on muscle health, function and utrophin levels, and we look forward to reporting data as this trial progresses. Simultaneously, we continue to develop our utrophin modulator pipeline as we seek to maximise the therapeutic promise of utrophin modulation over the long-term. As such, we recently strengthened our strategic alliance with the University of Oxford by extending the term of the alliance until at least November 2019. Supportive of the extension of this collaboration, we achieved the first research milestone in December 2015 by selecting two series of utrophin molecules to move into lead optimisation studies.

We are very excited about the progress made in 2015 in our utrophin modulator programme and are equally excited about our activities related to its future development. Our strategy is focussed on independently developing these utrophin modulators through clinical trials, and if successful, commercialising them ourselves in Europe and in the United States. We believe this is achievable as DMD is an orphan disease with a concentrated network of physicians and patient groups that gives us the ability to retain the commercial value of this promising therapeutic approach.

In CDI, our novel antibiotic, ridinilazole (formerly SMT 19969), continues to impress. We were pleased to report excellent top-line Phase 2 clinical trial results, which have enhanced our belief in the promise of ridinilazole as a new therapeutic approach capable of not only treating the initial infection, but also reducing the high rates of recurrent disease experienced in CDI. In this trial, ridinilazole demonstrated a large numerical reduction in rates of recurrent disease over the standard of care antibiotic, vancomycin. We believe this was a result of our highly selective antibiotic's ability to preserve a patient's gut microbiome which plays a vital role in protecting against CDI.

With these data, we believe ridinilazole offers a clear advantage over the conventional broad spectrum antibiotics used to treat CDI. While continuing to explore all options, our preferred path forward for ridinilazole is to seek a partner for Phase 3 development and commercialisation. We will consider a number of factors as we seek to select a partner who we believe will maximise ridinilazole's potential for patients and our shareholders.

Operational

Operationally, we strengthened our business across several fronts.

We achieved a major milestone in March 2015, when we successfully completed our NASDAQ initial public offering, which strengthened our cash position and broadened our access to a wider network of specialist healthcare investors. This listing complements our existing listing on AIM, a market of the London Stock Exchange.

We are also building on and strengthening our team as our clinical programmes continue to prosper. This included the appointment of orphan disease drug development expert and paediatrician, Dr Ralf Rosskamp, as our Chief Medical Officer in September. His expertise brings great value to our team as we embark on mid-stage clinical trials with our utrophin modulator programme. In addition, we have added valued members to our teams to support our clinical and preclinical activities. I believe these additions will help Summit to succeed in reaching its planned milestones.

Board update

We were pleased to welcome Mr David Wurzer, who is a seasoned biotechnology and pharmaceutical executive, to our Board as a Non-Executive Director in February 2015. David joined immediately prior to completion of our NASDAQ listing and his financial background is helping to ensure the board has the right composition to fulfil its regulatory obligations as a dual-listed company.

Summary & outlook

In summary, Summit's strong progress in 2015 has brought us one step closer to being able to make a meaningful impact on patients' and families' lives in DMD and CDI. We have entered another potentially pivotal year, where we hope to see the first signs of proof of mechanism for ezutromid and utrophin modulation.

I would like to thank all of our shareholders for their continued support. I also want to extend my sincerest gratitude to our patients and their families, and the nurses and doctors who have been involved in our clinical trials. We would not be where we are without their commitment. Finally, I would like to thank the Summit team for the hard work and dedication over the past year that has brought us to this exciting stage in our development.

We look forward to updating you on our quest to advance the current state of care in DMD and CDI.

Frank Armstrong, FRCPE, FFPM
Non-Executive Chairman

10 May 2016

Product development

Ezutromid to progress into Phase 2 proof of concept clinical trial

Ezutromid is now progressing into an open-label Phase 2 proof of concept clinical trial called PhaseOut DMD. This trial is expected to enrol up to 40 boys with DMD aged between their fifth and tenth birthdays at sites in the UK and the United States.

► Read more on pages 18 to 19

Utrophin modulation pipeline

Nomination of two series of future generation utrophin modulators for progression into lead optimisation studies as part of exclusive strategic alliance with the University of Oxford.

► Read more on page 12

CDI antibiotic achieves clinical proof of concept

Ridinilazole showed statistical superiority over vancomycin in a Phase 2 proof of concept clinical trial. Ridinilazole will progress into Phase 3 clinical trials and Summit is undertaking preparation activities to initiate these studies.

► Read more on pages 20 to 21

Highlights

► Read more on pages 8 to 13

Operational highlights

- Continued strengthening of clinical and operations team including the appointment of Dr Ralf Rosskamp as Chief Medical Officer in September 2015.
- Strengthened Board of Directors with the appointment of Mr David Wurzer as Non-Executive Director in February 2015.

Financial highlights

- Cash and cash equivalents at 31 January 2016 of £16.3 million compared to £11.3 million at 31 January 2015.
- Initial public offering of American Depositary Shares ('ADSs') in the United States and listing on the NASDAQ Global Market completed in March 2015. Gross proceeds of $39.3 million (£26.1 million) raised.

Our Marketplace

The biotechnology and pharmaceutical industries are characterised by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. This section outlines the potential differentiation of Summit's DMD and CDI programmes.

DMD programme

Utrophin modulation stands out amongst the various approaches in clinical development as a potential universal, disease modifying treatment.

Approach	Potential treatable population		
Utrophin modulation (disease modifying)		100%	• Independent of dystrophin gene mutation. • Potential to be complementary to dystrophin based approaches.
Nonsense mutation (disease modifying)		~13%	• Dystrophin based approach. • Treats subset of DMD patients.
Exon – skipping (disease modifying)	▸ Exon 51	~13%	• Produces shortened but functional dystrophin. • Skipping ten most common exons would only treat around 41% of all DMD patients.
	▸ Exon 53	~8%	
	▸ Exon 45	~8%	
	▸ Exon 44	~6%	
Symptomatic treatments (symptom focussed)		up to 100%	• Various approaches in development including therapies focussed on reducing inflammation and fibrosis, improving respiratory and cardiac function, and muscle growth.

Utrophin modulation

Utrophin modulation is a universal treatment approach that looks to maintain production of utrophin protein to substitute for the missing functional dystrophin protein in patients with DMD. Utrophin modulation has the potential to slow or stop the progression of DMD. As it is independent of the underlying genetic fault in the dystrophin gene, utrophin modulation could benefit all patients with DMD, regardless of their underlying genetic diagnosis. This approach is also expected to be complementary with other disease modifying and symptomatic treatments that are in development.

Other approaches

Disease modifying approaches

There is currently no approved treatment that seeks to alter the progression of DMD that would benefit all patients. Approaches that focus on exon-skipping or non sense mutations target the underlying genetic cause of DMD. Exon-skipping seeks to produce a shortened but functional form of dystrophin by 'skipping' over the genetic fault. Due to the large number of different genetic faults in the dystrophin gene, each exon-skipping therapy only targets a small sub set of patients with DMD. Skipping of the ten most common exons would, in aggregate, treat approximately 41% of all patients.

Treatments targeting non sense mutations are another disease modifying approach for a specific genetic mutation that causes the disease in approximately 13% of patients. Approaches based on gene therapy have potential to alter disease progression but are in early-stage development.

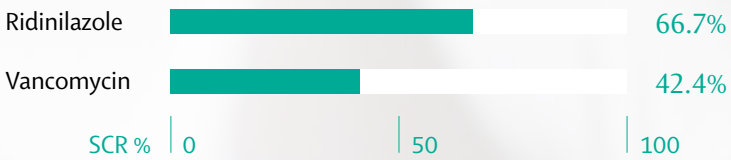
Symptomatic treatments

There are a number of approaches in clinical trials that seek to alleviate the symptoms of DMD. These include therapies that promote muscle tissue growth by inhibiting a protein call myostatin, anti-inflammatory and anti-fibrotic therapies, and treatments that aim to improve respiratory and cardiac function.

CDI programme

Ridinilazole displayed statistical superiority over the current standard of care antibiotic vancomycin in a Phase 2 clinical trial.

Sustained clinical response ('SCR') rates:



Ridinilazole

Ridinilazole is an antibiotic being developed to treat the initial infection and reduce the high rates of recurrent CDI, the key clinical issue. This novel class antibiotic combines high potency for *C. difficile* bacteria with high selectivity meaning that it does not cause damage to the gut microbiome which plays a key role in protecting against CDI.

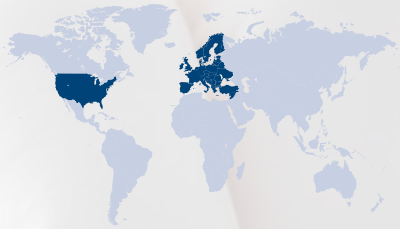
Antibiotics for CDI

The current standard of care for CDI is treatment with vancomycin or off-label use of metronidazole. These are both broad spectrum antibiotics that can reduce levels of *C. difficile* but also cause substantial damage to the microbiome to leave patients vulnerable to recurrent disease. Fidaxomicin is a relatively new CDI antibiotic that has not shown benefit in treating hypervirulent strains of *C. difficile*, while other antibiotics in development appear to have a similar profile to approved treatments.

Other approaches

Other treatment approaches in development include monoclonal antibodies that seek to neutralise the toxins produced by *C. difficile* bacteria. These monoclonal antibodies however still require an antibiotic to kill the *C. difficile* bacteria. Faecal microbiota transplant ('FMT') is a new approach that seeks to artificially repopulate the healthy bacteria that comprise the microbiome. While this approach has reported promising clinical data that supports the need to maintain a healthy microbiome, it also requires prior treatment with an antibiotic. A vaccine for CDI is also in development and likely to be used in high-risk patients given the difficulty in treating a wide patient population.

Sales and marketing



Summit holds exclusive worldwide commercialisation rights for its utrophin modulation programme and CDI antibiotic ridinilazole.

If the Company's utrophin modulator therapies receive marketing approval, Summit intends to commercialise them in the United States and Europe with a focussed, specialised sales force that the Company plans to establish.

Operational Review

It has been a period of significant progress across all areas of the business. Summit's utrophin modulation programme for the treatment of Duchenne muscular dystrophy and novel antibiotic for the treatment of *C. difficile* infection have each successfully completed patient clinical trials.

◄◄
Glyn Edwards
Chief Executive Officer

◄
Erik Ostrowski
Chief Financial Officer

The period under review has shown significant progress across all areas of the business. Summit's utrophin modulation programme for the treatment of Duchenne muscular dystrophy ('DMD') and novel antibiotic for the treatment of *C. difficile* infection ('CDI') have each successfully completed patient clinical trials. The Company also achieved a significant milestone following the completion of its US initial public offering ('IPO') of shares on NASDAQ.

Summit overview

Summit is seeking to treat all patients affected with the fatal disorder DMD using its utrophin modulation technology. Summit is also advancing a highly selective antibiotic to treat CDI.

Summit's DMD utrophin modulation programme is a treatment approach independent of the underlying mutations in the dystrophin gene that cause the disease. This approach therefore has the potential to benefit the entire patient population. Summit has established a leadership position in the field of utrophin modulation and is developing a pipeline of first, second and future generation product candidates.

Summit expects to commence enrolment of patients into a Phase 2 proof of concept trial evaluating its lead utrophin modulator, ezutromid (formerly SMT C1100), during the second quarter of 2016 following the successful completion of a Phase 1b modified diet clinical trial in patients with DMD.

Summit's CDI therapy is ridinilazole (formerly SMT19969), a novel class antibiotic that has the potential to treat the initial infection and reduce recurrent disease, the key clinical issue in CDI. In the recent Phase 2 proof of concept clinical trial, ridinilazole achieved statistical superiority in sustained clinical response over the antibiotic vancomycin, the current standard of care in CDI. Ridinilazole is now being prepared for Phase 3 clinical trials.

Duchenne muscular dystrophy: utrophin modulation programme

Background

DMD is the most common and most severe form of muscular dystrophy. The disease predominately affects males and results in the progressive wasting of muscles throughout the body. DMD typically results in death by the time patients reach their late twenties. Patients with DMD are unable to produce dystrophin, a protein essential for maintaining healthy muscle function. Utrophin is a naturally occurring protein that is functionally and structurally similar to dystrophin and it plays an active role in the development of new muscle fibres, both in foetal development and in the repair of damaged muscle fibres. Utrophin production is switched off in mature muscle fibres, and in the case of a healthy individual, replaced by the production of dystrophin. Utrophin modulation has the potential to maintain the production of utrophin in all skeletal muscles, including the diaphragm and the heart, to compensate for the absence of functional dystrophin in patients with DMD and so restore and maintain healthy muscle function. A key benefit of utrophin modulation is that it is independent of the underlying genetic fault in the dystrophin gene and so has the potential to treat the entire patient population.

Ezutromid, Summit's lead utrophin modulator, is an orally administered small molecule that is being evaluated in patient clinical trials. Ezutromid has received orphan drug designation in the United States and Europe.

Ezutromid clinical trial activities

Ezutromid: Phase 1b modified diet clinical trial

In September 2015, Summit reported positive data from its Phase 1b modified diet clinical trial of ezutromid in patients with DMD. The clinical trial was designed to monitor the impact on absorption of ezutromid in patients who followed a recommended diet with balanced proportions of fat, proteins and carbohydrates, and combined that with consuming a small glass of full fat milk at the time of dosing.

The detailed analysis presented at the 20th World Muscle Society Congress showed that the modified diet had a positive impact on blood plasma levels of ezutromid. All 12 patients in the trial achieved plasma levels that Summit believes may be able to sustain utrophin protein expression based on *in vitro* data generated in myoblast cells from DMD patients and human myotubes.

Ezutromid: Phase 2 proof of concept trial

Ezutromid is progressing into an open-label Phase 2 proof of concept clinical trial. The 48-week trial, called PhaseOut DMD, is expected to enrol up to 40 boys ranging in age from their fifth to their tenth birthdays. PhaseOut DMD aims to provide proof of concept for ezutromid and utrophin modulation through measurements of muscle fat infiltration, as well as measuring utrophin protein and muscle fibre regeneration in muscle biopsies. A primary endpoint of the trial is the change from baseline in magnetic resonance imaging parameters related to fat infiltration and inflammation of the leg muscles. Functional endpoints, including the six-minute walk test, North Star Ambulatory Assessment and patient reported outcomes, are also being explored.

Summit expects to commence enrolment and dosing of patients in PhaseOut DMD at trial sites in the United Kingdom during the second quarter of 2016 and at trial sites in the United States during the third quarter of 2016.

The Company anticipates reporting data periodically during this trial with the first set of 24-week muscle biopsy data from the first group of patients enrolled expected to be reported in January 2017.

Ezutromid: Phase 1 new formulation trial

In addition to the current clinical development of ezutromid, Summit is conducting a Phase 1 clinical trial in heathy volunteers and patients with DMD to evaluate two potential optimised formulations of ezutromid. Interim data from this trial were reported in March 2016.

The two new formulations were tested in healthy volunteers with one of these achieving an over ten-fold increase in blood plasma levels compared to the current formulation of ezutromid.

This formulation is now being evaluated in patients with DMD. Data from the initial dosing period showed all patients achieved drug levels within the range believed to be necessary for potential therapeutic benefit. The initial dose tested was one tenth of that required with the current formulation to achieve similar drug concentration levels as those observed in the Phase 1b modified diet clinical trial. The Phase 1 new formulation trial is now testing a higher dose of the new formulation and firm decisions on the further development of this new formulation will await full data from the trial which are expected in the third quarter of 2016.

Second and future generation

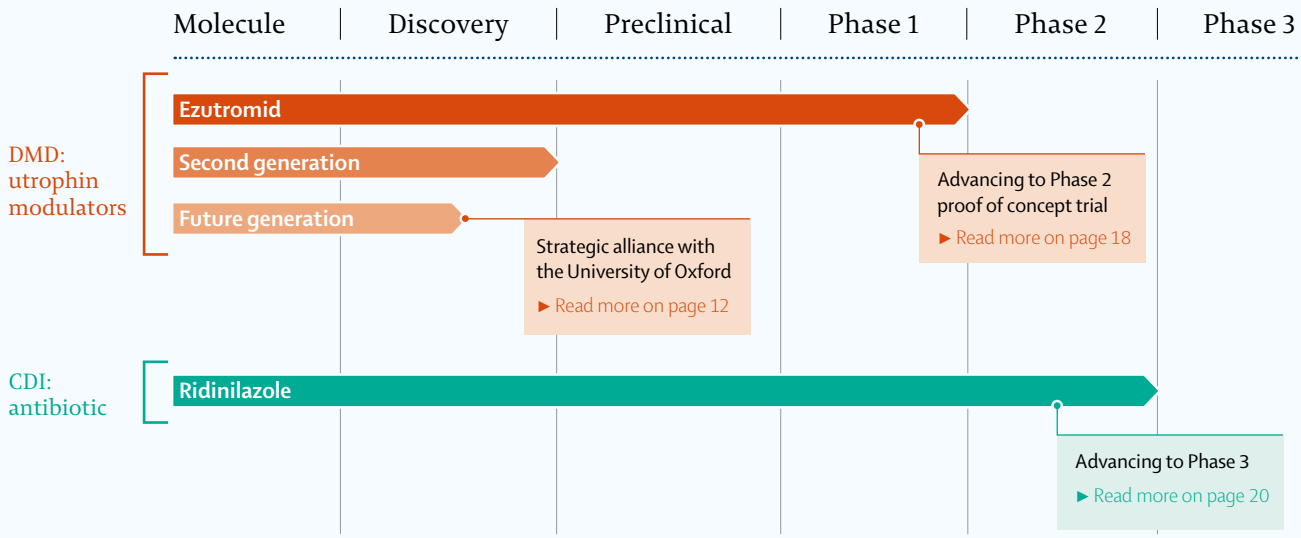
Utrophin modulators

As part of the Company's strategy to maintain its leadership position in the field of utrophin modulation, Summit is advancing a pipeline of second and future generation utrophin modulators.

The second generation utrophin modulators are structurally related to ezutromid but are designed to have more favourable pharmaceutical properties. In July 2015, positive preclinical efficacy data were published in the peer reviewed journal Human Molecular Genetics on one of Summit's second generation utrophin modulators.

Summit also reported progress in the development of future generation utrophin modulators as part of its strategic alliance with research teams at the University of Oxford.

Our development pipeline



Operational Review
continued

In December, Summit announced the nomination of two series of utrophin modulators, including one with a mechanism that is potentially distinct from ezutromid, for progression into lead optimisation studies. This represented achievement of the first research milestone as part of the alliance. Summit also announced the extension of its exclusive strategic alliance with the University of Oxford until November 2019, with an option to extend it by a further 12 months. As part of the extension, Summit has committed to increased funding of the sponsored research programme to £0.83 million a year starting in November 2015.

Patent grant

Summit was granted a key composition of matter patent for ezutromid by the European Patent Office in July 2015. The patent protects ezutromid and its use in the treatment of DMD in Europe, a major commercial market. The patent (European patent number 1986633) is entitled 'Treatment of Duchenne Muscular Dystrophy' and will provide a period of exclusivity for ezutromid through until 2027, with the possibility of a longer effective term subject to obtaining a Supplementary Protection Certificate on marketing approval.

C. difficile infection programme

CDI is a major healthcare threat with over one million annual cases estimated in the United States and Europe. Mainstay treatments are dominated by broad spectrum antibiotics, the use of which is associated with high rates of recurrent disease. With each episode typically being more severe and associated with increased risk of mortality, recurrent disease is the key clinical issue in CDI.

Ridinilazole is a novel class antibiotic that has the potential both to treat the initial infection as well as to reduce the high rates of recurrent disease experienced in CDI. Ridinilazole has received Qualified Infectious Disease Product, or QIDP, designation and has been granted Fast Track status by the FDA.

Ridinilazole clinical trial activities

Phase 2 clinical programme

In November 2015, Summit announced that ridinilazole showed statistical superiority in sustained clinical response ('SCR') over vancomycin in a Phase 2 proof of concept clinical trial named CoDIFy.

> "We have added valued members to our teams in the UK and US to support our clinical and preclinical activities."

CoDIFy was a double-blind, randomised active-control trial evaluating the efficacy of ridinilazole against the current standard of care, the antibiotic vancomycin. CoDIFy enrolled 100 patients with half the patients receiving ten days of dosing with ridinilazole (200mg, twice a day), and half the patients receiving ten days of dosing with vancomycin (125mg, four times a day). The trial was conducted in the United States and Canada.

