UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

or

□ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transaction period from _____ to _____

Commission File No. 001-41231

TC BIOPHARM (HOLDINGS) PLC
(Exact Name of Registrant as Specified in Its Charter)

Scotland	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Maxim 1, 2 Parklands Way Holytown, Motherwell, ML1 4WR Scotland, United Kingdom	**N/A**
Address of Principal Executive Offices	Zip Code

+44 (0) 141 433 7557
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
American Depositary Shares, each representing twenty Ordinary Shares, nominal value £0.0001 per share	TCBP	The Nasdaq Stock Market LLC
Warrants, each warrant representing the right to purchase one American Depositary Share	TCBPW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No □

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No □

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer □
Non-accelerated Filer ☒
Accelerated Filer □
Smaller Reporting Company ☒
Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. □

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes □ No ☒

As of May 9, 2024, 98,902,641 shares of the registrant's ordinary shares, £0.0001 par value per share were outstanding. Ordinary shares included in this amount, totaling 96,001,408, had been deposited with the depositary bank and in turn represented 4,800,070 American Depository shares.

TC BIOPHARM (HOLDINGS) PLC
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Unless we state otherwise or the context otherwise requires, the terms "TC Biopharm,", "TCB", "we," "us," "our" and the "Company" refer to TC Biopharm (Holdings) plc.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, or Quarterly Report, contains forward-looking statements that involve risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "intends", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "continue" or the negative of these terms or other comparable terminology.

Forward-looking statements are neither historical facts nor assurances of future performance, and are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- the sufficiency of our existing cash and cash equivalents to meet our working capital and capital expenditure needs over the next 12 months and our need to raise additional capital;
- our ability to generate revenue from products;
- our limited operating history;
- our ability to maintain proper and effective internal financial controls;
- our ability to continue to operate as a going concern;
- changes in laws, government regulations and policies and interpretations thereof;
- our ability to obtain and maintain protection for our intellectual property;
- our ability to attract and retain qualified employees and key personnel;
- our ability to manage our rapid growth and organizational change effectively;
- the possibility of security vulnerabilities, cyberattacks and network disruptions, including breaches of data security and privacy leaks, data loss, and business interruptions;
- our compliance with data privacy laws and regulations;
- our ability to develop and maintain our brand cost-effectively; and
- the other factors set forth elsewhere in this Quarterly Report and in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023.

These forward-looking statements speak only as of the date of this Form 10-Q and are subject to business and economic risks. We do not undertake any obligation to update or revise the forward-looking statements to reflect events that occur or circumstances that exist after the date on which such statements were made, except to the extent required by law.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

TC BIOPHARM (HOLDINGS) PLC
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	£ 980,955	£ 2,462,609
Corporation tax receivable	1,154,335	1,043,593
Prepaid expenses and other current assets	2,067,490	2,194,725
Total current assets	4,202,780	5,700,927
Non-current assets:		
Property and equipment, net	1,160,053	1,274,798
Operating lease right of use assets	1,292,708	1,340,769
Intangible assets, net	608,512	615,170
Total assets	7,264,053	8,931,664
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	4,453,447	4,431,840
Derivative liability	1,991	13,437
Current portion of operating lease liability	308,158	305,324
Total current liabilities	4,763,596	4,750,601
Non-current operating lease liability	1,419,969	1,495,833
Total liabilities	6,183,565	6,246,434
Shareholders' Equity:		
Ordinary shares, £0.0001 par value, 63,902,641 and 20,570,088 authorized, issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	6,391	2,057
Deferred shares, £0.0001 par value, 794,955 and 794,955 authorized, issued, and outstanding as of March 31, 2024 and December 31, 2023, respectively	397,398	397,398
Additional paid-in capital	42,835,843	41,123,065
Accumulated deficit	(42,159,144)	(38,837,290)
Total shareholders' equity	1,080,488	2,685,230
Total liabilities and shareholders' equity	£ 7,264,053	£ 8,931,664

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TC BIOPHARM (HOLDINGS) PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Operating expenses:		
Research and development expenses	1,298,942	1,934,304
Administrative expenses	2,142,714	2,231,461
Total operating expenses	3,441,656	4,165,765
Loss from operations	(3,441,656)	(4,165,765)
Other income (expense):		
Change in fair value of derivative liability	11,446	3,148,648
Other expense, net	(2,386)	(17,794)
Total other income (expense), net	9,060	3,130,854
Net loss before income taxes	(3,432,596)	(1,034,911)
Income tax credit	110,742	400,000
Net loss	**£ (3,321,854)**	**£ (634,911)**
Weighted-average common shares outstanding, basic and diluted	30,138,602	2,051,836
Basic and diluted net loss per share	£ (0.11)	£ (0.31)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TC BIOPHARM (HOLDINGS) PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Ordinary shares		Deferred shares		Additional Paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, January 1, 2023	949,958	£ 95	794,955	£ 397,398	£ 33,308,568	£ (33,374,796)	£ 331,265
Share-based compensation expense	-	-	-	-	139,815		139,815
Issuance of ordinary shares, net of issuance costs	1,530,000	153	-	-	1,280,296	-	1,280,449
Net loss	-	-	-	-	-	(634,911)	(634,911)
Balance, March 31, 2023	2,479,958	£ 248	794,955	£ 397,398	£ 34,728,679	£ (34,009,707)	£ 1,116,618

	Ordinary shares		Deferred shares		Additional Paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, January 1, 2024	20,570,088	£ 2,057	794,955	£ 397,398	£ 41,123,065	£ (38,837,290)	£ 2,685,230
Share-based compensation expense	2,421,400	242	-	-	784,555		784,797
Shares issued in connection with Series D warrant exercise, net of issuance costs	12,475,000	1,248	-	-	911,544	-	912,792
Issuance of ordinary shares	28,436,153	2,844	-	-	16,679	-	19,523
Net loss	-	-	-	-	-	(3,321,854)	(3,321,854)
Balance, March 31, 2024	63,902,641	£ 6,391	794,955	£ 397,398	£ 42,835,843	£ (42,159,144)	£ 1,080,488

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TC BIOPHARM (HOLDINGS) PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	£ (3,321,854)	£ (634,911)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	114,745	169,155
Amortization of intangible assets	12,276	11,815
Share-based compensation expense	784,555	139,815
Change in fair value of derivative liability	(11,446)	(3,148,648)
Offering costs satisfied by issue of Series C Placement Agent Warrants	-	219,830
Net foreign exchange loss	-	(17,214)
Noncash interest expense	-	11,705
Changes in operating assets and liabilities:		
Change in corporation tax receivable	(110,742)	(400,000)
Change in prepaid expenses and other current assets	127,236	332,510
Change in operating lease right of use assets	48,061	46,211
Change in accounts payable and accrued liabilities	21,607	447,418
Change in lease liabilities	(73,031)	(88,933)
Net cash used in operating activities	(2,408,593)	(2,911,247)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(120,182)
Purchase of intangible assets	(5,618)	(25,051)
Net cash used in investing activities	(5,618)	(145,233)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Series D warrant exercises	986,772	-
Proceeds from sale of warrants	-	2,673,789
Issuance of ordinary shares	19,765	1,439,414
Ordinary shares and warrant issuance costs	(73,980)	(158,965)
Net cash provided by financing activities	932,557	3,954,238
NET CHANGE IN CASH	(1,481,654)	897,758
Cash - Beginning of period	2,462,609	4,808,060
Cash - End of period	£ 980,955	£ 5,705,818

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTE 1 – NATURE AND DESCRIPTION OF BUSINESS

TC BioPharm (Holdings) plc ("TC BioPharm" or the "Company") was incorporated on October 25, 2021 as a Public limited company, limited by shares, in Scotland and domiciled in the United Kingdom and has the following wholly owned subsidiaries: TC BioPharm Limited, TC BioPharm (North America) Inc. and TC BioPharm BV (together the "Group" and "Company").

The principal activity of the Company is as a clinical stage immuno-therapy company pioneering commercialization of allogeneic, 'off-the-shelf' gamma-delta T cell ('GD-T') therapies, ranging from unmodified GD-T therapies to treat haematological cancers and viral infections, to sophisticated proprietary GD-T CAR-T products designed to reach and treat solid tumors.