CoDIFy met its primary endpoint with ridinilazole achieving a SCR rate of 66.7% compared to 42.4% for vancomycin (non-inferiority margin of 15%, p=0.0004). This also represented statistical superiority of ridinilazole over vancomycin using the pre-specified 90% confidence interval. SCR was defined as clinical cure based on the resolution of diarrhoea at the end of treatment and no recurrence of CDI within 30 days post treatment. The difference in SCR was driven by a reduction in disease reccurence with ridinilazole having a reccurence rate of 14.3% compared to 34.8% with vancomycin. Cure rates at the end of treatment were 77.8% for ridinilazole compared to 69.7% for vancomycin.

In addition, preliminary analysis of microbiome data from CoDIFy show ridinilazole to be highly preserving of the gut microbiome. Ridinilazole treated patients in CoDIFy exhibited no further damage to their microbiome during therapy with a proportion of patients showing initial evidence of recovery of key bacterial groups with roles in protecting from CDI. In contrast, vancomycin treated patients suffered substantial damage to their gut microbiome during treatment and this persisted in many patients during the 30-day post treatment period.

In CoDIFy, ridinilazole was generally well tolerated and the overall adverse event profiles of ridinilazole and vancomycin were comparable. This primary analysis was conducted on the modified intent-to-treat, or mITT, population that comprised patients with CDI confirmed by the presence of free toxin, although these results were consistent across all patient groups.

In light of these positive Phase 2 data, the Company is exploring the options for the future development of ridinilazole, although the preference is to find a partner to advance ridinilazole to Phase 3 through commercialisation.

An exploratory Phase 2 clinical trial evaluating ridinilazole against the antibiotic fidaxomicin is currently ongoing in the UK. The results from this open-label trial are expected to help inform the design of the planned Phase 3 trials and commercial positioning of ridinilazole. Top-line results from this trial are expected in the second half of 2016.

Preclinical activities

Additional preclinical data supportive of ridinilazole's profile as a selective antibiotic for the treatment of CDI were reported at the 55th ICAAC conference in 2015. In these results, ridinilazole was shown to have high potency against 107 clinical isolates of *C. difficile* selected to maximise the diversity of their resistance to common classes of antibiotics. Ridinilazole also continued to display a low resistance development profile.

In February 2016, data published in the Journal of Antimicrobial Chemotherapy reported that ridinilazole outperformed vancomycin and another commonly used antibiotic, metronidazole, in preclinical studies by having a robust killing effect on *C. difficile* that significantly reduced the level of toxins produced by the bacteria that play a major role in driving the symptoms and severity of the disease.

Case study

Grant of key patents for novel antibiotic ridinilazole for treatment of CDI

The United States Patent and Trademark Office ('US PTO') and European Patent Office ('EPO') have granted Summit key patents covering the novel antibiotic, ridinilazole, which is in development to treat infections caused by the bacterium *Clostridium difficile*.

A composition of matter patent was granted by the US PTO (United States Patent 9,314,456) and a patent covering the use of ridinilazole for the use in the treatment of infections caused by the bacterium *Clostridium difficile* was granted by the EPO (European Patent EP2907813). The patents are entitled 'Antibacterial Compounds' and provide a period of exclusivity for ridinilazole in the United States and Europe until at least 1 December 2029. There is the possibility of patent term extension in the United States of up to five years under the Hatch-Waxman Act and through until 1 June 2035 in Europe subject to obtaining Supplementary Protection Certificates and a paediatric investigation plan on marketing approval.

The intellectual property estate protecting ridinilazole now includes patents that are in force in over 45 countries including the United States, United Kingdom, Germany, France, Spain, Italy, Japan, Australia, New Zealand, Russia and China.

Patents are now in force in over

45 Countries

Fast Track status

Ridinilazole was granted Fast Track designation by the FDA in July 2015. Fast Track designation is awarded to expedite the development and regulatory review of drugs intended to treat serious or life-threatening conditions and that demonstrate the potential to address unmet medical needs.

Patent grant

In April 2016, a composition of matter patent covering ridinilazole was granted by the United States Patent and Trademark Office while in January 2016 a patent covering its use for the treatment of infections caused by the bacterium *Clostridium difficile* was granted by the European Patent Office. The patents (United States Patent 9,314,456 and European Patent EP2373631) are entitled 'Antibacterial Compounds' and provide a period of exclusivity for ridinilazole in the United States and Europe until at least 1 December 2029, with the possibility of patent term extension in both territories.

The development of ridinilazole has been financially supported by Seeding Drug Discovery and Translational Awards from the Wellcome Trust.

Operational update

In February 2015, the Company changed its registered name from Summit Corporation plc to Summit Therapeutics plc with shareholder approval.

In September 2015, Summit appointed Dr Ralf Rosskamp as Chief Medical Officer based in the Cambridge, Massachusetts office. Dr Rosskamp was most recently Vice President, Global Clinical Development, at NPS Pharmaceuticals Inc., where he oversaw the development of several orphan disease drug candidates from early clinical stage through to regulatory approval. His expertise in orphan and paediatric diseases brings great value to Summit's team as the Company embarks on mid-stage clinical trials with our utrophin modulator programme. In addition, Summit has added valued members to its teams in the UK and US to support its clinical and preclinical activities.

Board changes

In February 2015, Mr David Wurzer was appointed to the Board as a Non-Executive Director and brings extensive experience in financial and business matters related to the pharmaceutical and biotechnology industries having held a number of senior executive and board level positions. Mr Wurzer is based in the US.

Financial review

Other operating income

Other operating income decreased by 32.5%, to £1.4 million during the year ended 31 January 2016 from £2.1 million for the year ended 31 January 2015. Income recognised as part of the Wellcome Trust Translational Award decreased by £0.4 million to £0.8 million for the year ended 31 January 2016 from £1.2 million for the year ended 31 January 2015. This change was a result of a lower contribution rate ascribed to Phase 2 activities as compared to Phase 1 activities under the terms of the funding agreement. Income recognised as part of the funding from Innovate UK for the DMD programme decreased by £0.3 million to £0.6 million for the year ended 31 January 2016 from £0.9 million for the year ended 31 January 2015. The decrease in income is in line with the achievement of milestones to date under the funding agreement.

Operational Review
continued

There were no new sources of other operating income during the year.

Research and development expenditure
Research and development expenses increased by £6.4 million, or 61.8%, to £16.8 million for the year ended 31 January 2016 from £10.4 million for the year ended 31 January 2015. This was primarily due to investment in the DMD programme, which increased by £2.8 million to £7.5 million from £4.7 million for the year ended 31 January 2015, and investment in the CDI programme which increased by £2.3 million to £5.5 million from £3.2 million for the year ended 31 January 2015. Other research and development expenses increased by £1.3 million during the period which is primarily attributable to an increase in headcount within the DMD and CDI project teams.

General and administration expenditure
General and administration expenses increased by £0.3 million, or 7.4%, to £4.8 million for the year ended 31 January 2016 from £4.5 million for the year ended 31 January 2015. This increase included an £0.7 million increase in legal and professional expenses and other costs associated with being a publicly traded company in the United States as well as in the United Kingdom, an increase of £0.4 million in staff related costs, an increase of £0.2 million in overhead and facility related costs and an increase of £0.1 million in share-based payment expense offset by £0.7 million in cash infusion milestone payments made to two US DMD patient groups as part of funding agreements recognised in July 2014 and £0.4 million recognised as a favourable exchange rate variance.

Taxation
Our income tax credit increased by £1.8 million, or 135.8%, to £3.1 million for the year ended 31 January 2016 from £1.3 million for the year ended 31 January 2015. This was as a result of increased expenditure on research and development and a related increase in our research and development tax credit.

Losses
Losses before interest, tax, depreciation and amortisation were £20.2 million (2014/15: £12.7 million) for the year. Net loss for the year was £17.1 million (2014/15: £11.4 million) and 0.29 pence per share (2014/15: 0.29 pence per share).

Cash flows
The Group had a net cash inflow of £4.9 million for the year ended 31 January 2016 as compared to a net cash inflow of £9.2 million for the previous year.

Net cash used by operating activities increased by £5.9 million to £17.2 million for the year ended 31 January 2016 compared to £11.3 million for the year ended 31 January 2015. This was driven by an increase in research and development expenditure. Research and development tax credits received during the year increased by £0.7 million to £1.4 million.

Case study

Achievement of first milestone in strategic alliance with University of Oxford

Our collaboration with the University of Oxford is focussed on developing future generation utrophin modulators for the potential treatment of all patients with the progressive muscle wasting disorder DMD.

The collaboration achieved its first milestone this year following the nomination of two series of novel utrophin modulators to progress into lead optimisation studies. This research is being undertaken as part of Summit's sponsored drug discovery and development programme at the University of Oxford, which is being led by the research teams of Professor Kay Davies, FRS, an internationally acclaimed expert in DMD, Professor Stephen Davies, the Waynflete Professor of Chemistry at the University of Oxford and a director of Summit, and Dr Angela Russell, an expert in medicinal chemistry and pharmacology.

The next objective of the alliance is the selection of a development candidate to enter preclinical studies enabling clinical trials. The novel utrophin modulators that have been discovered include a series of compounds with a potentially new mechanism that appears to be distinct from that of Summit's Phase 2 clinical candidate ezutromid.

UtroDMD Alliance

"Our collaboration with Summit has made tremendous progress and we are delighted to have nominated two series of utrophin modulators, including one with a potentially novel mechanism, for progression into lead optimisation studies."

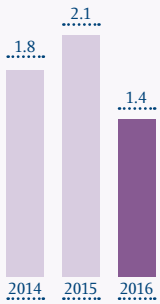
Professor Kay Davies, FRS

Key performance indicators

£1.4m

Total other operating income

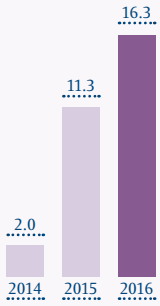
Decrease: 32.5% since 2015



£16.3m

Year end cash held

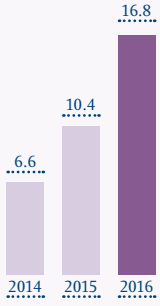
Increase: 44.2% since 2015



£16.8m

Total research and development investment

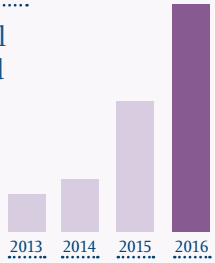
Increase: 61.8% since 2015



75%

Increase in total patents granted

Increase: 75% since 2015



Net cash inflow from financing activities, which relates to proceeds received from sales of equity securities, was £22.1 million for the year ended 31 January 2016 compared to £20.5 million for the year ended 31 January 2015.

Financial position

As at 31 January 2016, total cash and cash equivalents held were £16.3 million (2015: £11.3 million).

Headcount

Average headcount of the Group for the year was 37 (2015: 23). The increase in headcount is attributable to the increased activities within the DMD and CDI programmes and the continued growth of the US operations.

Share capital

On 5 March 2015, the Company announced a US IPO on the NASDAQ Global Market issuing 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015, the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADSs on the same terms. Gross proceeds of $39.3 million (£26.1 million) were raised. Each ADS represents five Ordinary Shares, thus 19,837,500 Ordinary Shares were issued, which increased the issued share capital to 60,955,197 Ordinary Shares of 1 pence value.

During the year 335,543 share options were exercised raising net proceeds of £0.22 million. In April 2016, warrants over 177,045 Ordinary Shares were exercised raising net proceeds of £0.1 million. Following the exercise of these share options and warrants, the number of Ordinary Shares in issue was 61,467,785.

Glyn Edwards
Chief Executive Officer

Erik Ostrowski
Chief Financial Officer

10 May 2016

Principal Risks and Uncertainties

Summit is a biopharmaceutical company and, in common with other companies operating in this field, is subject to a number of risks and uncertainties.

The principal risks and uncertainties identified by Summit for the year ended 31 January 2016 are below. Further details of the risks and uncertainties for this period are included on Form 20-F that has been filed with the US Securities and Exchange Commission.

- Research & development
- Commercial
- Regulatory
- Intellectual property ('IP')
- Financial
- Operational
- Trading in our shares

Summit depends heavily on the success of its lead product candidates, ezutromid, which is being developed for the treatment of DMD, and ridinilazole, which is being developed for the treatment of CDI.

► Read more on pages 18 to 21

Risk	Description
Research & development	Summit's research and development activities are focussed on the progression of ezutromid, its lead utrophin modulator for the treatment of DMD, as well as the advancement of an early-stage pipeline of second and future generation utrophin modulators, and the development of ridinilazole, an antibiotic for the treatment of CDI. The Company's ability to successfully develop its product candidates could be influenced by a number of factors, including 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, possible unforeseen events in connection with clinical trials, and experiencing delays or difficulties in the enrolment of patients into clinical trials. In addition, ezutromid is being developed for the treatment of a disease in which there is little clinical experience and means there is an increased risk that the outcome of our clinical trials of ezutromid will not be favourable. Summit is also dependent on third parties to manufacture and conduct its clinical trials and this means there are increased associated risks including insufficient quantities of product candidates being available at an acceptable cost, as well as delays in our product development activities. The Company's pipeline of second and future generation utrophin modulators are in the discovery or candidate optimisation stage of development. Summit's ability to identify and develop second and future generation utrophin modulators could be adversely affected by a number of factors including if potential development candidates have a lack of safety and efficacy in preclinical studies, as well as if the Company's strategic alliance with the University of Oxford is not maintained. The focus on utrophin modulation as a potential treatment for DMD is also unproven and the Company does not know whether it will be able to develop ezutromid or any products that safely and effectively treat DMD.
Commercial	Summit does not have any approved products and is heavily dependent on successfully commercialising its lead candidates, ezutromid for DMD and ridinilazole for CDI. Summit intends to advance ezutromid through clinical trials, and if it receives marketing approval, commercialise it independently in the United States and Europe. Summit is evaluating all options to support the future clinical development and potential commercialisation of ridinilazole which includes the preferred option of finding a third party collaborator. There are therefore a number of risks that could impair the Company's ability to commercialise these clinical stage candidates. This includes its ability to effectively establish sales and marketing capabilities if either product candidate is approved, its ability to enter into agreements with third parties, and competition that may lead to third parties discovering, developing or commercialising products earlier or more successfully than the Company. Summit may also fail to achieve the degree of market acceptance by physicians, patients, third party payors and others in the medical community necessary for commercial success.

Principal Risks and Uncertainties
continued

Risk	Description
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. Regulatory authorities also exercise authority to support expedited regulatory review of drug candidates for serious or life threatening conditions, such as Fast Track status, QIDP status, Breakthrough Therapy status and Priority Review status. 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.
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 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, competitors could develop and commercialise similar technology and products which would materially 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 the inability to protect the confidentiality of its trade secrets which could have an adverse effect on the success of the Company.
Financial	Summit has a limited operating history, has incurred significant losses since its inception and does not have any approved or revenue-generating products. The Company expects to incur losses for the foreseeable future, and there is no certainty that the business will generate a profit. The Company may not be able to raise additional funds that will be needed to support its product development programmes or commercialisation efforts, and any additional funds that are raised could cause dilution to existing investors.

Risk	Description
Operational	Summit's future success depends on its ability to retain key executives, including the Chief Executive Officer, and to attract, retain and motivate qualified personnel. The unplanned loss of the services of any key persons could materially impact the achievement Summit's research, development and commercialisation objectives. Recruiting, retaining and motivating qualified personnel will also be critical to the Company's success. There is a risk that it 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 which could disrupt the business.
Trading in our shares	Summit's Ordinary Shares are traded on both AIM, a market of the London Stock Exchange, and in the form of American Depositary Shares ('ADSs') on the NASDAQ Global Market. There are a number of risks associated with the ownership of our shares. For example, the market prices of our shares may be volatile and fluctuate substantially. The stock market in general and the market for smaller pharmaceutical and biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. In addition, the dual-listing of Summit's Ordinary Shares on AIM and ADSs on the NASDAQ Global Market may dilute the liquidity of these securities in one or both markets, and the price of our shares in one market could adversely affect the price of the Company's shares in the other market.

Utrophin Modulation Programme

Duchenne muscular dystrophy is the most common and the most severe form of muscular dystrophy.

Duchenne muscular dystrophy ('DMD') is a fatal disease that results in progressive wasting of muscles throughout the body. DMD is caused by different genetic mutations affecting the dystrophin gene on the X-chromosome and therefore predominantly mostly affects males.

As a result of these genetic mutations, patients with DMD are unable to produce dystrophin, a protein essential for maintaining healthy muscle function. Over time, the muscles of patients with DMD deteriorate and are infiltrated by fat and scar tissue, which is referred to as fibrosis, leading to the loss of ambulation, loss of respiratory and cardiac function and ultimately death on average in the late twenties.

There are approximately 50,000 patients with DMD in the developed world with the disease incidence in 2013 reported to affect an estimated 1 in 5,000 male births. All ethnic groups are equally susceptible to the disease and approximately one-third of cases arise in patients with no familial history of the disease.

DMD is typically diagnosed in patients aged between two and seven years. Initially, DMD affects the skeletal muscles in the arms, legs and trunk; by around 12 years of age, most patients will use a wheelchair on a regular basis. A significant loss of skeletal muscle function takes place during the teenage years although most patients will retain use of their fingers, allowing them to write or use computers. As the disease progresses, it affects the heart and respiratory systems and typically it is the failure of these functions that proves fatal.

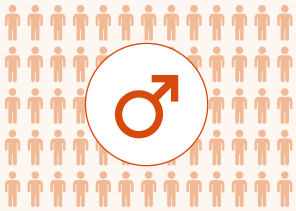
Due to the relatively small population of patients, DMD is classified as a rare or orphan disease. In Europe and the US there is legislation designed to assist and encourage development of effective treatments with benefits including additional regulatory support, the potential for accelerated approval and a guaranteed period of market exclusivity.

Summit is advancing a pipeline of second and future generation utrophin modulators

► Read more on our website

Fast facts

DMD is a fatal, genetic disease that leads to progressive wasting of muscles throughout the body.



1 in 5,000

X-linked disease with incidence of approximately 1 in 5,000 male births.

~250,000

~250,000 global patient population and average life expectancy is in the late twenties.

1 in 3

1 in 3 cases arising in patients with no family history.

Utrophin modulation is a potential treatment approach to slow or stop disease progression.

Utrophin modulation has the potential to treat all patients, regardless of the underlying genetic mutation.

Ezutromid is Summit's most advanced utrophin modulator and is currently being evaluated in patient clinical trials.

Summit's approach to DMD is the development of utrophin modulators, a treatment that has the potential to benefit all patients, regardless of their underlying genetic fault.

Utrophin is a naturally occurring protein that is functionally and structurally similar to dystrophin, the protein missing in patients with DMD. The aim of Summit's utrophin modulation approach is to maintain production of utrophin in all muscles, including the diaphragm and heart, so that it can substitute for the lack of functional dystrophin to potentially slow or even stop the progression of the disease.

The primary advantage of utrophin modulation as a treatment approach is that it has the potential to treat all patients with the disease, regardless of their underlying fault in the dystrophin gene. This is in contrast to other potential disease modifying approaches that target specific genetic faults meaning they are only able to treat small sub sets of the patient population. Utrophin also has the potential to be complementary to other treatment approaches that are in development.

In everybody, utrophin plays an active role in the development of new muscle fibres and also in the process of repairing damaged muscle fibres. As a fibre matures, utrophin production is switched off, and dystrophin then replaces utrophin to maintain muscle function. In a patient with DMD, no functional dystrophin is produced which leads to the fibre being damaged and entering a cycle of repair. If utrophin production can be maintained in patients with DMD, it has the potential to compensate for the missing dystrophin.

The concept of utrophin modulation as a treatment approach for DMD was based on the fundamental research of Professor Kay Davies at the University of Oxford. Through gene manipulation, Professor Davies' research showed it was possible to prevent DMD in *in vivo* models of the disease by continually producing utrophin protein. This led to the formation of Summit to translate this pioneering research into the development of a potential treatment through the use of small molecule drugs designed to maintain utrophin production.

Summit's most advanced utrophin modulator is called ezutromid and is being evaluated in a Phase 2 clinical trial in patients with DMD. This trial, called PhaseOut DMD, aims to demonstrate proof of concept for ezutromid and utrophin modulation through measurements of muscle fat infiltration, as well as measuring utrophin protein and muscle fibre regeneration in muscle biopsies. This trial could provide the first signs of clinical efficacy of ezutromid.

Summit is also advancing a pipeline of future generation utrophin modulators as part of a strategic alliance with the University of Oxford as part of the Company's strategy to maintain its leadership position in this promising field of medical research.

Ridinilazole: a Novel Antibiotic for CDI

Clostridium difficile infection ('CDI') is a bacterial infection of the colon that produces toxins causing inflammation of the colon, severe diarrhoea and can lead to death.

CDI represents a serious healthcare issue in hospitals, long-term care homes and, increasingly, in the wider community.

Based on an epidemiology report, Summit estimates that there are over one million cases of CDI in the United States and Europe each year. The disease is the most common hospital infection in the United States and a literature report in 2015 indicated that CDI is responsible for at least 29,000 deaths per year in the United States. The economic impact of CDI is significant. A study published in 2012 estimated that acute care costs associated with CDI total $4.8 billion per year in the United States.

The microbiome and disease recurrence

Clostridium difficile or *C. difficile* is a bacteria that can be a harmless resident of the large bowel. The large bowel contains many different bacteria that are naturally present and collectively these are often referred to as the gut microbiome which plays an important role in maintaining healthy function.

CDI typically develops when the natural balance of the microbiome is disturbed, very often through the use of broad spectrum antibiotics, which creates the ideal environment for the over growth of *C. difficile* bacteria and results in the disease. The most common treatments for CDI are broad spectrum antibiotics and while these are often able to treat the initial infection, they cause further collateral damage to the microbiome and leave patients highly vulnerable to experiencing recurrent disease.

Recurrent disease is the primary clinical issue in CDI. It has been reported that there is a 25% risk of patients having a second episode of the disease with this risk rising to approximately 65% after a patient suffers a third outbreak of the infection. Each episode of recurrent disease is often associated with greater disease severity and higher mortality rates and so places an increased burden on healthcare systems.

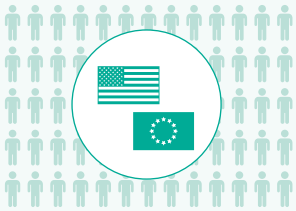
With current standard of care antibiotics being a primary risk factor for patients experiencing recurrent disease, there is urgent need to develop new, more effective treatments. This need was highlighted in 2013 when the US Center for Disease Control and Prevention listed *C. difficile* as one of three pathogens that pose an immediate public health threat and require urgent and aggressive action. In 2012, the Generating Antibiotics Incentives Now Act ('GAIN Act') provisions of the FDA Safety and Innovation Act became law. The goal of GAIN is to encourage the development of new antibiotics that treat specific pathogens, including *C. difficile*, which can cause serious and life-threatening infections.

Ridinilazole being prepared to advance into Phase 3 clinical trials

► Read more on our website

Fast facts

CDI is a significant healthcare threat in hospitals, long-term care homes and increasingly in the wider community.



>1m

Over 1 million cases and per year in the US and Europe.

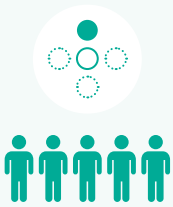
$4.8bn

$4.8 billion annual acute care costs in the US.

25%

Disease recurrence is the primary clinical issue. Recurrence risk is up to 25% of CDI patients have a second episode, the risk rises to 65% after a third episode.

Ridinilazole, Summit's novel antibiotic, has broad potential in the treatment of CDI.



Highly selective: In a Phase 2 clinical trial ridinilazole was preserving of the gut microbiome.

US FDA grants Qualified Infectious Disease Product ('QIDP') status to ridinilazole.

Summit is developing ridinilazole as an orally administered small molecule antibiotic for the treatment of CDI. Ridinilazole is designed to selectively target *C. difficile* bacteria without causing collateral damage to the microbiome which means it has potential to both treat the initial infection and reduce the high rates of recurrent disease.

Ridinilazole displayed its promise as a potential new treatment option against CDI by achieving clinical proof of concept in a Phase 2 clinical trial, called CoDIFy, conducted in patients in 2015. CoDIFy was designed to evaluate ridinilazole compared to the current standard of care antibiotic, vancomycin, in the treatment of CDI. The primary endpoint of the trial measured sustained clinical response ('SCR') which is defined as clinical cure based on resolution of diarrhoea at the end of treatment and no recurrence of CDI within 30 days post treatment.

The trial achieved its primary endpoint with ridinilazole achieving SCR rates of 66.7% compared to 42.4% for vancomycin, with the difference driven by a large reduction in rates of disease recurrence (14.3% versus 34.8%).

CoDIFy also assessed the impact of ridinilazole on the microbiome of patients. The analysis showed that patients treated with ridinilazole exhibited no further damage to their microbiome during treatment, with a proportion of patients showing initial evidence of recovery of key bacterial groups of the microbiome with roles in protecting from CDI. In contrast it was observed that vancomycin treated patients suffered substantial damage to their microbiome during treatment and that this damage persisted in many patients during the post treatment period.

These clinical data are supported by a strong package of preclinical evidence that shows ridinilazole has strong potency against all clinical strains of *C. difficile* bacteria tested, has a minimal antibiotic effect against other bacteria that comprise the microbiome and is able to reduce levels of the toxins produced by the *C. difficile* bacteria known to have a major role in driving the symptoms and severity of the disease.

The FDA has designated ridinilazole as a Qualified Infectious Disease Product ('QIDP') and during 2015, the FDA granted it Fast Track status. The QIDP incentives are provided through the GAIN Act and provide advantages including priority review by the FDA and an additional five years of marketing exclusivity in the United States if the drug is approved by the FDA.

Ridinilazole is protected by a patent estate that includes granted patents protecting this novel antibiotic in a number of major commercial territories including the United States, Europe and Japan.

The development of ridinilazole has been financially supported in part by prestigious Seeding Drug Discovery and Translational Awards from the Wellcome Trust.

Board of Directors

Committee members key

A Audit Committee
R Remuneration Committee
N Nominations and Corporate Governance Committee
Member
Chairman

Frank Armstrong, FRCPE, FFPM
Non-Executive Chairman

Committees: R (Chairman) N (Chairman)

Appointment
Dr Armstrong (59) has served as a member of the Board of Directors since November 2012 and as Non-Executive Chairman since June 2013.

Experience
Prior to this, Dr Armstrong led Medical Science and Innovation at Merck Serono, the biopharmaceutical division of Merck KGaA, from 2010 to 2011. Dr Armstrong was also Head of Worldwide Product Development at Bayer AG from 1998 to 2001 and held various positions at ICI plc and Zeneca plc, now AstraZeneca plc, from 1985 to 1998. Dr Armstrong has served as the Chief Executive Officer at five biotechnology companies, including Fulcrum Pharma, CuraGen, which was acquired by Celldex Therapeutics Inc, Bioaccelerate, Provensis and Phoqus.

External appointments
Dr Armstrong is the Non-Executive Chairman of the Boards of Directors of Xceleron Ltd and Redx Pharma plc, Faron Pharmaceuticals and Caldan Therapeutics Ltd. He is a Non-Executive Director on the Boards of Juniper Pharmaceuticals Inc (formerly Columbia Laboratories Inc), which is listed on NASDAQ and Mereo Biopharma Ltd. He is also a Member of the Strategic Advisory Board of HealthCare Royalty Partners.

Accreditation
Dr Armstrong received an honours degree in Biochemistry and an MBChB in Medicine from the University of Edinburgh in Scotland. Dr Armstrong is a Fellow of the Royal College of Physicians of Edinburgh and a Fellow of the Faculty of Pharmaceutical Physicians.

Glyn Edwards
Chief Executive Officer

Appointment
Mr Edwards (60) has served as Summit's Chief Executive Officer and a member of the Board of Directors since April 2012.

Experience
Prior to joining the Company, Mr Edwards served as interim Chief Executive Officer of the BioIndustry Association, a UK trade organisation, from November 2011 to June 2012, and Chief Executive Officer at Antisoma plc, a publicly traded biotechnology company specialising in the development of novel drugs for the treatment of cancer, from 1998 to 2011. Mr Edwards also previously served as Vice President of Business Development at Therapeutic Antibodies Ltd.

Accreditation
Mr Edwards received a BSc in Biochemistry from Bristol University and a MSc in Economics from the London Business School.

Barry Price, PhD
Non-Executive Director

Committees: A N

Appointment
Dr Price (72) has served as a member of the Board of Directors since September 2006.

Experience
Dr Price spent 28 years with the Glaxo Group of companies, where he held several executive positions including Managing Director of Glaxochem Ltd from 1993 to 1995 and Research Director of Glaxo Group Research from 1989 to 1993. Dr Price also served as a Non-Executive Director of Shire plc, a biopharmaceutical company that is listed on the London Stock Exchange and NASDAQ, from 1996 to 2009, during which time he was involved in developing the company into one of the UK's largest life sciences companies. Dr Price has previously held directorships at Chiroscience plc, Celltech Group plc, Pharmagene plc, Antisoma plc and BioWisdom Ltd.

Accreditation
Dr Price received a BSc in Chemistry and a PhD in Chemistry from the University of Sheffield. He is a Fellow of the Royal Society of Chemistry.

Professor Stephen Davies
Non-Executive Director

Committees: R N

Appointment
Professor Davies (66) has served as a member of the Board of Directors since November 2013 and previously served as a member of our Board of Directors from 2004 to February 2013.

Experience
Professor Davies has been a professor at the University of Oxford since 1996 and was appointed Waynflete Professor of Organic Chemistry and Fellow of Magdalen College in 2006. Professor Davies' areas of expertise include medicinal and asymmetric chemistry and he has published extensively and received numerous awards in his field. Professor Davies co-founded Summit, as well as other University of Oxford spin-out companies. He was the founder and Non-Executive Chairman of MuOx Ltd, OxRay Ltd, and he was Non-Executive Chairman of Scientific Research Capital Ltd.

External appointments
He is a Founder and Non-Executive Director of OxStem Ltd and OxStem Oncology Ltd, and is a Non-Executive Director of Isis Innovation Ltd.

Accreditation
Professor Davies received a BA in Chemistry from the University of Oxford, a DPhil in Organic Chemistry from the University of Oxford, and a DSc. in Organic Chemistry from the University of Paris.

Leopoldo Zambeletti
Non-Executive Director

Committees

N

Appointment
Mr Zambeletti (47) has served as a member of our Board of Directors since May 2014.

Experience
Mr Zambeletti has served as an independent strategic advisor to life sciences companies since 2013, focussing on mergers and acquisitions, out-licensing deals, and financing strategy. Prior to this, Mr Zambeletti worked in investment banking for 19 years, during which time he led the European Healthcare Investment teams at JP Morgan and at Credit Suisse.

External appointments
He is a Non-Executive Director of Nogra Pharma Ltd, an Irish biotechnology company, and of Advanced Accelerator Applications, a Swiss nuclear diagnostics and therapeutics company. Mr Zambeletti began his career as an accountant at KPMG.

Accreditation
He received his degree in Business Administration from Università Bocconi, Milan.

Valerie Andrews
Non-Executive Director

Committees

A R N

Appointment
Ms Andrews (56) has served as a member of the Board of Directors since September 2014.

Experience
Most recently, Ms Andrews served from May 2011 until May 2014 as General Counsel at Vertex Pharmaceuticals Incorporated, a biopharmaceutical company focussed on small molecule therapies for cystic fibrosis and other indications. From 2002 to May 2011, Ms Andrews served in various legal roles at Vertex, including as Deputy General Counsel and Chief Compliance Officer. Prior to joining Vertex, Ms Andrews was the Executive Director of Licensing for Massachusetts General Hospital and Brigham and Women's Hospital from September 2001 to March 2002. From 1989 to 2001, Ms Andrews served as a corporate lawyer at Hill & Barlow PC, where she became a partner in 1997. In her professional roles, Ms Andrews has garnered expertise in areas including corporate strategy, strategic transactions, corporate governance, executive compensation, risk management, and compliance. Ms Andrews has served as a Non-Executive Director of Juniper Pharmaceuticals Inc (formerly Columbia Laboratories Inc), from 2005 until 2015.

Accreditation
Ms Andrews received a BA in Chemistry and Psychology from Duke University and a JD from Boston College.

David Wurzer
Non-Executive Director

Committees

A N

Appointment
Mr Wurzer (57) has served as a member of the Board of Directors since February 2015.

Experience
Mr Wurzer is currently the Executive Vice President and Chief Investment Officer at Connecticut Innovations, a state-funded venture capital fund, where he previously served as Senior Managing Director and Managing Director. Prior to joining Connecticut Innovations in November 2009, Mr Wurzer served as Executive Vice President, Treasurer and Chief Financial Officer at CuraGen Corporation from 1997 to 2008. He also held numerous positions at Value Health Inc from 1991 to 1997, including Senior Vice President, Treasurer and Chief Financial Officer. Mr Wurzer is a Certified Public Accountant and began his career with Coopers & Lybrand, which is now part of PricewaterhouseCoopers.

External appointments
Mr Wurzer is a Non-Executive Director on the boards of Special Diversified Opportunities Inc, Thetis Pharmaceuticals LLC and Axerion Therapeutics, Inc., and from 2010 to 2012 he was a Non-Executive Director on the board of DUSA Pharmaceuticals.

Accreditation
He received a BBA from the University of Notre Dame.

Company information

Company Secretary
Melissa Strange, FCCA

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Directors' Report

For the year ended 31 January 2016

The Directors present their report and the audited financial statements for Summit Therapeutics plc ('Summit') and its subsidiaries (the 'Group') for the year ended 31 January 2016.

Directors

The Directors who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Executive	
Glyn Edwards, MBE	Chief Executive Officer
Non-Executive	
Frank Armstrong, FRCPE, FFPM	Chairman
Barry Price, PhD	Non-Executive Director
Professor Stephen Davies	Non-Executive Director
Leopoldo Zambeletti	Non-Executive Director
Valerie Andrews	Non-Executive Director
David Wurzer	Non-Executive Director (appointed 20 February 2015)

Details of the Directors' interests, share options, service contracts and letters of appointment are shown in the Directors' Remuneration Report (pages 29 to 44).

The Company maintained Directors' and Officers' liability insurance cover throughout the year.

Biographical details of the Directors are available on pages 22 to 23.

Principal risks and uncertainties

For a discussion of the principal risks and uncertainties which face Summit please see pages 14 to 17.

Results and dividends

The Consolidated Statement of Comprehensive Income for the year is set out on page 48. The Group's loss for the financial year after taxation was £17,129,000 (2014/15: £11,301,000).

The Directors do not recommend the payment of a dividend (2015: 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 bi-monthly 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 13.

Research and development

Details of the Group's key research and development programmes can be found in the Chairman's Statement, Strategic Report and the detailed programme sections. Further information is also available on the Company website, www.summitplc.com.

Subsequent events

On 14 April 2016 the number of Ordinary Shares increased to 61,467,785 following the exercise of warrants over 177,045 Ordinary Shares at an exercise price of 60 pence per share. The warrants were issued to Nplus1 Singer Capital Markets Limited as part of an equity placing in 2012. Following the exercise there are no further outstanding warrants held by Nplus1 Singer Capital Markets. The issue of new shares raised net proceeds of £106,227.

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- and US-based banks and building societies. The Group's treasury policy is reviewed annually. See Note 15 'Financial instruments' in the Notes to the Financial Statements for IFRS 7 disclosure regarding financial instruments.

Substantial shareholdings

On 15 April 2016 the Company had been notified of the following holdings of more than 3% or more of the issued share capital of the Company.

As at 15 April 2016	Holding	%
Lansdowne Partners	15,727,170	25.66%
Robert Keith	5,114,816	8.35%
Point72 Asset Management	4,879,240	7.96%
Richard Griffiths and controlled undertakings	3,207,575	5.23%

Annual General Meeting

The date for the 2016 Annual General Meeting ('AGM') will be announced shortly with further details to be provided to shareholders in advance of the meeting.

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.

Disclosure and information to auditors

Each of the current Directors hereby confirms that:

(a) so far as he or she is aware, there is no relevant audit information of which the auditors are unaware; and

(b) he or she has taken all reasonable steps to ascertain any relevant audit information and to ensure that the auditors are aware of such information.

On behalf of the Board

Glyn Edwards
Chief Executive Officer

10 May 2016

Corporate Governance Report

For the year ended 31 January 2016

The Board believes in the importance of corporate governance and is aware of its responsibility for overall corporate governance and for supervising the general affairs and business of the Company and its subsidiaries.

The Company's securities are listed on the Alternative Investment Market ('AIM') of the London Stock Exchange and is subject to the continuing obligations of the AIM Rules.

The Company's securities are also listed in the United States on the NASDAQ Global Market ('NASDAQ'). Summit's status as a foreign private issuer in the US requires the Company to comply with various corporate governance practices under the Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the US Securities and Exchange Commission (the 'SEC'). In addition, NASDAQ rules permit foreign private issuers to follow home country practice in lieu of the NASDAQ corporate governance standards, subject to certain exemptions and except to the extent that such exemptions would be contrary to US federal securities law. The Company intends to take all actions necessary to maintain compliance as a foreign private issuer under the applicable corporate governance requirements.

Summit is not required to comply with the UK Corporate Governance Code (the 'Code') by virtue of being an AIM-listed company. The Board however seeks to apply the highest corporate governance principles as far as practicable given the Company's size, stage of development, nature of its business and its listing status in two distinct jurisdictions. This section provides general information on the Group's adoption of corporate governance.

Our strategy, business model and approach to risk

The focus of the Group's business is on the discovery, development and commercialisation of novel medicines for indications for which there are no existing or only inadequate therapies.

The Group invests its efforts and financial resources into the process of identifying suitable pharmaceutical product candidates which it then intends to take through an extensive development process. The nature of this work is inherently risky. There is no certainty that any of its product candidates will progress successfully to become marketable products. However, Summit's internal development expertise and unique knowledge of the therapeutic areas in which it operates should allow it to identify and develop valuable products in a manner that will substantially reduce, but which cannot eliminate, this risk in future. All of the Group's activities involve an ongoing assessment of risks and the Group seeks to mitigate such risks where possible.

The Board has undertaken an assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity. In addition, the Board has considered the longer-term viability of the Group including factors such as the prospects of the Group and its ability to continue in operation for the foreseeable future. The Board considers that the disclosures outlined in the Group's Strategic Report on pages 2 to 17, and the further details of risk factors considered by Summit for the year ended 31 January 2016, included on Form 20-F filed with the SEC, are appropriate given the stage of development of the business. The Board considers that these disclosures provide the information necessary for shareholders to assess the Group's future viability and potential requirements for further capital to fund its operations.

Having carried out a review of the level of risks that Summit is taking in pursuit of the Group's strategy, the Board is satisfied that the level of retained risk is appropriate and commensurate with the financial rewards that should result from achievement of its strategy.

The Board

At 31 January 2016, the Board comprised six Non-Executive Directors, and one Executive Director.

During the year the following Board changes took place: on 20 February 2015, Mr David Wurzer joined the Board as Non-Executive Director.

Directors' biographies are on pages 22 and 23.

The Board typically has six scheduled meetings per year (approximately every two months), with additional Board meetings convened as circumstances and business needs dictate. The Board is responsible to the shareholders for the proper management of the Group and sets the overall direction and strategy of the Group, reviews scientific, operational and financial performance, and advises on management appointments. All key operational and investment decisions are subject to Board approval. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

There is a clear separation of the roles of Chief Executive Officer and Non-Executive Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on matters. The Chief Executive Officer has the responsibility for implementing the strategy of the Board and managing the day to day business activities of the Group.

The Board considers that all the Non-Executive Directors are independent and are of sufficient competence and calibre to add strength and objectivity to the Board, and bring considerable experience in scientific, operational and financial development of biopharmaceutical products and companies. The Group awards share options to its Non-Executive Directors and consider this as necessary to attract people with the appropriate skills and expertise to support the development, growth and oversight of the Company which is publically listed in the UK and US, and that this practise does not have an impace on their independence.

All of the Directors are subject to election by shareholders at the first Annual General Meeting ('AGM') after their appointment to the Board and to re-election by shareholders at least once every three years. The Board considers that this practise of retiring by rotation every three years is appropriate given as a biopharmaceutical Company, the nature of the business is to carry out long-term research and development.

Performance evaluation

The Remuneration Committee oversees the annual evaluation of the performance of the Chief Executive Officer and it is part of the role of the Nominations and Corporate Governance Committee to oversee the review and evaluation of the Board as a whole, the Committees and the individual Directors. The formality and complexity of the process is considered appropriate for a Group of its size and stage of development and the Board will continue to review the process and make any changes as appropriate should this position change.