The Company has historically been classified as a foreign private issuer ("FPI"). However, as of June 30, 2023, the Company determined that, pursuant to the definition provided in Rule 405 of the Securities Act of 1933, it no longer satisfied the criteria to be considered an FPI. Pursuant to section 6120 of the Securities and Exchange Commission's ("SEC") financial reporting manual ("FRM") the Company was permitted to continue to use forms applicable to FPIs for the remainder of its fiscal year ended December 31, 2023. However, starting on January 1, 2024, the Company began using the forms prescribed for domestic registrants. Further, the Company filed a Form 10-K for its fiscal year ended December 31, 2023.

During January of 2023, the Company issued 65,750 or 1,315,000 ordinary shares, par value £0.0001 per share of Company, based on a price per share of £0.0001 on exercise of pre-funded warrants that had been issued in prior financing rounds. As the pre-funded warrants contained a nominal exercise price, the exercise of the pre-funded warrants resulted in nominal proceeds to the Company. On March 27, 2023, the Company, entered into a Securities Purchase Agreement (the "Purchase Agreement") with Investors, pursuant to which the Company agreed to issue and sell an aggregate of 10,750 American Depository Shares ("ADSs"), or 215,000 ordinary shares, pre-funded warrants to purchase up to 161,125 ADS (the "Pre-Funded Warrants"), and Series C purchase warrants to purchase up to 171,875 ADSs (the "Ordinary Warrants" and together with the Pre-Funded Warrants and the ADSs, the "Securities"). In addition, the Company also issued placement agent warrants to purchase 12,891 ADSs. The purchase price for each ADS and associated Ordinary Warrants was $32 (on a post-split basis) and the purchase price per each Pre-Funded Warrant and associated Ordinary Warrants was $31.98. The Ordinary Warrants were immediately exercisable, expire five (5) years from the date of issuance and the Pre-Funded Warrants may be exercised at any time until all of the Pre-Funded Warrants are exercised in full. The total net proceeds from this offering were approximately £4.0 million (or approximately $4.9 million), after deducting estimated offering expenses of approximately £0.5 million.

On March 27, 2023 the Company also agreed that certain existing warrants to purchase up to an aggregate of 140,000 ADSs of the Company that were previously issued on November 30, 2022, at an exercise price of $100 (on a post-split basis) per ADS and expiration dates of May 30, 2025 and May 30, 2028, were amended so that the amended warrants had a reduced exercise price of $35 (on a post-split basis) per ADS.

On March 12, 2024, the Company issued 623,750 ADSs representing 12,475,000 ordinary shares of the Company upon exercise of outstanding warrants resulting in gross cash proceeds to the Company of £986,772 (approximately $1,263,000).

Risks and Uncertainties

The Company is exposed to a variety of risks in the ordinary course of business, including, but not limited to, currency risk, liquidity risk, equity price risk and credit risk. The Company regularly assesses each of these risks to minimize any adverse effects on the business as a result of those factors.

Going Concern

The Company has been focused on the development of therapeutic products based around its gamma delta T cell platform technology, with the objective of conducting clinical trials to demonstrate safety and efficacy and eventually being granted regulatory approval to market and sell its products since its incorporation. This activity was expected to be in development for several years and has incurred considerable expenditures to date in research and development expenses and in conducting clinical trials. Similar to most development and/or clinical stage biotechnology companies, the Company has not yet generated any revenues from sales of products, but has obtained cash to finance its research, development and clinical trial activities from equity, debt and grant financings and from receipts from partners under collaborative co-development agreements. The Company is expected to continue in this clinical development phase for a number of years before any product becomes marketable. The Company therefore expects to continue to incur significant losses in the foreseeable future.

As of March 31, 2024, the Company's cash and cash equivalents amounted to approximately £1.0 million. As of March 31, 2024, the Company had a working capital deficit of £0.6 million. Cash used in operating activities for the three months ended March 31, 2024 was £2.4 million, and the Company expects to incur continued outflow of cash for the foreseeable future. Net loss for the three months ended March 31, 2024 was £3.3 million.