Board committees

In February 2015, the Board established its Audit, Remuneration, and Nomination and Corporate Governance Committees, each with written terms of reference stating their authorities and duties. The full terms of reference of all the Committees are published on the Group's website at www.summitplc.com.

Audit Committee

The members of the Audit Committee are Mr David Wurzer, Dr Barry Price and Ms Valerie Andrews. Mr David Wurzer is the chair of the Audit Committee. Mr Leopoldo Zambeletti served on the Audit Committee until March 2016 before stepping down and being replaced by Dr Barry Price. The Audit Committee held four scheduled meetings during the 12 month period under review. Attendance of members at these meetings is shown in the table on page 28.

The responsibilities of the committee include the following:

- monitoring the integrity of the financial statements of the Group;
- reviewing accounting polices, accounting treatment and disclosures in the financial reports;
- reviewing the Group's internal financial controls and risk management systems; and
- overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Board is satisfied that Mr David Wurzer's experience ensures compliance with provision C.3.1 of the Code whereby at least one member of the Audit Committee must have recent and relevant financial experience. Each member of the Audit Committee satisfies the independence requirement of Rule 5605(a)(2) of the Nasdaq Stock Market Marketplace Rules and the independence requirements of Rule 10A-3(b)(1) under the US Securities Exchange Act. In addition, the Board has determined that Mr David Wurzer is an 'audit committee financial expert' as defined in Item 16A of Form 20-F filed with the SEC.

PricewaterhouseCoopers LLP has been the Group's auditor since 2013. They attend Audit Committee meetings and have the opportunity to meet privately with Committee members in the absence of management. The Audit Committee is also responsible for recommending the appointment and removal of the auditors and agreeing the audit fees. The Audit Committee also monitors the scope and results of the audit, the independence and objectivity of the auditors and their performance. The independent auditors continue to operate procedures to safeguard against the possibility of their objectivity and independence being compromised. This includes the use of quality review partners, consultation with internal compliance teams and the carrying out of an annual independence procedure within their firm. The auditors report to the Audit Committee on matters including independence and non-audit fees on an annual basis. The specific audit partner changes every five years. The amount charged by the external auditors for the provision of services during the 12 month period under review is set out in Note 7, Auditors' remuneration on page 58 of the Notes to the Financial Statements.

Remuneration Committee

The members of the Remuneration Committee are Dr Frank Armstrong, Ms Valerie Andrews and Professor Stephen Davies. Dr Frank Armstrong fulfilled the role of chair of the Remuneration Committee until March 2016 when Ms Valerie Andrews took over as chair and means that the composition of the committee is aligned with the provisions detailed in the Code. The Remuneration Committee held four scheduled meetings and one additional meeting during the twelve month period under review. Attendance of members at these meetings is shown in the table on page 28.

The responsibilities of the committee include the following:

- determining and agreeing with the Board the remuneration policy for all Directors;
- within the terms of the agreed policy, determining the total individual remuneration package for Executive Directors;
- overseeing the evaluation of executive officers;
- determining bonuses payable under the Group's cash bonus scheme; and
- determining the vesting of awards under the Group's long-term incentive plans and exercise of share options.

The Directors' Remuneration Report is presented on pages 29 to 44.

Nominations and Corporate Governance Committee

The members of the Nomination and Corporate Governance Committee are Dr Frank Armstrong, Professor Stephen Davies, Dr Barry Price, Ms Valerie Andrews, Mr Leopoldo Zambeletti and Mr David Wurzer. Dr Frank Armstrong is the chair of the Nomination and Corporate Governance Committee. There were no formal Nominations and Corporate Governance Committee meetings scheduled during the year. Some of the responsibilities of this Committee had been undertaken by the Board during the year, prior to the establishment of this Committee. The Nominations and Corporate Governance Committee are expected to meet at least twice a year in the future.

The responsibilities of the committee include the following:

- identifying individuals qualified to become members of the Board of Directors;
- recommending directors to be appointed the Committees;
- overseeing the annual evaluation of the Board and its Committees;
- reviewing and making recommendations to the Board on Board leadership structure;
- reviewing and making recommendations to the Board on management succession planning; and
- developing and recommending to the Board appropriate corporate governance principles.

Corporate Governance Report
continued

For the year ended 31 January 2016

Attendance at Board and Committee meetings

The Directors attended the following Board and Committee meetings during the year:

Attendance	Audit Committee	Remuneration Committeee	Board
Frank Armstrong	–	4/4	10/10
Glyn Edwards	–	–	10/10
Barry Price	–	–	10/10
Stephen Davies	–	4/4	10/10
Leopoldo Zambeletti	3/4	–	10/10
Valerie Andrews	4/4	4/4	10/10
David Wurzer	4/4	–	10/10

Risk management and internal control

The Board is responsible for the systems of internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. The Board reviews the effectiveness of these systems annually by considering the risks potentially affecting the Group.

In addition to considering financial risk as part of the review of broader internal control, this is the first year that the Group is required to assess and report on the effectiveness of the internal controls over financial reporting under Section 404(a) of the Sarbanes-Oxley Act. As the Group currently qualifies as an 'emerging growth company', as defined in the Jumpstart Our Business Start-Ups Act of 2012, we are currently exempt from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act. Should this position change, the Group will be required to obtain an audit of our internal control over financial reporting.

The Group does not consider it necessary to have an internal audit function due to the small size of the administrative function. This need is evaluated on an annual basis. Instead there is a detailed monthly review and authorisation of transactions by the Chief Financial Officer andChief Executive Officer.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. 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 bi-monthly Board meetings and are reviewed on a monthly basis by the management team.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on an annual basis.

Corporate social responsibility

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

Whistle-blowing

The Group has formal arrangements in place to facilitate 'whistle-blowing' by employees through a contract with a third-party service provider. If any call is made to this third party, the Chairman of the Audit Committee is notified promptly of the fact and the content of the call, so that appropriate action can be taken.

Employment

The Group endeavours to appoint employees with appropriate skills, knowledge and experience for the roles they undertake and thereafter to develop and incentivise staff.

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.

Relations with shareholders

The Board recognises the importance of communication with its shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The Company's website, www.summitplc.com, has a section dedicated to investor matters.

The Board as a whole is responsible for ensuring that a satisfactory dialogue with shareholders takes place, while the Chairman and Chief Executive Officer ensure that the views of the shareholders are communicated to the Board as a whole. The Board ensures that the Group's strategic plans have been carefully reviewed in terms of its ability to deliver long-term shareholder value. Fully audited Annual Reports will be distributed to shareholders and Interim and Quarterly Results statements notified *via* Regulatory Information Service announcements. All financial reports and statements are available on the Company's website.

Shareholders are welcome to attend the Group's AGM, where they have the opportunity to meet the Board and discuss aspects of the Group's performance during an open question and answer session. All shareholders will have at least 21 days' notice of AGM.

Directors' Remuneration Report

For the year ended 31 January 2016

Dear Shareholder

On behalf of the Remuneration Committee, I am pleased to present our Director's Remuneration Report for the year ended 31 January 2016. The past year was one of significant progress for the Group across all facets of the business. Highlights include completing our NASDAQ initial public offering, reporting positive data on our lead utrophin modulator ezutromid for the treatment of Duchenne muscular dystrophy ('DMD'), achieving the first research milestone in our strategic alliance with the University of Oxford, and reporting data establishing clinical proof of concept data from our clinical trial of ridinilazole, a novel class antibiotic for the treatment of *Clostridium difficile* infection ('CDI'). Our average headcount increased from 23 to 37 employees, including the addition of senior employees in both the UK and US, with the expansion predominately within research and clinical operations.

The Remuneration Committee was established in February 2015 and consists of three Non-Executive Directors. We are presenting our Remuneration Policy for Executive and Non-Executive Directors to our shareholders to vote on for the first time at our 2016 Annual General Meeting ('AGM').

In establishing the proposed Remuneration Policy for Executive Directors, we have sought to adopt practices that align the interests of our Executive Directors with shareholders and that achieve the following:

- attract and retain seasoned, talented, motivated Executive Directors by providing competitive remuneration packages that take into consideration their unique skills, experience and performance;
- offer market-based fixed elements of remuneration such as salary and an attractive pension and benefits;
- ensure that a significant portion of Executive Director remuneration is awarded each year in the form of both short-term and long-term incentives in amounts that vary meaningfully on the basis of individual and Group performance; and
- provide flexibility in the amounts payable under our remuneration program to accommodate potential growth in both the size and complexity of our business as we seek to become a fully integrated biopharmaceutical company and advance our product candidates in DMD and CDI through to commercialisation if we obtain clinical data supporting such advancement.

Our dual-listings on AIM and NASDAQ, coupled with conducting operations in both the UK and US, present a challenge in establishing remuneration for our Directors. There are differing, and on occasion, opposing, standards in terms of compensation practices between the two countries.

The Remuneration Policy has been designed in acknowledgement of these variations in market practice. Our goal is to achieve a balanced approach, taking account of local market norms, as well as internal relativities, to attract and retain the best talent in each market. In considering a reward strategy that will be appropriate for the next three years, the proposed Policy retains sufficient flexibility to attract and retain high-quality Executive and Non-Executive Directors in different geographic locations.

Our Remuneration Policy is detailed further on pages 30 to 37.

Key decisions in the year ended 31 January 2016

During the year ended January 2016, the Committee undertook the following key decisions and activities:

- established its Charter, which can be found on the Company's website;
- awarded an annual grant of options to all employees, including Executive and Non-Executive Directors, in June 2015;
- completed a review of the Company's post-retirement benefits in the UK and US, which resulted in program modifications to increase the employer's contribution to 6% and remove the matched element for the UK plan, and to adopt a 401k retirement savings plan for US employees;
- introduced standard employment benefit plans for US employees;
- adopted a revised and updated Long Term Incentive Plan ('LTIP') for the Company to ensure that our long-term incentives continue to support the business strategy and align Directors' interests with shareholders;
- assessed the Company's performance against the corporate objectives set for the calendar year 2015, which included the completion of the NASDAQ initial public offering and the reporting of top-line data from both the ridinilazole Phase 2 trial and ezutromid Phase 1b modified diet trial, and based on performance against objectives awarded the Chief Executive Officer a bonus equivalent to 100% of base salary in January 2016, payable 50% in cash and 50% in share options;
- awarded a base salary increase of 26% to the Chief Executive Officer with effect from 1 February 2016, following a review of market data obtained from a group of AIM and NASDAQ-listed biopharmaceutical companies, taking into account the Company's strong performance against corporate objectives and the progression during the year to what is now a dual-listed Company with programmes advancing into both Phase 2 and 3 clinical trials respectively, as well as being reflective of the increased role given the continued growth of the Company;
- designed and proposed the Remuneration Policy for approval by the Company's shareholders; and
- set corporate objectives for the calendar year 2016, against which performance will be measured in early 2017.

In summary, this has been a successful year of progress against our clinical, operational and financial objectives. Over the coming years, it will remain critical to the Group that we are able to attract, retain and appropriately incentivise people in sufficient numbers, and with the appropriate skills and experience, to continue to develop our clinical programmes, as we seek to bring much-needed therapies to patients and their families.

Valerie Andrews
Remuneration Committee Chair
(March 2016 onwards)

Frank Armstrong
Remuneration Committee Chair
(February 2015 to March 2016)

Directors' Remuneration Report
continued

For the year ended 31 January 2016

Remuneration Policy Report
The information provided in this part of the Directors' Remuneration Report is not subject to audit.

The Remuneration Policy Report ('Policy') is subject to shareholder approval at the 2016 AGM. The Policy provides a framework for execution of the Company's remuneration strategy from the date of the AGM and is intended to last for a period of three years, unless changes to the Policy are required earlier. If changes are required, Summit will seek earlier shareholder approval.

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

The Policy seeks to ensure that remuneration levels for the Group's Executive Directors take into account their skills and experience, the nature and complexity of their responsibilities, relevant market comparisons, and their performance.

In addition to the Policy below, the Group will retain the right to make any payments per contractual arrangements with Executive Directors that were entered into prior to the approval of this Remuneration Policy.

Future policy table
The policy table below describes the Group's proposed future remuneration policy for Directors and provides details as to how each element is expected to operate.

	Purpose	Operation	Maximum opportunity	Performance
Executive Director(s)				
Salary	Recognises the skills, experience and expertise of the role and provides the basis for a competitive remuneration package.	• 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; – general economic environment; and – individual performance. • Salaries normally are reviewed annually. • Any salary increases take effect from the start of the financial year.	• Salary increases for the Executive Directors normally are expected to be broadly in line with inflation and the Committee will consider average salary increases for Executives in an appropriate peer group with whom Summit compete for talent to ensure the Company remains competitive, 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. • For the year ending 31 January 2017, the salary level for the Chief Executive Officer is £290,000.	• Review takes account of individual performance and contribution to the Company during the year.

	Purpose	Operation	Maximum opportunity	Performance
Executive Director(s)				
Pension	Provides market competitive pension benefits to encourage and enable executives to build savings for their retirement.	• There is no separate pension scheme in place that covers only Executive Directors and all UK employees are eligible to participate in the defined contribution scheme operated by the Company. • US employees are eligible to join the Summit 401k Plan. • Company contribution level is reviewed against local market practices annually. • Executive Directors may choose to receive all or part of their company contribution in cash.	• Up to 17.5% of salary per annum. • The employer-paid element of the pension provision is currently set at 6%.	• N/A
Other benefits	Protects against risks and provides other benefits in line with market practice.	• 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 a 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.	• In normal circumstances, total taxable value of benefits are not expected to exceed 15% of salary per annum. • The Committee may exceed this usual limit in the event of a relocation, both with regard to one-time relocation expenses as well as on an on-going basis to allow alignment with local market norms.	• N/A
Annual bonus	Aligns incentives with the level of achievement of key annual objectives linked to the Group's strategy.	• The Committee sets objectives at the beginning of each calendar/performance 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 Group's performance against the pre-established objectives and the individuals performance in the year. • Clawback provisions apply (detail provided in notes).	• Normal awards are 100% of salary. Maximum bonus opportunity level for the Executive Directors is set at 150% of salary, for 'stretch'/ exceptional performance. In exceptional circumstances, (for example in a recruitment situation) the Committee may determine that the maximum bonus opportunity is 200% of salary. Normal awards are 100% of salary.	• Bonus amount is determined exclusively on the basis of performance measured at the end of the performance year by determining the percentage achievement of performance objectives established at the beginning of the year. • 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.

Directors' Remuneration Report
continued

For the year ended 31 January 2016

	Purpose	Operation	Maximum opportunity	Performance
Executive Director(s)				
Annual bonus continued		• At the discretion of the Remuneration Committee, a portion of the bonus may be settled in the form of nominal cost options to deliver a balance between long-term and short-term reward. These options will be exercisable six months from 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.		• Share options granted under the annual bonus plan will not attract further performance conditions.
Long-term Incentive Plan ('LTIP')	Aligns incentives with shareholder value creation and rewards the achievement of long-term objectives linked to the Group's strategy.	• Awards under the LTIP may take the form of performance share awards, nominal cost share options, nil-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. • At the discretion of the Board, awards may be settled either in Ordinary 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).	• Individual grant of market-value option awards in any one 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.	• Performance measures for performance shares will be set by the Committee on the basis of strategic Group objectives or increase in market price of Group stock over the vesting period. • Awards normally will vest over a period of three years. • Performance measures normally will be based on the achievement of confidential research and development objectives that are considered by the Group to be commercially sensitive, and will be disclosed once considered no longer sensitive.
All employee plans	Aligns incentives with shareholder value creation and rewards the achievement of long-term objectives linked to the Group's strategy.	• Executive Directors will be eligible to participate in any Save As You Earn ('SAYE') plan to operate in the term of the policy which will be open to all employees. • SAYE terms will follow HMRC guidelines. • The Committee may also adopt a comparable plan in overseas locations, such as a US ESPP.	• As per HMRC guidelines.	• None, as per HMRC guidelines.

	Purpose	Operation	Maximum opportunity	Performance
Executive Director(s)				

Notes

(1) Malus and clawback provisions for annual bonus and LTIP

Annual bonus and LTIP awards granted under the 2016 Long Term Incentive Plan are subject to malus and/or clawback provisions. These provisions apply to future grants with effect from 21 January 2016. Under the Policy, the Board, in 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, 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 Group or material misconduct on the part of the participant. Under the clawback provisions, in relation to vested awards under the Company's LTIP, in circumstances where the Group is required to restate financial statements due to the misconduct of that Executive Director, and that misconduct has contributed significantly to the need for restatement, the Group 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 Group, or transfers shares to the Company where the award has already been exercised. In the case of bonus awards, the Group may require that the participant make a cash payment to the Group 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 the award in the case of long-term incentive awards, or where a portion of the bonus is delivered in the form of nominal cost options five years from the grant date.

(2) Use of discretion

The Committee will operate the annual bonus plan and LTIP according to their respective rules and in accordance with the AIM Rules and/or 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 the LTIP:

- the participants;
- the timing of grant of an award;
- the vehicle of award;
- the size of an award;
- the determination of vesting;
- discretion required 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); 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.

(3) Remuneration policy for other employees

The Company's approach to reward and remuneration is broadly consistent across the Group; however, the Executive Director remuneration is more heavily weighted towards variable elements of remuneration that are conditional upon the Executive Director achieving performance targets linked to the successful delivery of strategy. This aims to create a clear link between the value created for shareholders and remuneration received by the Executive Director. In line with this, a lower level of maximum annual bonus/short-term incentive opportunity typically applies to other employees and whilst all employees may be eligible to participate in the LTIP scheme, the size of LTIP awards tends to increase with seniority to reflect that greater emphasis on performance-related pay for senior members of staff.

Directors' Remuneration Report
continued

For the year ended 31 January 2016

	Purpose	Operation	Maximum opportunity	Performance
Non-Executive Directors (NEDs)				
Fees	Allows the Company to attract and retain NEDs of a high calibre with experience in the Company's markets.	• NEDs receive basic fees with incremental fees paid for additional roles and responsibilities held, such as Board Committee Chairmanships and participation. • Fee levels take into account the required time commitment, experience and responsibilities of each NED role. • Reviewed by the Committee annually 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.	• Value of aggregate fees will not exceed £300,000 in any given year.	• Fee review takes account of market comparatives.
Taxable benefits	To reimburse reasonable travel costs for attendance at Board meetings.	• NEDs receive all reasonable travel costs in connection with attendance at Board meetings.	• All expenses will be borne where the Committee considers that these are reasonable. In addition, the Company bears the income tax and NIC costs in respect of these benefits on behalf of the NEDs.	• N/A
Share options	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 .	• Share option awards will usually be considered annually to support the ownership of Company shares. These will be made in the form of market value options.	• 'Face Value' of share options granted in the year will be limited to 200% of fees. • Share options granted to NEDs are in addition to the fees outlined above.	• Share options are not subject to any performance conditions.

For the avoidance of doubt, NEDs 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 (as set out above).

Recruitment policy

The remuneration package for any new Executive Director will be set in accordance with the terms of the Company's Remuneration 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. Any award under the LTIP will be limited to a maximum in the 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.

To facilitate recruitment, the Committee may offer additional cash and/or share-based remuneration to take account of and compensate for remuneration that the Executive Director is required to relinquish when leaving a former employer. Where possible, the Committee would look to award this under the Company's 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.

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.

The remuneration for any Non-Executive Director appointments will be set in accordance with the prevailing policy and no additional payments will be made.

Policy on payments for loss of office

Executive Directors are eligible for up to 12 months' notice, for which the Company retains the option to pay in lieu of contractual entitlement to salary/fees, benefits and pension contributions.

Loss of office

There is no automatic entitlement to any bonus payment, or proportion thereof, upon loss of office; however, the Remuneration Committee may exercise their 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 awards granted under the LTIP would vest and be exercisable upon loss of office would be subject to the Plan Rules under which such award was granted, which allows vesting and exercise of awards in the event of death, 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 and performance to the date of cessation. 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.

Service contracts

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

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

Director	Date of contract
Executive	
Glyn Edwards	4 April 2012
Non-Executive	
Frank Armstrong	6 June 2013
Valerie Andrews	18 September 2014
Stephen Davies	19 December 2013
Barry Price	8 August 2013
David Wurzer	20 February 2015
Leopoldo Zambeletti	30 May 2014

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 at least once every three years. If a resolution to re-elect a Non-Executive Director is not passed by shareholders, their letter appointment will be terminated.

Directors' Remuneration Report
continued

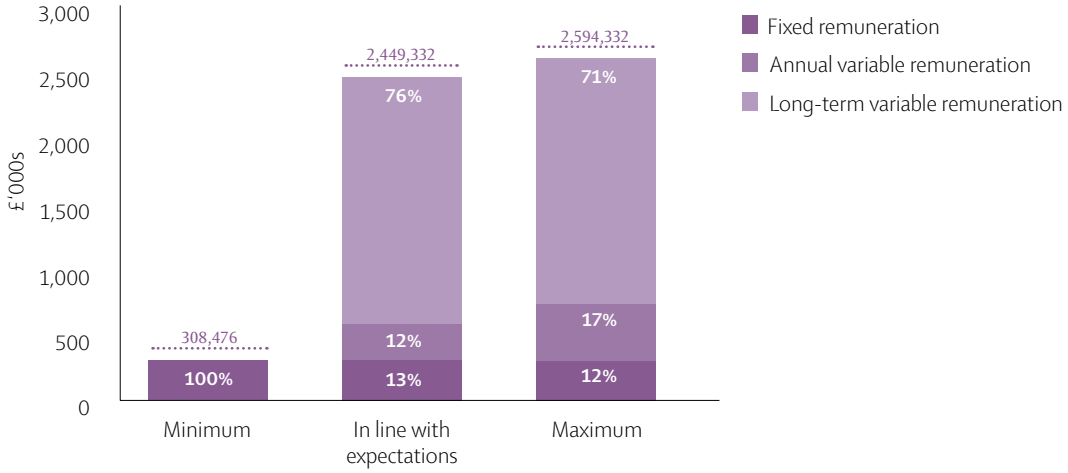
For the year ended 31 January 2016

Illustrations of the application of the Remuneration Policy to Executive Director remuneration

The following provides an illustration of the potential remuneration for the Executive Director for the year ended 31 January 2017 under the Remuneration Policy outlined above and by applying the following assumptions under the following three scenarios.

Minimum – fixed elements of remuneration	This scenario assumes that the current basic salary continues to be earned in the financial year ending 31 January 2017. The value of benefits receivable for the year ended 31 January 2017 is assumed to be equal to the value of benefits received in the year ended 31 January 2016 as set out in the single total figure of remuneration table on page 38. The pension contribution receivable by the Executive Directors for the year ended 31 January 2017 is assumed to be 6% of basic salary, equal to the value of pension benefits received in the year ended 31 January 2016. No short-term incentive payments are assumed. No vesting of long-term equity-based incentives is assumed.
Performance in line with expectations	This scenario is illustrative only and is not expected to be predictive of the financial year ending 31 January 2017 remuneration for Executive Directors. Fixed elements of remuneration as set out above, plus: On target level of short-term incentive payment is taken to be 100% of basic salary, being the current best estimate of the average bonus likely to be awarded by the Remuneration Committee in years when performance is in line with expectations. This scenario assumes a normal long-term incentive award with a 'Face Value' equal to six times basic salary, which vests in full at threshold performance.
Maximum remuneration receivable	This scenario is illustrative only and is not expected to be predictive of the financial year ending 31 January 2017 remuneration for Executive Directors. Fixed elements of remuneration as set out above, plus: The maximum level of short-term incentive payment is assumed to be equivalent to 150% of basic salary. This scenario assumes a normal long-term incentive award with a 'Face Value' equal to six times basic salary, which vests in full at threshold performance.

Executive Director
Chief Executive Officer



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

Statement of consideration of employee conditions elsewhere in the Company

The Remuneration Committee considers the pay and conditions of the wider employee workforce when setting the Remuneration Policy for the Executive Directors. Employees have not been consulted directly in relation to decisions on the Remuneration Policy of the Executive Directors but the Remuneration Committee will keep this under review.

Statement of shareholder views

The Remuneration Committee considers shareholder feedback received in relation to the Annual General Meeting each year as well as any additional feedback received throughout the year. This feedback, so far as it relates to remuneration, is then considered by the Company in its annual review of the appropriateness of its Remuneration Policy. Should any material changes be anticipated in the Remuneration Policy, the Company will seek to engage directly with major shareholders where appropriate ahead of submitting a revised Policy to shareholder vote.

Directors' Remuneration Report
continued

For the year ended 31 January 2016

Annual Report on Remuneration
For the year ended 31 January 2016

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

Single total figure of remuneration for each Director (subject to audit)
The Directors received the following remuneration for the years ended 31 January 2016 and 31 January 2015:

Year ended 31 January 2016	Salaries and fees £	Taxable benefits [4] £	Short-term incentives £	Long-term incentives [5] £	Pension contributions [6] £	Total 2015/16 £
Executive						
Glyn Edwards [1]	230,000	1,076	230,000	43,096	12,267	516,439
Non-Executive						
Frank Armstrong [2]	59,167	918	–	–	–	60,085
Barry Price	25,000	1,633	–	–	–	26,633
Stephen Davies	29,310	–	–	–	–	29,310
Leopoldo Zambeletti	29,310	189	–	–	–	29,499
Valerie Andrews	34,459	4,107	–	–	–	38,566
David Wurzer [3]	33,153	–	–	–	–	33,153
	440,399	**7,923**	**230,000**	**43,096**	**12,267**	**733,685**

(1) Mr Glyn Edwards' short-term incentive was awarded in equal parts cash and nominal cost share options. The share options will be granted at the earliest opportunity and will be exercisable six months after determination of the bonus by the Committee with no further performance conditions attached.
(2) Includes £18,332 paid to Dr Frank M. Armstrong Consulting Limited as part payment of his fees as Chairman.
(3) Joined the Board on 20 February 2015.
(4) Taxable benefits comprise healthcare insurance premiums for Executive Directors and travel costs (and associated income tax and NIC which was settled on behalf of the NEDs) for attendance at Board meetings for the Non-Executive Directors. Amounts included are based on the taxable benefits reported in the year ended 31 January 2016 to HMRC.
(5) Long-term incentive amounts represent the unrealised gains on market value share options that vested (and for which performance was measured) during the year ended 31 January 2016, calculated according to the share price at the date of vesting (146.5 pence on 10 May 2015) less the exercise price (60 pence per share). These gains have not been realised as the Director has not exercised or sold these options.
(6) Pension contributions are amounts paid to the Director in lieu of employer pension contributions.

Year ended 31 January 2015	Salaries and fees £	Taxable benefits [5] £	Short-term incentives £	Long-term incentives [6] £	Pension contributions [7] £	Total 2014/15 £
Executive						
Glyn Edwards	200,000	951	130,000	200,094	10,000	541,045
Non-Executive						
Frank Armstrong [1]	50,000	816	–	–	–	50,816
Barry Price	25,000	1,204	–	17,826	–	44,030
Stephen Davies	25,000	–	–	–	–	25,000
Leopoldo Zambeletti [2]	16,763	–	–	–	–	16,763
Valerie Andrews [3]	9,236	–	–	–	–	9,236
Jim Mellon [4]	20,834	–	–	–	–	20,834
	346,833	**2,971**	**130,000**	**217,920**	**10,000**	**707,724**

(1) Includes £25,000 paid to Dr Frank M. Armstrong Consulting Limited as part payment of his fees as Chairman.
(2) Joined the Board on 30 May 2014.
(3) Joined the Board on 18 September 2014.
(4) Resigned from the Board on 3 December 2014.
(5) Taxable benefits comprise healthcare insurance premiums for the Executive Directors and travel costs (and associated income tax and NIC which was settled on behalf of the NEDs) for attendance at Board meetings for the Non-Executive Directors. Amounts included are based on the taxable benefits reported in the year ended 31 January 2015 to HMRC.
(6) Long-term incentive amounts represent the unrealised gains on LTIPs that vested during the year ended 31 January 2015 calculated according to the share price at the date of vesting (in respect of Mr Glyn Edwards, 147.5 pence on 18 June 2014 less the exercise price (20 pence per share) and 162.5 pence on 10 May 2014 less the exercise price (60 pence per share) and for Dr Price, 192.5 pence on 8 April 2014 less the exercise price (65 pence per share)). These gains have not been realised as the Directors have not exercised or sold these options.
(7) Pension contributions are amounts paid to the Director in lieu of employer pension contributions.

Short-term incentive payments made during the financial year (subject to audit)
The short-term incentive payment to Mr Edwards to reward performance for the calendar year 2015 was assessed in January 2016. The Remuneration Committee determined that the Group substantially achieved the corporate objectives for the year, significantly advancing the business by reporting positive clinical data in the DMD programme and progressing towards Phase 2 clinical studies, reporting excellent proof of concept Phase 2 data in the CDI programme, and completing the Company's initial public offering on the NASDAQ Global Market. On the basis of this performance, the Committee confirmed a bonus equivalent to 100% of basic salary. Prior to the assessment of the bonus, the committee agreed with Mr Edwards for the bonus to be equally split between a cash payment (paid in February 2016) and a future grant of nominal-cost share options that the Committee plans to be awarded at the earliest opportunity. The 'Face Value' of the share options will be based on 50% of the gross bonus value, they will be subject to no further performance conditions and will be exercisable six months after the date of determination by the Committee.

The Remuneration Committee consider the 2015 performance measures to be confidential and any disclosure of performance measures to be commercially sensitive at the present time. The Committee will keep this under review and will disclose details of such performance measures once they are no longer sensitive. Further details of the Group's performance during the year can be found in the Strategic Report on pages 2 to 17.

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

On 10 May 2015 the final performance period for the May 2012 options came to an end. The vesting of the May 2012 share option grant awarded to the Executive Director was dependent on a share-based performance condition based on the average closing price of the Company's Ordinary Shares for the two months prior to the third anniversary of grant. Full vesting would have occurred if the average share price was equal to or greater than 220 pence for the two months prior to the third anniversary of grant, 25% where the average closing share price was 140 pence and pro-rated where the average share price was between 141 pence and 219 pence. Based on the average closing price of the Company's Ordinary Shares for the two months ended 10 May 2015 of 155 pence, a further 49,822 options vested (100,224 options under this award vested in May 2014 in accordance with the specific vesting and performance conditions for the first performance period).

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

The Remuneration Committee awarded a company-wide market value share option grant on 16 June 2015 that included a grant of options to the Executive Director and Non-Executive Directors as detailed in the following table. The award was calculated using a banding system which weighted long-term incentives according to employee roles and the exercise price was determined using the Company's closing mid-market Ordinary Share price on the day prior to grant.

These options vest in full subject to meeting a share-based performance condition based on the Company's closing share price being greater than or equal to 214.5 pence on each day during any 30 consecutive calendar days during the three-year performance period ending 16 June 2018. All options will lapse if the performance condition is not met.

	Number granted	Value at date of grant	Valuation method	Exercise price	Performance period end	Date of expiry
Executive						
Glyn Edwards	887,333	1,268,886	Face Value	143 pence	16 June 2018	16 June 2025
Non-Executive						
Frank Armstrong	50,000	71,500	Face Value	143 pence	16 June 2018	16 June 2025
Barry Price	25,000	35,750	Face Value	143 pence	16 June 2018	16 June 2025
Stephen Davies	25,000	35,750	Face Value	143 pence	16 June 2018	16 June 2025
Leopoldo Zambeletti	25,000	35,750	Face Value	143 pence	16 June 2018	16 June 2025
Valerie Andrews	25,000	35,750	Face Value	143 pence	16 June 2018	16 June 2025
David Wurzer	25,000	35,750	Face Value	143 pence	16 June 2018	16 June 2025

The value has been determined using the share price on the date of grant (143 pence) multiplied by the number of shares under award ('Face Value').

Statement of Directors' shareholding and share interests (subject to audit)

The table below details the total number of shares owned (including their beneficial interests), the total number of share options held with and without performance conditions, the number of share options vested but not exercised and those exercised during the year.

		Options				
	Shares *	Unvested with performances conditions	Unvested without performance conditions	Vested not yet exercised	Exercised during the year	Total (shares and options)
Executive						
Glyn Edwards	233,333	2,444,833	–	299,383	–	2,977,549
Non-Executive						
Frank Armstrong	14,442	162,500	–	–	–	176,942
Barry Price	75,730	75,000	–	13,981	–	164,711
Stephen Davies	584,981	75,000	–	–	–	659,981
Leopoldo Zambeletti	–	50,000	–	–	–	50,000
Valerie Andrews	10,500	50,000	–	–	–	60,500
David Wurzer	7,500	25,000	–	–	–	32,500
	926,486	**2,882,333**	**–**	**313,364**	**–**	**4,122,183**

* Directors' Shareholding includes Ordinary Shares held as American Depositary Shares ('ADSs').

Directors' Remuneration Report
continued

For the year ended 31 January 2016

The interests of the Directors in the Company's share options are as follows:

Director	Date of grant	At 1 February 2015	Granted during the period	Lapsed during the period	**At 31 January 2016**	Price per share (p)	Date from which exercisable	Expiry date
Glyn Edwards	10-May-12	227,500	–	(77,454)	**150,046**	60.0	Note (i)	10-May-22
	10-May-12	657,500	–	–	**657,500**	60.0	Note (ii)	10-May-22
	31-Jan-13	72,973	–	–	**72,973**	20.0	Note (iii)	31-Jan-23
	18-Dec-13	300,000	–	–	**300,000**	185.0	Note (iv)	18-Dec-23
	18-Dec-13	76,364	–	–	**76,364**	20.0	Note (v)	18-Dec-23
	15-Jul-14	600,000	–	–	**600,000**	126.0	Note (vi)	15-Jul-24
	16-Jun-15	–	887,333	–	**887,333**	143.0	Note (x)	16-Jun-25
		1,934,337	887,333	(77,454)	**2,744,216**			
Frank Armstrong	18-Dec-13	75,000	–	–	**75,000**	185.0	Note (iv)	18-Dec-23
	15-Jul-14	37,500	–	–	**37,500**	126.0	Note (vi)	15-Jul-24
	16-Jun-15	–	50,000	–	**50,000**	143.0	Note (x)	16-Jun-25
		112,500	50,000	–	**162,500**			
Barry Price	07-Apr-11	13,981	–	–	**13,981**	65.0	Note (vii)	07-Apr-21
	18-Dec-13	25,000	–	–	**25,000**	185.0	Note (iv)	18-Dec-23
	15-Jul-14	25,000	–	–	**25,000**	126.0	Note (vi)	15-Jul-24
	16-Jun-15	–	25,000	–	**25,000**	143.0	Note (x)	16-Jun-25
		63,981	25,000	–	**88,981**			
Stephen Davies	18-Dec-13	25,000	–	–	**25,000**	185.0	Note (iv)	18-Dec-23
	15-Jul-14	25,000	–	–	**25,000**	126.0	Note (vi)	15-Jul-24
	16-Jun-15	–	25,000	–	**25,000**	143.0	Note (x)	16-Jun-25
		50,000	25,000	–	**75,000**			
Leopoldo Zambeletti	23-Jun-14	25,000	–	–	**25,000**	148.0	Note (viii)	23-Jun-24
	16-Jun-15	–	25,000	–	**25,000**	143.0	Note (x)	16-Jun-25
		25,000	25,000	–	**50,000**			
Valerie Andrews	23-Dec-14	25,000	–	–	**25,000**	137.0	Note (ix)	23-Dec-24
	16-Jun-15	–	25,000	–	**25,000**	143.0	Note (x)	16-Jun-25
		25,000	25,000	–	**50,000**			
David Wurzer	16-Jun-15	–	25,000	–	**25,000**	143.0	Note (x)	16-Jun-25
		–	25,000	–	**25,000**			

(i) These options were capable of full vesting and exercise on or after 10 May 2015 subject to the meeting of performance conditions relating to the Company's share price. In order to vest in full, the average closing share price of the Company's Ordinary Shares on AIM needed to be equal to or greater than 220 pence for the two months preceding the third anniversary of the date of the grant, 25% would vest where the average closing share price is 140 pence and pro-rated where the average closing share price is between 141 pence and 219 pence. The options would lapse if the performance condition relating to the Company's average closing share price was not met by the third anniversary of the date of grant. The performance period has now passed and, accordingly, only 150,046 options have vested and 77,454 options have lapsed since 31 January 2015.

(ii) These options are split into four tranches with varying performance conditions attached and will only vest if the average closing share price of the Company's Ordinary Shares on AIM is equal or greater than the specified condition in any period of 60 consecutive calendar days, ending on or before the fifth anniversary of the date of grant. Details of the tranches are as follows: 207,500 with a performance condition based on an average closing share price of 400 pence; 200,000 with a performance condition based on an average closing share price of 600 pence; 150,000 with a performance condition based on an average closing share price of 800 pence; and 100,000 with a performance condition based on an average closing share price of 1,000 pence. The options will lapse if the performance condition is not met by the fifth anniversary of the date of grant.

(iii) These options were awarded under the Company's bonus incentive plan. They vested and became exercisable on 31 July 2013.

(iv) These options vest in full subject to (i) completion of Phase 2 proof of concept trials in both the DMD and CDI programmes or the third anniversary of the date of the grant, whichever is sooner and (ii) the average closing share price of the Company's Ordinary Shares on AIM being equal or greater than 277.5 pence in any period of 30 consecutive days ending on or before the third anniversary of the date of grant.

(v) These options vested and became exercisable on 18 June 2014. These options were awarded as a bonus for the fiscal year ended 31 January 2014 representing 70% of Mr Edwards' gross basic salary for that fiscal year.

(vi) These options will vest if the average closing share price of the Company's Ordinary Shares on AIM is equal to or greater than 189 pence in any period of 30 consecutive days during the period from the date of the grant to the third anniversary of the date of the grant. Once vested, 25% of the options can be exercised on or after the second anniversary of the date of grant and all of the options, if vested, can be exercised on or after the third anniversary of the date of grant. These options will lapse if the performance condition relating to the Company's average closing share price is not met by the third anniversary of the date of the grant.

(vii) These options were capable of vesting and exercise on or after 8 April 2014 subject to the meeting of performance conditions relating to the Company's share price. In order to vest in full, the average closing share price of the Company's Ordinary Shares on AIM would have had to exceed 300 pence over the two months ending 7 April 2014. If the performance conditions were not satisfied in full, or in part, the options would lapse in respect of those option shares that did not vest. The performance period has now passed and, accordingly, 13,981 options vested and 11,019 options have lapsed since 31 January 2014.

(viii) These options vest in full subject to (i) completion of Phase 2 proof of concept trials in both the DMD and CDI programmes or the third anniversary of the date of grant, whichever is sooner and (ii) the average closing share price of the Company's Ordinary Shares on AIM being equal or greater than 221.3 pence in any period of 30 consecutive days ending on or before the third anniversary of the date of grant.

(ix) These options vest if the average closing share price of the Company's Ordinary Shares on AIM is equal or greater than 205.5 pence in any period of 30 consecutive days during the period from the date of the grant to 18 September 2017. Once vested, 25% of the options can be exercised on or after 18 September 2016 and all of the options, if vested, can be exercised on or after 18 September 2017. These options will lapse if the performance condition is not met by 18 September 2017.

(x) These options vest if the average closing share price of the Company's Ordinary Shares on AIM is equal or greater than 214.5 pence in any period of 30 consecutive days during the period from the date of the grant to 16 June 2018. Once vested, a third of the options can be exercised on or after 16 June 2017 and all of the options, if vested, can be exercised on or after 16 June 2018. These options will lapse if the performance condition is not met by 16 June 2018.