Similar to many clinical development stage biotechnology companies, the Company's future liquidity needs, and ability to address them, will largely be determined by the availability of capital, both generally and in particular to fund product candidates and key development and regulatory projects. As a pre-revenue biotechnology Company, operations have been financed though continuously raising capital, and management expects to continue to raise capital routinely. The Company is currently and continuously progressing various funding options to fill the projected working capital gap, which could be in the form of an equity raise or other forms of financings such as debt funding, collaborations or licensing arrangements. Management believes that the ongoing financing initiatives should provide sufficient capital to finance planned operations through 2024, and thereafter we would expect to be in a position to raise significantly greater capital as the clinical program progresses. However, there can be no certainty that these initiatives will be successful and, if they are not, management will seek to deploy alternative plans, which could have a potentially significant negative impact on stockholder and asset value. Such plans could include all or any of the following: raising additional capital through low priced and/or complex equity and/or debt financings, entering transactions involving sales, joint venturing or licensing of intellectual property, reducing and/or deferring discretionary spending on research and development or clinical programs, restructuring our operating model to take advantage of our manufacturing capability to generate short term revenues or reducing our cash burn rate through reduction in planned operating costs.

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has not established a source of revenues sufficient to cover its operating costs, and as such, has been dependent on ongoing funding operations primarily through ongoing initiatives to raise capital. The Company expects to require substantially more capital to fund its clinical, development and operational requirements, and therefore incur further losses over the next several years as it develops its clinical products. The Company has utilized, and expects to continue to utilize, substantial amounts of funding to implement its business strategy. If the Company is unable to maintain adequate liquidity, future operations will need to be scaled back or discontinued. Based on these circumstances, management has determined that there is substantial doubt about the Company's ability to continue as a going concern. These unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the period ended December 31, 2023, as filed with the SEC on April 1, 2024. The interim results for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024, or for any future periods.

Principals of Consolidation

The unaudited condensed consolidated financial statements include the accounts of TC BioPharm and its 100% controlled subsidiaries, TC BioPharm Limited, TC BioPharm Inc. and TC BioPharm BV. All significant intercompany balances and transactions have been eliminated. "TC BioPharm", the "Company", "we", "our" or "us" is intended to mean TC BioPharm (Holdings) plc, including the subsidiaries indicated above, unless otherwise indicated.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's unaudited condensed consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Segment Reporting

The Company operates in one operating segment. Operating segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision maker ("the CODM"). The Company's CODM, its Chief Executive Officer, views the Company's operations and manages its business as a single operating segment, which is the business of a clinical stage immunotherapy Group pioneering commercialization of allogeneic, 'off-the-shelf' gamma-delta T cell ('GD-T') therapies.

Income and Other Taxes

Income taxes are accounted for using the asset and liability method in accordance with Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 740, *Income Taxes* ("ASC 740"), which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent they believe these assets will more-likely-than-not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. In the event the Company was to determine that it would be able to realize its deferred income tax assets in the future in excess of its net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

Income Tax Credit

The Company carries out extensive research and development activities, where it benefits from the United Kingdom's research and development tax relief and expenditure credit regimes. The Company is able to surrender some of its income tax losses for a cash rebate of up to 20% of expenditures related to eligible research and development projects. Such credits are accounted for, depending on the appropriate tax relief, either within the tax provision or other income, in the year in which the expenditures were incurred.

Cash and cash equivalents

The Company defines cash and cash equivalents as cash on hand, deposits held on call with banks and other short-term liquid investments with maturities of three months or less. As of March 31, 2024 and December 31, 2023, cash and cash equivalents was £1.0 million and £2.5 million, respectively.

Concentration of Risk

Financial instruments that subject the Company to significant concentrations of credit risk primarily consist of cash and cash equivalents. The Company maintains substantially all of its cash and cash equivalents with financial institutions, which, at times, may exceed federally insured limits. The Company has not incurred any losses associated with this concentration of deposits.

The Company currently has bank deposits with financial institutions in the U.S. of approximately £0.2 million as of March 31, 2024 which are below the FDIC insurance limits. FDIC insurance provides protection for bank deposits up to $250,000. The Company had approximately £0.8 million in uninsured bank deposits with financial institutions outside the U.S as of March 31, 2024. All uninsured bank deposits are held at high quality credit institutions.

Foreign currency transactions

The Company uses the British pound sterling as the reporting currency for its financial statements. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company's subsidiaries are the local currencies. The Company has transactions denominated in various currencies, with the principal currency exposure being fluctuations in U.S. Dollars and Euros against pound sterling. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the limited number of supplier agreements denominated in currencies other than pound sterling.