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

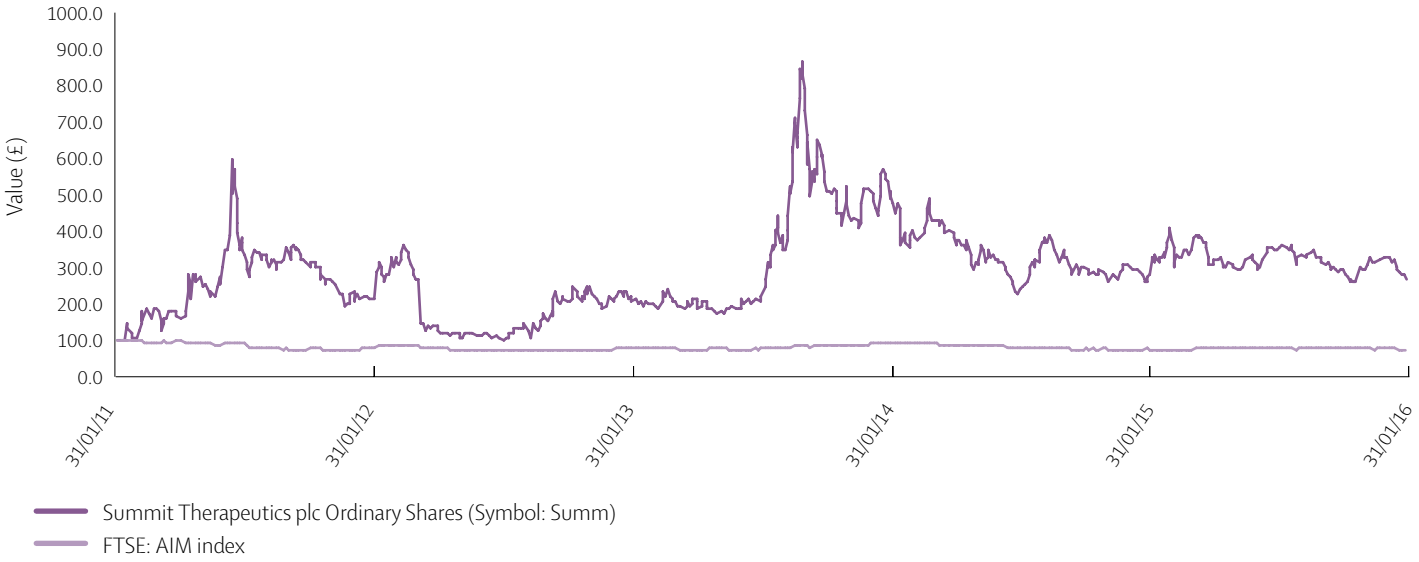
Directors' Remuneration Report
continued

For the year ended 31 January 2016

Illustration of total shareholder return

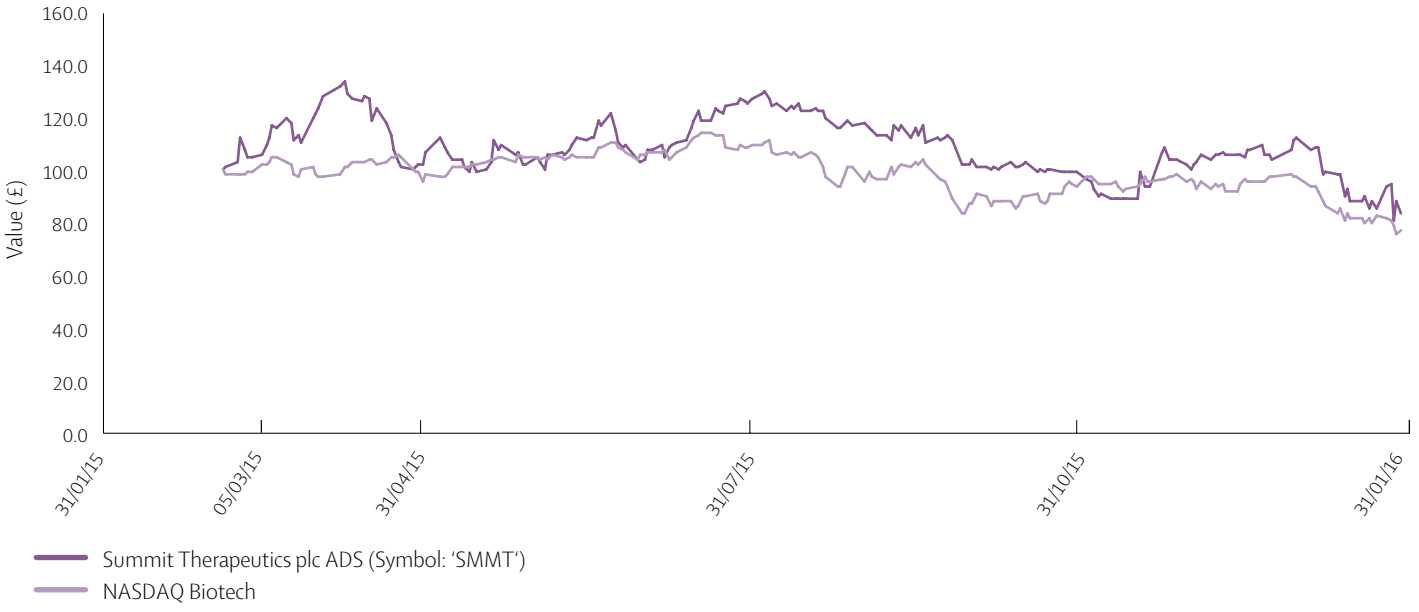
The graph below shows the daily movements, by 31 January 2016, of £100 invested in Summit Therapeutics plc on 31 January 2011 compared with the value of £100 invested in the FTSE:AIM Index.

The Company has chosen to use the FTSE:AIM Index as they consider this index to be the most suitable comparator index for the business as an AIM-listed company.



The graph below shows the daily movements, by 31 January 2016, of $100 invested in Summit Therapeutics plc 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.



Chief Executive Officer total remuneration history

Year ended 31 January	CEO single figure of total remuneration	Short-term incentive payout against maximum	Long-term incentive vesting rates against maximum opportunity
2016 Glyn Edwards	£516,439	100% (1)	66%
2015 Glyn Edwards	£541,045	65%	77%
2014 Glyn Edwards	£189,817	70% (1)	100%
2013 Glyn Edwards	£133,875	30% (1)	–
2013 Barry Price	£17,500	–	–
2012 Barry Price	£70,000	–	–

(1) The bonus awards made to Mr Edwards for the years ended 31 January 2014 and January 2013 were made by way of a grant of share options with a nominal value exercise price in order to further align the interests of the Chief Executive Officer with shareholders. The bonus award made in January 2016 will be settled half in share options and half has been settled in cash.

Dr Price undertook the role of a Chief Executive Officer from November 2010 until April 2012 through his position as Executive Chairman.

Mr Edwards joined the Board as Chief Executive Officer on 4 April 2012 and Dr Price, who was holding the post as Executive Chairman, returned to his former role as Non-Executive Chairman on this date.

The table below shows the percentage change in remuneration of the 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 2015 and the year ended 31 January 2016.

	Percentage increase in remuneration in year ended 31 January 2016 compared with remuneration in the year ended 31 January 2015	
	CEO	All employees
Basic salary	15%	8%
Short-term incentives (1)	77%	62%
Taxable benefits (2)	13%	(16%)

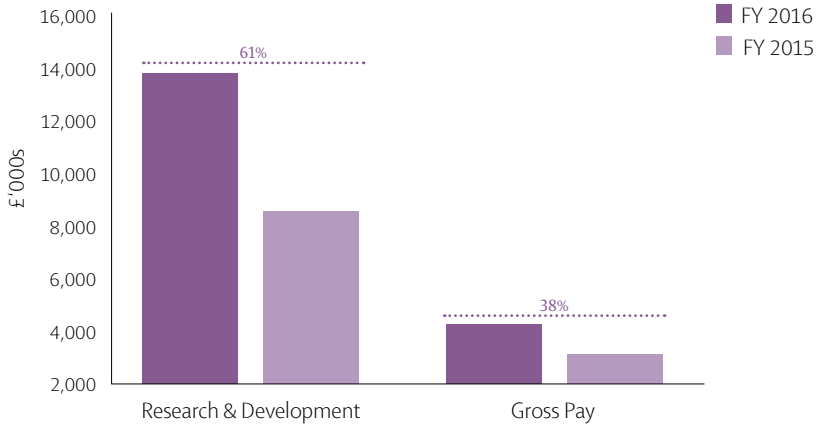
(1) The change in short-term incentives is calculated on a per head basis and includes all employees. The value for the CEO reflects the full value of bonus awarded for performance in the year ended 31 January 2016, including the proportion to be settled in share options.

(2) 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 current Executive Director 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 benefit provision. This figure is calculated on a per head basis. The decrease in taxable benefits for all employees is driven by a changing age profile of employees and the ability to negotiate better premiums.

Relative importance of spend on pay

The Remuneration Committee considers the Group's research and development expenditure relative to gross pay for all employees as reported in the 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 expenditure and the year-on-year change.



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

Directors' Remuneration Report
continued

For the year ended 31 January 2016

Proposed application of the Remuneration Policy for the year ended 31 January 2017

The Remuneration Policy would apply from the date of the 2016 AGM where it will be proposed to shareholders for approval. 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 Remuneration Policy.

Fixed elements of remuneration

The Executive Director's salary for the year ending 31 January 2017 is £290,000. Any salary increase will be awarded from 1 February 2017 and will be considered in the context of external and internal factors, including annual review of data from comparator companies (using external advisers where required), geographical location, performance, changes to the remuneration of the broader employee population and any changes in the Executive Director's duties or role.

Variable elements of remuneration

Short-term incentives

In early 2017, the Remuneration Committee will assess Executive Director performance against pre-determined objectives for the calendar year 2016, to determine whether an annual bonus is payable. In the first quarter of 2016, the Committee established performance objectives with respect to execution of key elements of the Group's strategy as well as value drivers for the business, including certain financial and operational goals, including our clinical programmes, and business and organisational development. These objectives are currently considered to be commercially sensitive. To the extent that the objectives do not comprise commercially sensitive information, the Company expects to disclose both the objectives and performance against those objectives in next years' Remuneration Report.

Long-term incentives

We anticipate that long-term incentives will be awarded by the Remuneration Committee in the first half of 2016 in line with the Remuneration Policy.

Details of the awards to Executive Directors will be disclosed in the necessary Regulatory Information Service announcement, and in next year's Annual Report on Remuneration.

Other remuneration-related aspects

Chairman and Non-Executive fees

The Committee expects to lead a review of fees payable to our Chairman and other Non-Executive directors in the next financial year. Any increase to fees would be effective from the date of approval by the Board.

Remuneration Committee approach to remuneration matters

The Remuneration Committee was established on 20 February 2015 in connection with the Company's preparations for listing on the NASDAQ Global Market. The Committee is comprised of Dr Frank Armstrong (who served as Chair until March 2016), Professor Stephen Davies and Ms Valerie Andrews (who has served as Chair since March 2016).

The Remuneration Committee has received assistance from the Company's HR Manager and Company Secretary during the year. The Committee has not formally appointed remuneration advisors.

Statement of voting at Annual General Meeting

The Group is committed to ongoing shareholder dialogue and the Remuneration Committee takes an active interest in shareholder views and voting outcomes. Voting is held at the Company shareholder meetings and is conducted through a show of hands by shareholders who are in attendance at the meeting, as well as any votes lodged by proxy in advance of the meeting.

This is the first year that the Remuneration Report is being put to shareholder vote.

Valerie Andrews
Chair of the Remuneration Committee

10 May 2016

Statement of Directors Responsibilities

For the year ended 31 January 2016

The Directors are responsible for preparing the Annual Report and the Group and Parent Company, Summit Therapeutics plc, financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board

Glyn Edwards
Chief Executive Officer

10 May 2016

Independent Auditors' Report

to the members of Summit Therapeutics plc

Report on the group financial statements

Our opinion

In our opinion, Summit Therapeutics plc's group financial statements (the 'financial statements'):

- give a true and fair view of the state of the group's affairs as at 31 January 2016 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs'); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – 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 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 operating expenses and capital expenditure requirements for its major programmes up until 31 January 2017.

The Directors have concluded that they will be able to secure sufficient financing for the Group to continue their activities for the foreseeable future, being not less than 12 months from the date of approval of these financial statements, and have therefore prepared the financial statements on a going concern basis; however, this financing is not committed at the date of approval of these financial statements. Accordingly, these circumstances represent a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Consolidated Statement of Financial Position as at 31 January 2016;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the Notes to the Financial Statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as issued by the International Accounting Standards Board ('IASB'), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

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. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Parent Company financial statements of Summit Therapeutics plc for the year ended 31 January 2016. That report includes an emphasis of matter.

Sam Taylor
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

10 May 2016

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

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

Consolidated Statement of Comprehensive Income

For the year ended 31 January 2016

	Note	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Other operating income	6	**1,451**	2,148
Operating expenses			
Research and development	6	**(16,856)**	(10,417)
General and administration	6	**(4,771)**	(4,442)
Total operating expenses		**(21,627)**	(14,859)
Operating loss		**(20,176)**	(12,711)
Finance income		**30**	51
Loss before income tax		**(20,146)**	(12,660)
Income tax	8	**3,058**	1,297
Loss for the year		**(17,088)**	(11,363)
Other comprehensive (losses)/income			
Exchange differences on translating foreign operations		**(41)**	62
Total comprehensive loss		**(17,129)**	(11,301)
Basic and diluted loss per Ordinary Share from continuing operations	9	**(29)p**	(29)p

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

Consolidated Statement of Financial Position

At 31 January 2016

	Note	31 January 2016 £000	31 January 2015 £000
ASSETS			
Non-current assets			
Goodwill	10	**664**	664
Intangible assets	11	**3,473**	3,483
Property, plant and equipment	12	**83**	55
		4,220	4,202
Current assets			
Prepayments and other receivables	13	**1,538**	2,630
Current tax receivable	8	**3,014**	1,299
Cash and cash equivalents		**16,304**	11,265
		20,856	15,194
Total assets		**25,076**	19,396
LIABILITIES			
Non-current liabilities			
Provision for other liabilities and charges	16	**(73)**	(45)
Deferred tax liability	17	**(664)**	(664)
		(737)	(709)
Current liabilities			
Trade and other payables	14	**(3,206)**	(3,721)
Total liabilities		**(3,943)**	(4,430)
Net assets		**21,133**	14,966
EQUITY			
Share capital	18	**613**	411
Share premium account		**46,035**	24,101
Share-based payment reserve		**3,757**	2,597
Merger reserve		**(1,943)**	(1,943)
Special reserve		**19,993**	19,993
Currency translation reserve		**21**	62
Accumulated losses reserve		**(47,343)**	(30,255)
Total equity		**21,133**	14,966

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

The Consolidated Financial Statements on pages 48 to 69 were approved by the Board of Directors and signed on its behalf by

Glyn Edwards
Chief Executive Officer

10 May 2016

Consolidated Statement of Cash Flows

For the year ended 31 January 2016

	Note	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Cash flows from operating activities			
Loss before income tax		**(20,146)**	(12,660)
		(20,146)	(12,660)
Adjusted for:			
Finance income		**(30)**	(51)
Foreign exchange (gain)/loss		**(169)**	78
Depreciation	12	**38**	23
Amortisation of intangible fixed assets	11	**10**	10
Movement in provisions	16	**28**	28
Research and development expenditure credit		**(44)**	(39)
Share-based payment		**1,160**	961
Adjusted loss from operations before changes in working capital		**(19,153)**	(11,650)
Decrease/(Increase) in prepayments and other receivables		**1,106**	(2,200)
(Decrease)/Increase in trade and other payables		**(536)**	1,867
Cash used by operations		**(18,583)**	(11,983)
Taxation received		**1,401**	658
Net cash used in operating activities		**(17,182)**	(11,325)
Investing activities			
Purchase of property, plant and equipment		**(66)**	(35)
Interest received		**30**	51
Net cash (used)/generated by investing activities		**(36)**	16
Financing activities			
Proceeds from issue of share capital		**26,101**	22,000
Transaction costs on share capital issued		**(4,187)**	(1,482)
Exercise of share options		**222**	26
Net cash generated from financing activities		**22,136**	20,544
Increase in cash and cash equivalents		**4,918**	9,235
Effect of exchange rates in cash and cash equivalents		**121**	–
Cash and cash equivalents at beginning of year		**11,265**	2,030
Cash and cash equivalents at end of year		**16,304**	11,265

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

Consolidated Statement of Changes in Equity

Year ended 31 January 2016

Year ended 31 January 2016

Group	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 £000
At 1 February 2015	411	24,101	2,597	(1,943)	19,993	62	(30,255)	14,966
Loss for the year from continuing operations	–	–	–	–	–	–	(17,088)	(17,088)
Currency translation adjustment	–	–	–	–	–	(41)	–	(41)
Total comprehensive loss for the year	–	–	–	–	–	(41)	(17,088)	(17,129)
New share capital issued	198	25,903	–	–	–	–	–	26,101
Transaction costs on share capital issued	–	(4,187)	–	–	–	–	–	(4,187)
Share options exercised	4	218	–	–	–	–	–	222
Share-based payment	–	–	1,160	–	–	–	–	1,160
At 31 January 2016	**613**	**46,035**	**3,757**	**(1,943)**	**19,993**	**21**	**(47,343)**	**21,133**

Year ended 31 January 2015

Group	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 £000
At 1 February 2014	10,075	40,177	1,636	(1,943)	–	–	(45,183)	4,762
Loss for the year from continuing operations	–	–	–	–	–	–	(11,363)	(11,363)
Currency translation adjustment	–	–	–	–	–	62	–	62
Total comprehensive loss for the year	–	–	–	–	–	62	(11,363)	(11,301)
New share capital issued	3,384	18,616	–	–	–	–	–	22,000
Transaction costs on share capital issued	–	(1,482)	–	–	–	–	–	(1,482)
Cancellation of Deferred Shares	(13,048)	–	–	–	13,048	–	–	–
Reduction of share premium account	–	(33,236)	–	–	33,236	–	–	–
Elimination of losses	–	–	–	–	(26,291)	–	26,291	–
Share options exercised	–	26	–	–	–	–	–	26
Share-based payment	–	–	961	–	–	–	–	961
At 31 January 2015	**411**	**24,101**	**2,597**	**(1,943)**	**19,993**	**62**	**(30,255)**	**14,966**

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

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 1 pence 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 will fall as share options vest and are exercised, and the impact of the subsequent dilution of earnings crystallises, but the reserve may equally rise or might see any reduction offset, as new potentially dilutive share options are issued.

Merger reserve
The merger reserve brought forward relates to the difference between the nominal value of Summit (Oxford) Limited arising from the Group reconstruction in 2004, accounted for using the merger method of accounting under UK GAAP, and the amount arising through application of S131 CA85, which is equal to the difference between nominal and fair value of shares issued in business combinations using the acquisition method of accounting.

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.

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 Financial Statements

For the year ended 31 January 2016

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 years presented, unless otherwise stated.

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as endorsed by the European Union and IFRIC Interpretations 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.

Going concern

These financial statements have been prepared assuming the Group will continue on a going concern basis. The Group has incurred significant losses and negative cash flows from operations since inception. Based on management forecasts, the Group's existing cash and cash equivalents will be sufficient to enable the Group to fund the operating expenses and capital expenditure requirements for its major programmes up until 31 January 2017. The Group therefore needs to raise additional capital to continue to fund its future operations, which may come from a public or private fund raising. There can be no assurance that the Group will be able to generate funds in this manner, on terms acceptable to the Group, on a timely basis or at all. 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. These circumstances represent a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of this uncertainty.

Use of estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, 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 estimates and judgements'.

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 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.

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. The intangible asset relating to intellectual property rights for the utrophin modulation programme capitalised as part of the acquisition of MuOx Limited in November 2013 is considered to be not yet available for use. As such, it will not be subject to amortisation and will be tested for impairment at least annually or whenever there is an indicator of impairment. Amortisation will commence when either products underpinned by the intellectual property rights or the rights themselves become available for use.

Other intangible assets, comprising patents 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).

Impairment of assets

At each year 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. 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 11 for details.

1. Basis of accounting (continued)

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.
Laboratory equipment:	3-10 years.
Office and IT equipment:	3-5 years.

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

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 discount rate, adjusted for risk where it is inherent in a specific liability.

Other operating income

Other operating income primarily consists of amounts received from philanthropic, non-government and not-for-profit organisations, and patient advocacy groups, and income received from the Wellcome Trust. Because IFRS does not provide specific accounting guidance for the treatment of amounts received from such organisations, the Group has applied the guidance in International Accounting Standard 8, 'Accounting Policies Changes in Accounting Estimates and Errors', and the Group considers that such arrangements are most similar to government grants. Accordingly, these amounts are recognised as other operating income in accordance with International Accounting Standard 20, 'Accounting for Government Grants and Disclosure of Government Assistance', at the same time as the underlying expenditure is incurred, provided that there is reasonable assurance that the Group will comply with the conditions of such awards. The monies received through these means have historically been held as deferred income in the Consolidated Statement of Financial Position and were released to the Consolidated Statement of Comprehensive Income as the expenditure is incurred. Income received from the Wellcome Trust was in an accrued position at the year end.

Other operating income also includes grant income from the government and government agencies. Grant related income is also recognised as other operating income in accordance with IAS 20, 'Accounting for Government Grants and Disclosure of Government Assistance', at the same time as the underlying expenditure is incurred.

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), if any, are translated at the closing rate at the date of each 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 Company or personal defined contribution pension schemes are charged to the Consolidated Statement of Comprehensive Income on an accruals basis.

Leased assets

Costs in respect of operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. Assets relating to lease incentives are depreciated over the life of the lease and are included in property, plant and equipment as leasehold improvements.

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.

Cash and cash equivalents

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

Notes to the Financial Statements

For the year ended 31 January 2016

1. Basis of accounting (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) either a Monte-Carlo model or a Hull White trinomial lattice model have 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.

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 year end date.

Research and development tax credits not received at the year end date are included as current assets within the Consolidated Statement of Financial Position.

Amounts receivable under the Research and Development Expenditure Credit are included within other operating income in the Consolidated Statement of Comprehensive Income with a corresponding asset included as current asset within the Consolidated Statement of Financial Position.

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 holds financial assets and liabilities in the respective categories 'Loans and receivables' and 'Financial liabilities measured at amortised cost'. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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 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. Loans and receivables, 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 end date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

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 re-measured at fair value in subsequent reporting periods.

2. Critical accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires the Group to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Group bases its estimates and judgements on historical experience and various other assumptions that it considers to be reasonable. Actual results may differ from these estimates under different assumptions or conditions.

Other operating income

Other operating income primarily consists of amounts received from philanthropic, non-government and not for profit organisations and patient advocacy groups, and the Wellcome Trust. Because IFRS does not provide specific accounting guidance for the treatment of amounts received from such organisations, the Group has applied the guidance in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', and the Group considers that such arrangements are most similar to government grants. Accordingly, these amounts are recognised as other operating income in accordance with International Accounting Standard 20, 'Accounting for Government Grants and Disclosure of Government Assistance,' at the same time as the underlying expenditure is incurred, provided that there is reasonable assurance that the Group will comply with the conditions of such awards.

Under the terms of the various arrangements with such organisations, should the Group successfully commercialise its products, the Group has agreed to enter into certain revenue sharing agreements, under which those organisations will be entitled to a share of the cumulative net revenue that the Group or its affiliates receive from exploiting the relevant IP or award products. These royalties will be recognised as a reduction in revenue in line with any potential future sales made by the Group. In addition, should certain millstones be achieved, the Group will be obligated to make the milestone payments to certain such organisations. Both potential and future royalty, and milestone payment obligations are disclosed as a contingent liability in Note 16, 'Provisions for other liabilities and charges and contingent liabilities'.

Recognition of research expenditure

The Group recognises expenditure incurred in carrying out its research and development activities in line with management's best estimation of the stage of completion of each separately contracted study or activity. This includes the calculation of research and development accruals at each period to account for expenditure that has been incurred. This requires estimations of the full costs to complete each study or activity and also 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.

Share-based payment

The Group measures share options at fair value at their grant date in accordance with IFRS 2, 'Share-based Payment.' The Group calculates the fair value of the share option using either the Black-Scholes model, or for options with performance conditions, a simulation model. The Group charges the fair value to the Consolidated Income Statement over the expected vesting period. In the case of options that are issued below market value, the fair value will be higher than an option granted at market value, and the Group recognises a larger charge for such options in the Consolidated Income Statement.

Business combinations

On 22 November 2013 the Group acquired 100% of the share capital of MuOx Limited, a University of Oxford spin-off company which holds exclusive rights to early-stage utrophin modulators and core biological screening technology. IFRS 3, 'Business Combinations', requires an entity to identify whether a transaction is the acquisition of a business or an asset.

The Group has considered the guidance in IFRS 3 and concluded that the transaction was the acquisition of a business (see Note 10).

The MuOx transaction was concluded through a number of agreements with the selling shareholders as detailed in Note 10. Certain of these agreements require additional payments for research services and research outcomes. In addition as part of the transaction, warrants were issued which vest and become exercisable on achievement of specific development milestones. These payments and potential payments have been assessed using the indicators in IFRS 3 to determine if the payments are additional consideration, employee compensation or research services. All such payments were assessed as either employee compensation or research services and will be expensed in the post-acquisition period as incurred.

The estimation of fair value of assets acquired and liabilities assumed in this business combination is considered to be a significant source of measurement uncertainty.

The rights to intellectual property acquired have been recognised at fair value at the acquisition date (see Note 11), estimated using a cash flow model.

Impairment

The Group reviews annually whether there is any indication that Intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1, and if there is any indication then further tests are undertaken to determine the potential impact on the carrying value of the assets. The recoverable amounts of cash generating units have been determined based on value-in-use calculations which will be incurred in selling it. These calculations require the use of estimates; the estimates used in impairment testing as at 31 January 2016 and 31 January 2015 are presented in Note 10.

Notes to the Financial Statements

For the year ended 31 January 2016

3. Changes to accounting policies

During the year ended 31 January 2016 the following 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 Group or have not led to any significant impact on the Group's financial statements.

International Accounting Standards (IAS/IFRS)		Effective Date
IAS 19	Employee Benefits (amendments)	1 July 2014

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
IFRS 9 Financial instruments	1 January 2018
IFRS 9 (Amendment), Financial instruments, regarding general hedge accounting	1 January 2018
IFRS 14, Regulatory deferral accounts	1 January 2016
IFRS 15, Revenue from contracts with customers	1 January 2018
IFRS 16, Leases	1 January 2019
IFRS 11 (Amendment), Joint arrangements on acquisition of an interest in a joint operation	1 January 2016
Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception	to be determined
Amendment to IAS 1, Presentation of financial statements on the Disclosure initiative	1 January 2016
Amendments to IAS 16, Property, plant and equipment, and IAS 38, Intangible assets, on depreciation and amortisation	1 January 2016
Amendments to IAS 16, Property, plant and equipment, and IAS 41, Agriculture, regarding bearer plants	1 January 2016
IAS 27 (Amendment), Separate financial statements, on the equity method	1 January 2016
Amendments to IFRS 10, Consolidated financial statements, and IAS 28, Investments in associates and joint ventures	1 January 2016

Under present circumstances, none of these are expected to have a material impact on the Group's financial statements.

4. Segmental reporting

The Summit Group comprises nine legal entities, of which three are trading. These included the eight 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 consisting of the Chief Executive Officer and the Chief Financial 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 DMD and the CDI programmes (see pages 8 to 13 and pages 18 to 21 for more details).

The corporate and other activities of Summit Therapeutics plc, Summit (Oxford) Limited and Summit Therapeutics Inc, 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. Directors and employees

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

	31 January 2016	31 January 2015
Technical, research and development	**19**	12
Corporate and administration	**18**	11
	37	23

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

Their aggregate remuneration comprised:

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Wages and salaries	**3,876**	2,772
Social security costs	**247**	223
Other pension costs	**90**	77
Share-based payment	**1,160**	961
	5,373	4,033

The aggregate amounts of key management compensation are set out below:

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Short-term employee benefits	**934**	758
Post-employment benefits	**17**	34
Share-based payment	**626**	603
	1,577	1,395

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 29 to 44, which form part of these Consolidated Financial Statements.

Notes to the Financial Statements

For the year ended 31 January 2016

6. Loss before income tax

	Note	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Other operating income			
Income recognised in respect of the Wellcome Trust		**762**	1,169
Grant income[1]		**645**	860
Other income[1]		**–**	79
Research and development credit		**44**	40
		1,451	2,148
Research and development			
Employee benefit expense	5	**2,848**	1,690
Share-based payment expense	5	**356**	256
Programme related costs		**13,093**	7,869
Amortisation of intangible assets	11	**10**	10
Other research and development costs		**549**	592
		16,856	10,417
General and administration			
Employee benefit expense	5	**1,365**	1,382
Share-based payment expense	5	**804**	705
Foreign exchange (gain)/loss		**(501)**	(91)
Depreciation of property, plant and equipment	12	**38**	23
Operating lease rentals		**131**	73
Other general and administration costs		**2,934**	2,350
		4,771	4,442

(1) Grant income includes amounts received from Innovate UK (formerly the Technology Strategy Board). Included in other income are amounts recognised from the arrangements with philanthropic, non-government and not for profit organisations, and patient advocacy groups, in support of the DMD programme. The Group has complied with all the conditions attached to these awards.

7. 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:

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Fees payable to the Company's auditors and its associates for the audit of the Parent Company and Consolidated Financial Statements:	**44**	24
Fees payable to the Company's auditors and its associates for other services:		
– Audit of the Company's subsidiaries	**71**	53
– Audit-related assurance services	**6**	5
– Other assurance services[1]	**158**	735
– Tax advisory services	**9**	13
– Tax compliance services	**11**	4
Total fees payable	**299**	834

(1) For the year ended 31 January 2015, other assurance services includes assurance reporting on historical financial information included in the Company's US initial public offering registration statement that was filed with the US Securities and Exchange Commission effective 5 March 2015.

8. Income tax

Analysis of credit in period	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
United Kingdom corporation tax at 20.17% (2015: 21.33%)		
Current tax credit	**2,971**	1,257
Prior year adjustment	**87**	40
Taxation	**3,058**	1,297

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

Loss before tax	**(20,146)**	(12,660)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom (Current tax) of 20.17% (2015: 21.33%)	**(4,063)**	(2,700)
Non-deductible expenses	**184**	178
Additional deductions for research & development expenditure	**(2,331)**	(1,066)
Research & development tax credits recoverable at a lower rate 12% (2015: 12%)	**1,161**	662
Depreciation in excess of capital allowances	**(5)**	(2)
Taxable losses not recognised	**2,081**	1,655
Taxable losses at foreign rates	**47**	16
Other differences	**–**	6
Share options exercised	**(45)**	(6)
Prior year adjustments	**(87)**	(40)
Total taxation credit	**(3,058)**	(1,297)

There are no current tax liabilities as at 31 January 2016 (2015: Nil).

Tax credits relate to UK research and development tax credits claimed under Finance Act 2000.

During the year, the UK Government substantively enacted a reduction in the main rate of corporation tax from 20% to 19% with effect from 1 April 2017. The main rate of corporation tax will be reduced by a further 1% to 18% with effect from 1 April 2020. The enacted UK tax rate until 1 April 2015 was 21%.

See Note 17, 'Deferred tax liability' for information on the unrecognised tax losses carried forward.

9. Loss per share

The loss per share for continuing operations has been calculated using the loss for the year attributable to the owners of the parent of £17,088,000 (year ended 31 January 2015: loss of £11,301,000) and dividing this by the weighted average number of Ordinary Shares in issue during the year to 31 January 2016: 59,102,292 (year ended 31 January 2015: 39,599,222).

Since the Group has reported a net loss from continuing activities, diluted loss per share is equal to basic loss per share.

Potentially dilutive shares capable of vesting under the share options currently in issue totalled 7,006,306 as at 31 January 2016 (31 January 2015: 5,250,838).

Notes to the Financial Statements

For the year ended 31 January 2016

10. Goodwill

	MuOx Limited £000	Total £000
Cost		
At 1 February 2015	664	664
At 31 January 2016	**664**	**664**
Accumulated amortisation		
At 1 February 2015	–	–
At 31 January 2016	**–**	**–**
Net book amount		
At 1 February 2015	664	664
At 31 January 2016	**664**	**664**

	MuOx Limited £000	Total £000
Cost		
At 1 February 2014	664	664
At 31 January 2015	**664**	**664**
Accumulated amortisation		
At 1 February 2014	–	–
At 31 January 2015	**–**	**–**
Net book amount		
At 1 February 2014	664	664
At 31 January 2015	**664**	**664**

On 22 November 2013, the Group acquired 100% of the share capital of MuOx Limited, a University of Oxford spin-off company which holds exclusive rights to early-stage utrophin modulators and core biological screening technology.

Goodwill represents the difference between the fair value of the identifiable assets acquired and liabilities assumed for MuOx Limited and the amount paid in consideration. Goodwill is attributable to synergies expected from the Group's collaboration with the University of Oxford and other founders of MuOx Limited.

In accordance with IAS 36 'Goodwill' has been reviewed for impairment and no provision is considered necessary. The impairment review is included as part of the intangible assets impairment review in Note 11 'Intangible assets' as they form part of the same cash-generating unit.

11. Intangible assets

	Iminosugar related programmes acquired £000	Utrophin programme acquired £000	Other patents and licences £000	Total £000
Cost				
At 1 February 2015	1,380	3,321	197	4,898
At 31 January 2016	**1,380**	**3,321**	**197**	**4,898**
Accumulated amortisation				
At 1 February 2015	(1,380)	–	(35)	(1,415)
Provided in the year	–	–	(10)	(10)
At 31 January 2016	**(1,380)**	**–**	**(45)**	**(1,425)**
Net book amount				
At 1 February 2015	–	3,321	162	3,483
At 31 January 2016	**–**	**3,321**	**152**	**3,473**

	Iminosugar related programmes acquired £000	Utrophin programme acquired £000	Other patents and licences £000	Total £000
Cost				
At 1 February 2014	1,380	3,321	197	4,898
At 31 January 2015	**1,380**	**3,321**	**197**	**4,898**
Accumulated amortisation				
At 1 February 2014	(1,380)	–	(25)	(1,405)
Provided in the year	–	–	(10)	(10)
At 31 January 2015	**(1,380)**	**–**	**(35)**	**(1,415)**
Net book amount				
At 1 February 2014	–	3,321	172	3,493
At 31 January 2015	**–**	**3,321**	**162**	**3,483**

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 38, 'Intangible assets' have been reviewed for impairment.

On 22 November 2013 the Group recognised £3,321,000 of intangible assets related to the utrophin programme and £664,000 of goodwill upon acquisition of MuOx Limited (see Note 10).

The key assumptions used in the valuation model to determine its value in use 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 valuation 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. A discount factor of 18% has been used over the forecast period which is considered appropriate for the purpose of the impairment review as it reflects the current market assesment of the time value of money and the risks specific to the cash-generating unit.

Based on sensitivity analysis, no reasonably possible change in assumptions would cause the carrying value of this asset to exceed its recoverable amount.

Notes to the Financial Statements

For the year ended 31 January 2016

12. Property, plant and equipment

	Leasehold improvements £000	Laboratory equipment £000	Office and IT equipment £000	Total £000
Cost				
At 1 February 2015	9	137	162	308
Additions	–	–	66	66
At 31 January 2016	**9**	**137**	**228**	**374**
Accumulated depreciation				
At 1 February 2015	(4)	(135)	(114)	(253)
Charge for the year	(3)	–	(35)	(38)
At 31 January 2016	**(7)**	**(135)**	**(149)**	**(291)**
Net book value				
At 1 February 2015	5	2	48	55
At 31 January 2016	**2**	**2**	**79**	**83**

	Leasehold improvements £000	Laboratory equipment £000	Office and IT equipment £000	Total £000
Cost				
At 1 February 2014	9	137	127	273
Additions	–	–	35	35
At 31 January 2015	**9**	**137**	**162**	**308**
Accumulated depreciation				
At 1 February 2014	(1)	(135)	(94)	(230)
Charge for the year	(3)	–	(20)	(23)
At 31 January 2015	**(4)**	**(135)**	**(114)**	**(253)**
Net book value				
At 1 February 2014	8	2	33	43
At 31 January 2015	**5**	**2**	**48**	**55**

13. Prepayments and other receivables

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Other receivables	**312**	215
Prepayments and accrued income	**1,226**	2,415
	1,538	2,630

Included in prepayments as at 31 January 2015 was £1,240,000 of costs relating to the US Initial Public Offering of American Depositary Shares and listing on the NASDAQ Global Market that was completed in March 2015. These costs were subsequently offset against share premium in the year ended 31 January 2016.

14. Trade and other payables

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Trade payables	**716**	1,195
Other taxes and social security costs	**79**	61
Accruals and deferred income	**2,310**	2,445
Other creditors	**101**	20
	3,206	3,721

15. Financial instruments

	Note	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Loans and receivables			
Other receivables[1]	13	**312**	215
Cash and cash equivalents		**16,304**	11,265
		16,616	11,480
Financial liabilities measured at amortised cost			
Trade and other payables	14	**3,206**	3,721

(1) Prepayments have been excluded as they are not considered to be a financial instrument. The comparative for the year ended 31 January 2015 has been revised to exclude prepayments.

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 this is used to finance the Group's operations. The Group has various other financial instruments such as trade receivables and payables that arise directly from its operations. The category of loans and receivables contains only trade and other receivables, shown on the face of the Consolidated Statement of Financial Position, all of which mature within one year.

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

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, 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 impact currently is not material to the Group.

Cash at bank and in hand	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Pounds Sterling	**12,430**	9,192
US Dollar	**3,874**	2,073
	16,304	11,265

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- and US-based banks and building societies. These balances are placed at fixed rates of deposit with maturities between one month and three months.

Notes to the Financial Statements

For the year ended 31 January 2016

15. Financial instruments (continued)

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

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
On current account	**16,304**	11,265
	16,304	11,265

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 year to 31 January 2016, the banking facilities returned an average rate after fees of 0.22% (2015: 0.77%).

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 £13,785,000 (2015: £6,648,000) in the year:

Year ended 31 January 2016	**–1%**	**Actual**	**+1%**
Interest rate	**–**	**0.22**	**1.22**
Interest received (£000)	**–**	**30**	**168**

Year ended 31 January 2015	–1%	Actual	+1%
Interest rate	–	0.77	1.77
Interest received (£000)	–	51	118

Credit risk

The credit risk with respect to customers is limited and the Group had no trade receivables outstanding at 31 January 2016.

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of short-term cash investments and trade accounts receivable. Excess cash is invested in short-term money market instruments, including bank term deposits, money market and liquidity funds, and other debt securities provided by a variety of financial institutions with strong credit ratings; these investments typically bore minimal credit risk in the year.

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

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 anticipates that its operating cash flow together with available cash, cash equivalents and short-term investments will be sufficient to meet its anticipated needs. See Note 1 'Going concern'.

All of the financial liability categories, at each balance sheet date, have maturity dates of less than twelve months from the balance sheet 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, 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 shares. The capital structure of the Group has come entirely from equity issues.

16. Provisions for other liabilities and charges and contingent liabilities

Dilapidations	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
At 1 February 2015	**45**	17
Additions	**28**	28
At 31 January 2016	**73**	45

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.

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

MuOx Limited

Under the option agreement that the Group and Isis Innovation Limited ('Isis') entered into in November 2013, and as amended in November 2015, Isis granted to the Group an exclusive option to license the IP arising from the research carried out under the sponsored research agreement within specified periods. If the Group exercises its option to obtain a license under arising IP, the Group would be obliged to pay Isis up to a specified sum in option exercise fees.

For any IP arising from the research carried out under the sponsored research agreement and for which the Group has exercised the option and that comprises new chemical entities or compounds, the Group would obtain an exclusive, sub licensable license. The Group is obligated to pay milestone payments of up to £75,000 upon the achievement of specified development milestones, whether such milestones occur prior to or after the Group's exercise of the option to obtain an exclusive sub licensable license. Following exercise of such an option the Group would also be obligated to pay milestone payments upon the achievement of specified regulatory milestones with respect to each optioned compound. The specified regulatory milestone payment is due each time the specified regulatory milestone is achieved with respect to an optioned compound and, if each optioned compound achieved each regulatory milestone, we would be obligated to pay Isis a total of £3.7 million in regulatory milestone payments for each optioned compound.

The Group would also be obligated to pay Isis a low single digit royalty of net sales by the Group, its affiliates or sub licensees of any product containing an optioned compound.

Wellcome Trust

Under the terms of the revenue sharing agreement the Group would enter into with the Wellcome Trust to permit its exploitation of the exploitation IP or awards products, 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. The Wellcome Trust would be eligible to receive a tiered portion of the net revenue, ranging from a mid-single digit up to a mid-twenties percentage. In addition, the Group would be obligated to pay the Wellcome Trust a milestone of a specified amount if cumulative net turnover exceeds a specified amount.

University College London (novated from the School of Pharmacy, University of London)

The Group has agreed to pay University College London (agreement novated from rhe 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 million.

US Not for Profit Organisations

Muscular Dystrophy Association

The Group has agreed to pay the Muscular Dystrophy Association ('MDA') a specified lump sum amount, less the previously paid MDA cash infusion milestone payment, following the regulatory approval of any project product for use in the United States or European Union in the treatment of DMD and an additional specified sum upon achievement of a commercial milestone. The Group would be obligated to pay MDA a low single digit percentage royalty of worldwide net sales by the Group, its affiliates or licensees of any project product.

Duchenne Partners Fund Inc.

The Group has agreed to pay Duchenne Partners Fund Inc., ('DPF') a specified lump sum amount, less the previously paid DPF cash infusion milestone payment, following the regulatory approval of any project product for use in the United States or European Union in the treatment of DMD and an additional specified sum upon achievement of a commercial milestone. The Group would be obligated to pay DPF a low single digit percentage royalty of worldwide net sales by the Group, its affiliates or licensees of any project product.

The total amount payable with respect to regulatory milestones under the US not for profit organisation agreements would be $2.5 million if the Group meets all regulatory milestones. The total amount payable with respect to royalties is not known due to the contingent nature of the payments.

Management has considered the current stage of the Group's drug development programmes and believes that the milestones and payments detailed above are contingent liabilities in line with the Group's accounting policies.

Notes to the Financial Statements

For the year ended 31 January 2016

17. Deferred tax liability

There is a deferred tax liability of £664,270 that was recognised upon acquisition of MuOx Limited which took place in the year ended 31 January 2014. There were no movements in the deferred tax liability during the year.

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Amounts falling due more than one year	**664**	664
	664	664

There is an unrecognised deferred tax asset in relation to the trading losses carried forward of £10,047,000 (2015: £8,063,000), £14,000 in relation to provisions (2015: £9,000) and £205,000 (2015: £230,000) in relation to future exercisable shares. There is an unprovided deferred tax liability of £14,000 (2015: £11,000) in respect of accelerated capital allowances.

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.

18. Share capital

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Allotted, called up and fully paid		
61,290,740 (2015: 41,117,697) Ordinary Shares of 1p each	**613**	411
	613	411

On 5 March 2015 the Group completed a US Initial Public Offering on the NASDAQ Global Market ('US IPO') issuing 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015 the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADSs on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.3 million (£26.1 million) were raised.

Following the US IPO and exercise of the over-allotment option, the number of Ordinary Shares in issue was 60,955,197.

During the year the following exercise of share options took place:

Date	Number of options exercised
23 March 2015	27,384
12 May 2015	19,163
16 June 2015	127,315
19 June 2015	102,422
1 July 2015	53,559
29 July 2015	5,700

The total net proceeds from exercised share options during the year was £0.22 million.

Following the exercise of the above share options, the number of Ordinary Shares in issue was 61,290,740.

Post the year end, on 14 April 2016, the number of Ordinary Shares increased to 61,467,785 following the exercise of warrants over 177,045 Ordinary Shares at an exercise price of 60 pence per share. The issue of new shares raised net proceeds of £106,227.

All new Ordinary Shares issued rank *pari passu* with existing Ordinary Shares.

19. Share option scheme

At 31 January 2016 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					
	13 October 2006	2.72	1,200	13 October 2007	13 October 2016
	21 November 2007	2.28	4,800	21 November 2008	21 November 2017
	7 April 2011	0.65	14,403	8 April 2014	7 April 2021
	10 May 2012	0.60	84,250	10 May 2013	10 May 2022
	10 May 2012	0.60	150,046	10 May 2014	10 May 2022
	24 December 2012	0.85	318,334	24 December 2014	24 December 2022
	31 January 2013	0.20	72,973	31 July 2013	31 January 2023
	18 December 2013	1.85	370,500	*	18 December 2023
	15 July 2014	1.26	347,121	15 July 2016	15 July 2024
	21 January 2015	1.23	25,000	21 January 2017	21 January 2025
			1,388,627		
Unapproved scheme					
	13 October 2006	2.72	52,500	13 October 2007	13 October 2016
	21 November 2007	2.28	19,167	21 November 2008	21 November 2017
	7 April 2011	0.65	13,981	8 April 2014	7 April 2021
	10 May 2012	0.60	657,500	10 May 2012	10 May 2022
	18 December 2013	1.85	492,500	*	18 December 2023
	18 December 2013	0.20	76,364	18 June 2013	18 December 2023
	23 June 2014	0.20	33,334	23 June 2015	23 June 2024
	23 June 2014	1.47	525,000	23 June 2015*	23 June 2024
	15 July 2014	1.26	975,000	15 July 2016	15 July 2024
	15 July 2014	0.80	100,000	30 May 2015	30 May 2023
	23 December 2014	1.37	25,000	23 December 2016	23 December 2024
	21 January 2015	1.23	75,000	21 January 2017	21 January 2025
	16 June 2015	1.43	2,402,333	16 June 2017	16 June 2025
	4 September 2015	1.49	120,000	4 September 2017	4 September 2025
	15 October 2015	1.31	50,000	15 October 2017	15 October 2025
			5,617,679		
			7,006,306		

* Subject to the achievement of performance conditions, their options will vest and become exercisable on completion of Phase 2 proof of concept clinical trials in both the DMD and CDI programmes or the third anniversary of grant, whichever is sooner.

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 (£)	**Year ended 31 January 2016**	Weighted average exercise price (£)	Year ended 31 January 2015
Outstanding at 1 February	**1.18**	**5,250,838**	1.27	3,573,597
Granted during the year	**1.43**	**2,592,333**	1.27	2,258,341
Lapsed/surrendered during the year	**1.31**	**(501,322)**	2.27	(524,815)
Exercised during the year	**0.66**	**(335,543)**	0.47	(56,285)
Number of outstanding options at 31 January	**1.29**	**7,006,306**	1.18	5,250,838

As at 31 January 2016, 1,987,296 share options were capable of being exercised with a weighted average exercise price per option of 98 pence (2015: 1,426,521) with a weighted average exercise price per option of 72 pence). The options outstanding at 31 January 2016 had a weighted average exercise price per option of 129 pence (2015: 118 pence), and a weighted average remaining contractual life of 8.2 years (2015: 8.5 years).

Notes to the Financial Statements

For the year ended 31 January 2016

19. Share option scheme (continued)

The fair value per 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
13 October 2006	EMI	1,200	2.72	2.72	0.72	3.0	4.60%
13 October 2006	Unapproved	52,500	2.72	2.72	0.72	3.0	4.60%
21 November 2007	EMI	4,800	2.28	2.28	0.84	3.0	4.60%
21 November 2007	Unapproved	19,167	2.28	2.28	0.84	3.0	4.60%
07 April 2011	EMI	14,403	0.65	0.65	0.47	5.0	2.70%
07 April 2011	Unapproved	13,981	0.65	0.65	0.47	5.0	2.70%
10 May 2012	EMI	84,250	0.60	0.52	0.22	5.0	1.00%
10 May 2012	EMI	150,046	0.60	0.52	0.24	5.0	1.00%
10 May 2012	Unapproved	657,500	0.60	0.52	0.20	5.0	1.00%
24 December 2012	EMI	318,334	0.85	0.85	0.59	5.0	0.90%
31 January 2013	EMI	72,973	0.20	0.94	0.74	5.0	1.00%
18 December 2013	EMI	370,500	1.85	1.85	0.37	5.0	0.90%
18 December 2013	Unapproved	492,500	1.85	1.85	0.37	5.0	0.90%
18 December 2013	Unapproved	76,364	0.20	1.85	1.65	5.0	1.00%
23 June 2014	Unapproved	33,334	0.20	1.50	0.92	3.0	1.30%
23 June 2014	Unapproved	525,000	1.47	1.50	0.92	3.8	1.30%
15 July 2014	EMI	347,121	1.26	1.26	0.65	3.0	1.30%
15 July 2014	Unapproved	975,000	1.26	1.26	0.65	3.0	1.30%
15 July 2014	Unapproved	100,000	0.80	0.81	0.65	1.9	0.50%
23 December 2014	Unapproved	25,000	1.37	1.37	0.70	3.0	0.80%
21 January 2015	EMI	25,000	1.23	1.22	0.64	3.0	0.60%
21 January 2015	Unapproved	75,000	1.23	1.22	0.64	3.0	0.60%
15 June 2015	Unapproved	2,402,333	1.43	1.44	0.65	3.0	0.91%
04 September 2015	Unapproved	120,000	1.49	1.48	0.68	3.0	0.88%
15 October 2015	Unapproved	50,000	1.31	1.36	0.57	3.0	0.70%
		7,006,306					

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

a. Black-Scholes valuation methodology was used for all options prior to 2008.
b. The majority of share option awards made since 2011 are performance related, as described in the Directors' Remuneration Report, and have been modelled using the Monte-Carlo methodology. The options granted on 31 January 2013 and 18 December 2013 each at an exercise price of 20 pence respectively, and 33,334 of the unapproved options granted on 23 June 2014 are not performance related.
c. Figures in the range of 18-134% 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 the options awarded on 10 May 2012 is the average of the fair values calculated per possible vesting instalment.

20. Fixed assets purchase commitments

At 31 January 2016 the Group had no capital commitments (31 January 2015: nil).

21. Leasing and other commitments

The Group's total commitments under non-cancellable operating leases are as follows:

	Land & Buildings	
Leases which expire	**Year ended 31 January 2016 £000**	Year ended 31 January 2015 £000
Not later than one year	**97**	88
Later than one year and not later than five years	**194**	277
	291	365

In addition, 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 reflected in the table above.

22. Related party transactions

During the year £18,332 was paid to Dr Frank M Armstrong Consulting Limited, a company controlled by Dr Frank Armstrong in respect of his fees as Non-Executive Director and Chairman (2015: £27,963). Of this amount £nil was outstanding at the year end (2015: £nil).

Dr Frank Armstrong is a member of the board of directors of Juniper Pharmaceuticals Inc. During the year £21,551 (2015: £nil) was paid to Juniper Pharma Services Limited, a wholly owned subsidiary of Juniper Pharmaceuticals Inc, in respect of clinical manufacturing services. Of this amount £nil was outstanding at the year end (2015: £nil).

See Note 5 for details of key management emoluments.

23. Subsequent Events

On 14 April 2016 the number of Ordinary Shares increased to 61,467,785 following the exercise of warrants over 177,045 Ordinary Shares at an exercise price of 60 pence per share. The issue of new shares raised net proceeds of £106,227.

Independent Auditors' Report

to the members of Summit Therapeutics plc

Report on the Parent Company Financial Statements

Our opinion

In our opinion, Summit Therapeutics plc's parent company financial statements (the 'financial statements'):

- give a true and fair view of the state of the parent company's affairs as at 31 January 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – 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 Company's ability to continue as a going concern. At the balance sheet date, the Company held cash that the Directors believe is sufficient to support the Group's operating expenses and capital expenditure requirements for its major programmes up until 31 January 2017.

The Directors have concluded that they will be able to secure sufficient financing for the Company to continue its activities for the foreseeable future, being not less than 12 months from the date of approval of these financial statements, and have therefore prepared the financial statements on a going concern basis; however, this financing is not committed at the date of approval of these financial statements. Accordingly, these circumstances represent a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Company Balance Sheet as at 31 January 2016;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law (United Kingdom Generally Accepted Accounting Practice). In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Group financial statements of Summit Therapeutics plc for the year ended 31 January 2016. This report also includes an emphasis of matter.

Sam Taylor
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

10 May 2016

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

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

Company Balance Sheet

Summit Therapeutics plc Individual Financial Statements (Company Number 5197494)

At 31 January 2016

	Notes	31 January 2016 £000	31 January 2015 £000
Fixed assets			
Investments	3	**8,928**	7,805
Current assets			
Trade and other receivables	4	**46,469**	38,387
Cash and cash equivalents		**11,793**	–
		58,262	38,387
Total assets		**67,190**	46,192
Creditors: amounts falling due within one year	5	**(269)**	(227)
Total assets less current liabilites		**66,921**	45,965
Net assets		**66,921**	45,965
Capital and reserves			
Called up share capital	6	**613**	411
Share premium account		**46,035**	24,101
Share-based payment reserve		**3,757**	2,597
Special reserve		**19,993**	19,993
Profit and loss account		**(3,477)**	(1,137)
Total shareholders' funds		**66,921**	45,965

The notes on pages 74 to 77 form part of these Individual Financial Statements.

The Individual Financial Statements on pages 72 to 77 were approved by the Board of Directors and signed on its behalf by

Glyn Edwards
Chief Executive Officer

10 May 2016

Year ended 31 January 2016

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Special reserve £000	Profit and loss account £000	Total £000
At 1 February 2015	411	24,101	2,597	19,993	(1,137)	45,965
Loss for the year from continuing operations	–	–	–	–	(2,340)	(2,340)
Total comprehensive loss for the year	–	–	–	–	(2,340)	(2,340)
New share capital issued	198	25,903	–	–	–	26,101
Transaction costs on share capital issued	–	(4,187)	–	–	–	(4,187)
Share options exercised	4	218	–	–	–	222
Share-based payment	–	–	1,160	–	–	1,160
At 31 January 2016	**613**	**46,035**	**3,757**	**19,993**	**(3,477)**	**66,921**

Year ended 31 January 2015

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Special reserve £000	Profit and loss account £000	Total £000
At 1 February 2014	10,075	40,177	1,636	–	(26,283)	25,605
Loss for the year from continuing operations	–	–	–	–	(1,145)	(1,145)
Total comprehensive loss for the year	–	–	–	–	(1,145)	(1,145)
New share capital issued	3,384	18,616	–	–	–	22,000
Transaction costs on share capital issued	–	(1,482)	–	–	–	(1,482)
Deferred shares cancelled	(13,048)	–	–	13,048	–	–
Reduction of share premium	–	(33,236)	–	33,236	–	–
Elimination of losses	–	–	–	(26,291)	26,291	-
Share options exercised	–	26	–	–	–	26
Share-based payment	–	–	961	–	–	961
At 31 January 2015	**411**	**24,101**	**2,597**	**19,993**	**(1,137)**	**45,965**

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 19. The share-based payment reserve is borne on behalf of the underlying subsidiaries.

Notes to the Individual Financial Statements of Summit Therapeutics plc

For the year ended 31 January 2016

1. Principal accounting policies

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

Basis of preparation

The Individual Financial Statements of the Parent 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 UK GAAP. 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).

Changes in accounting policies

This is the first year in which the Parent Company Financial Statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 February 2014. An explanation of the transition is included in Note 10 to the Individual Financial Statements.

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 forecasts, the Company's existing cash and cash equivalents will be sufficient to enable the Group to fund the operating expenses and capital expenditure requirements for its major programmes up until 31 January 2017. The Company therefore needs to raise additional capital to continue to fund its future operations, which may come from a public or private fund raising. There can be no assurance that the Company will be able to generate funds in this manner, on terms acceptable to the Company, on a timely basis or at all. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's business, results of operations and financial condition. These circumstances represent a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Individual Financial Statements do not contain any adjustments that might result from the outcome of this uncertainty.

Disclosure exemptions adopted

In preparing these Individual Financial Statements the Company has taken advantage of the following disclosure exemptions conferred by FRS 101:

1. A statement of cashflows and related notes.
2. The requirement to produce a balance sheet at the beginning of the earliest comparative period.
3. 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.
4. Disclosure of key management personnel compensation.
5. Presentation of a comparative reconciliation of the number of Ordinary Shares outstanding at the beginning and at the end of the period.
6. The effect of future accounting standards not adopted.
7. Disclosures in relation to impairment of assets.
8. Disclosures in respect of financial instruments.

Investments

The Company holds 100% ownership of the subsidiaries detailed below in Note 7; these are held at cost. The carrying value of the subsidiaries is reviewed annually by management for any indicators of impairment.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events have occurred at that date that will result in an obligation to pay more, or the right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the year end date.

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) either a Monte-Carlo or Hull White trinomial lattice 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 19, 'Share option scheme' 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, liablities, revenues and expenses, and related disclosure of contigent assets and liabilities. There are not any critical accounting estimates or judgements to be disclosed in addition to the critical accounting estimates and jugdements already disclosed in Note 2 'Critical accounting estimates and adjustments' to the Consolidated Financial Statements.

2. Profit of the Parent 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 year. The Company's loss for the year was £2,340,000 (2015: £1,145,000).

Directors' remuneration

The remuneration of the Directors' is disclosed in the Directors' Remuneration Report on pages 29 to 44.

Auditors' remuneration

Audit remuneration is disclosed in Note 7 of the Group Consolidated Financial Statements.

3. Investments

	Investment in subsidiaries £000	Capital contributions for share options recharge £000	Total £000
Cost			
At 1 February 2015	20,212	2,562	22,774
Additions	–	1,160	1,160
At 31 January 2016	**20,212**	**3,722**	**23,934**
Accumulated impairment			
At 1 February 2015	(14,944)	(25)	(14,969)
Impairment loss	(37)	–	(37)
At 31 January 2016	**(14,981)**	**(25)**	**(15,006)**
Net book value			
At 1 February 2015	5,268	2,537	7,805
At 31 January 2016	**5,231**	**3,697**	**8,928**

Following a review by management, the cost of investment in respect of Summit (Wales) Limited has been impaired.

The Directors believe that the carrying value of the remaining investments is supported by their underlying net assets.

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.

See Note 7 for a listing of the interests the Company had in subsidiaries at 31 January 2016.

4. Debtors

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Prepayments and other debtors	**322**	1,240
Amounts owed by Group undertakings	**46,147**	37,147
	46,469	38,387

Included in prepayments for the year ended 31 January 2015 is £1,240,000 of costs relating to the US Initial Public Offering of American Depositary Shares and listing on the NASDAQ Global Market that was completed in March 2015. These costs were subsequently offset against share premium in the year ended 31 January 2016.

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

Notes to the Individual Financial Statements of Summit Therapeutics plc

For the year ended 31 January 2016

5. Creditors: amounts falling due within one year

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Other Creditors	**120**	24
Amounts owed to Group undertakings	**149**	203
	269	227

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

6. Called up share capital

	Year ended 31 January 2016 £000	Year ended 31 January 2015 £000
Allotted, called up and fully paid		
61,290,740 (2015: 41,117,697) Ordinary Shares of 1p each	**613**	411
	613	411

On 5 March 2015 the Group completed a US Initial Public Offering on the NASDAQ Global Market ('US IPO') issuing 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015 the underwriters' exercised in full their over-allotment option to purchase an additional 517,500 ADSs on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.9 million (£26.1 million) were raised.

Following the US IPO and exercise of the over-allotment option, the number of Ordinary Shares in issue was 60,955,197.

During the year the following exercise of share options took place:

Date	Number of options exercised
23 March 2015	27,384
12 May 2015	19,163
16 June 2015	127,315
19 June 2015	102,422
1 July 2015	53,559
29 July 2015	5,700

The total net proceeds from exercised share options during the year was £0.22 million.

Following the exercise of the above share options, the number of Ordinary Shares in issue was 61,290,740.

Post the year end, on 14 April 2016, the number of Ordinary Shares increased to 61,467,785 following the exercise of warrants over 177,045 Ordinary Shares at an exercise price of 60 pence per share. The issue of new shares raised net proceeds of £106,227.

All new Ordinary Shares issued rank *pari passu* with existing Ordinary Shares.

7. Subsidiaries

Company name	Country of incorporation	Percentage shareholding	Description
Summit (Oxford) Limited	England and Wales	100%	1,000 £1 Ordinary Shares
Summit (Wales) Limited	England and Wales	100%	1,000 £1 Ordinary Shares
Summit (Cambridge) Limited	England and Wales	100%	109,599,000 Ordinary 1p shares
Summit Discovery 1 Limited	England and Wales	100%	1,000 £1 Ordinary Shares
Summit Corporation Limited	England and Wales	100%	1 £1 Ordinary Shares
Summit Corporation Employee Benefit Trust Company Limited	England and Wales	100%	1 £1 Ordinary Shares
MuOx Limited	England and Wales	100%	20,000 £1 Ordinary Shares
Summit Therapeutics Inc	United States of America	100%	20,000 $1 Ordinary Shares

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

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

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. Differences arising from the translation of net assets and the results for the year are taken to other comprehensive income.

8. Transition to FRS 101

The Company has adopted FRS 101 'Reduced Disclosure Framework' for the first time having previously applied UK GAAP that was effective before periods commencing on or after 1 January 2015. The date of transition to FRS 101 was 1 February 2014.

On applying FRS 101 'Reduced Disclosure Framework' for the first time the Company has taken advantage of the following transitional relief:

- the Company has elected not to restate business combinations that were entered into before the date of transition to FRS 101; and
- the Company has elected to retain its interests in subsidiaries at the previous UK GAAP carrying amount at the date of transition to FRS 101.

There are no transitional adjustments to the Company Financial Statements. As such there is no restatement required to the Company Statement of Financial Position or Income Statement.

9. Subsequent Events

On 14 April 2016 the number of Ordinary Shares increased to 61,467,785 following the exercise of warrants over 177,045 Ordinary Shares at an exercise price of 60 pence per share. The issue of new shares raised net proceeds of £106,227.

Notes

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