Property and Equipment

Property and equipment consist of computer equipment, facility, and scientific equipment and office equipment, which are stated at cost, net of accumulated depreciation and amortization, and depreciated over their estimated lives using the straight-line method.

Depreciation is provided for by the straight-line method over the estimated useful lives as follows:

Property and Equipment	Estimated Useful Life
Scientific equipment	4-10 years
Computer equipment	3 years
Office equipment	5 years

Expenditures for repairs and maintenance are expensed as incurred. When assets have been retired or sold, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the results of operations.

Intangible assets

Intangible assets consist of software, patents and licenses. Intangible assets are recognized where it is probable that there will be a future economic benefit and that this can be reliably measured. Software represents the historical cost of installation of third-party software used within the Company to maintain and control the Company's quality system. The software is hosted and controlled on the Company's servers and can be used independently of the related hardware. Software is amortized, on a straight-line basis, over the life of the relevant license of three to four years. Patent costs represent the costs of securing patents in relation to the Company's intellectual property. Patent costs are amortized, on a straight-line basis, over the remaining legal life of the relevant patents, which has an average estimated patent life of 16 years. License costs represent costs incurred for securing use of third-party technology. License costs are amortized, on a straight-line basis, over the life of the relevant license of three years. Amortization methods and useful lives are reviewed at each reporting date and adjusted as appropriate.

The Company reviews the carrying amounts of its tangible and intangible assets where there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations. There was no impairment of tangible or intangible assets during the three months ended March 31, 2024 and 2023.

Fair Value Measurements

The fair value of the Company's assets and liabilities which qualify as financial instruments under ASC 820, *Fair Value Measurement*, which primarily includes cash and cash equivalents and accounts payable and accrued expenses, which approximate the carrying amounts represented in the accompanying consolidated balance sheets due to the liquid nature. The Company also has certain liability classified warrants that are being remeasured to fair value at the end of each reporting period and are categorized in Level 2 of the fair value hierarchy. However, the balance of the liability classified warrants was not material as of either March 31, 2024 or December 31, 2023 (see Note 12).

Net Loss per Share

Basic net loss per share ordinary share is calculated based on the weighted-average number of ordinary shares outstanding in accordance with ASC Topic 260, *Earnings per Share*. Diluted net loss per share is calculated based on the weighted-average number of ordinary shares outstanding plus the effect of dilutive potential ordinary shares. When the Company reports a net loss, the calculation of diluted net loss per share excludes potential ordinary shares as the effect would be anti-dilutive. Potential ordinary shares are composed of ordinary shares issuable upon the exercise of options and warrants. The following table shows the basic and diluted loss per share for the three months ended March 31, 2024 and 2023:

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Net loss	£ (3,321,854)	£ (634,911)
Basic and diluted weighted average number of shares outstanding	30,138,602	2,051,836
Basic and diluted loss per share	£ (0.11)	£ (0.31)

Share-Based Compensation

The Company accounts for share-based compensation arrangements with employees, directors, and consultants and recognizes the compensation expense for share-based awards based on the estimated fair value of the awards on the date of grant. Compensation expense for all share-based awards is based on the estimated grant-date fair value and recognized in earnings over the requisite service period (generally the vesting period).

Research & Development Expenses

Research expenditure is expensed in the year in which it is incurred. Identifiable development expenditure is capitalized to the extent that the technical, commercial and financial feasibility can be demonstrated. The Company has not capitalized any development expenditures since inception.

Commitments and Contingencies

The Company accounts for contingencies in accordance with ASC 450-20, *Contingencies.* Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Further details are included within Note 7 to the financial statements.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements. Further, during December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09-Income Taxes (Topic 740)-Improvements to Income Tax Disclosures, which requires entities to provide additional information in the rate reconciliation and additional disclosures about income taxes paid. The guidance should be applied prospectively and is effective for annual periods beginning after December 15, 2024. The Company does not expect the issued standard to have a material impact on its financial statements or results of operations.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment balances consist of the following:

	Facilities & Scientific Equipment	Computer Equipment	Office Equipment	Total
At December 31, 2023	£ 4,979,026	£ 366,823	£ 86,331	£ 5,432,180
Additions	-	-	-	-
Disposals	-	-	-	-
At March 31, 2024	4,979,026	366,823	86,331	5,432,180
Depreciation				
At December 31, 2023	3,731,217	341,763	84,402	4,157,382
Depreciation expense	110,595	3,620	530	114,745
At March 31, 2024	3,841,812	345,383	84,932	4,272,127
Net book value				
At March 31, 2024	£ 1,137,214	£ 21,440	£ 1,399	£ 1,160,053
At December 31, 2023	£ 1,247,809	£ 25,060	£ 1,929	£ 1,274,798

Depreciation expense on these assets for the three months ended March 31 2024 and 2023, was £114,745 and £169,155, respectively, and is included in research and development and administrative expenses in the accompanying unaudited condensed consolidated statements of operations.

NOTE 4. INTANGIBLE ASSETS

The Company's intangible assets consist of the following:

	Software	Patents and Licenses	Total
Cost			
At December 31, 2023	49,613	810,993	860,606
Additions	-	5,618	5,618
At March 31, 2024	49,613	816,611	866,224
Amortization			
At December 31, 2023	49,613	195,823	245,436
Amortization expense	-	12,276	12,276
At March 31, 2024	49,613	208,099	257,712
Net book value			
At March 31, 2024	£ -	£ 608,512	£ 608,512
At December 31, 2023	£ -	£ 615,170	£ 615,170

Amortization expense on these assets for the three months ended March 31, 2024 and 2023, was £12,276 and £11,815, respectively, and is included in research and development expenses in the accompanying unaudited condensed consolidated statements of operations.

NOTE 5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The Company's prepaid expenses and other current assets consist of the following:

	March 31, 2024	December 31, 2023
Other receivables	£ 51,826	£ 51,584
VAT owed to the Company	66,957	135,642
Prepaid clinical trial costs	307,519	307,519
Deferred clinical trial testing costs	1,177,500	1,177,500
Other prepayments	463,688	522,480
	£ 2,067,490	£ 2,194,725

The fair value of trade and other receivables are not materially different to the book value.

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of the following:

	March 31, 2024	December 31, 2023
Accounts payable	£ 1,927,612	£ 1,847,279
Other tax and social security	290,255	139,029
Accrued expenses	1,013,162	1,229,419
Amounts accrued in respect to clinical trial testing	1,177,500	1,177,500
Other payables	44,918	38,613
	£ 4,453,447	£ 4,431,840

The fair value of accounts payable and accrued expenses are not materially different to the book value.

NOTE 7. COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

In accordance with the terms of a Convertible Loan Note ('Note') on August 9, 2022 (the Conversion Date) the Company issued 183,820 Ordinary Shares and 367,640 listed warrants to the Note holder in full satisfaction of the Note in the aggregate amount of $781,233. The holder filed a claim in the English courts on June 19, 2023 asserting that notice was provided such that the Company should have paid it the value of the Note in cash, rather than by settling it through the issuance of Ordinary Shares and listed warrants. The holder is demanding payment of the face value of the Note, together with interest, (approximately $860,000 as at the time of the initial filing of the claim). The litigation process is in its early stages and is not expected to conclude until late 2024 or later. The Company has retained English solicitors and is contesting the claim in its entirety. The Company believes that it acted correctly under the terms of the Note and has accounted for the transaction on that basis, and that no further amounts are payable to the holder.

NOTE 8. LEASES

The Company leases certain office space under operating leases for use in operations. The Company recognizes operating lease expense on a straight-line basis over the lease term. Management determines if an arrangement is a lease at contract inception. Lease and non-lease components are accounted for as a single component for all leases. Operating lease right to use (ROU) assets and liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term, which includes optional renewal periods if we determine it is reasonably certain that the option will be exercised. As our leases do not provide an implicit rate, the discount rate used in the present value calculation represents our incremental borrowing rate determined using information available at the commencement date. Operating lease expense is included as a component of research and development and administrative expenses in the unaudited condensed consolidated statements of operations. For the three months ended March 31, 2024 and 2023, the Company recorded operating lease expense of £86,785 and £86,291, respectively. Cash payments on lease liabilities during the three months ended March 31, 2024 and 2023 totaled £111,754 and £111,754, respectively. At March 31, 2024 and December 31, 2023, weighted-average remaining lease term and discount rate were as follows:

	March 31, 2024	December 31, 2023
Weighted-average remaining lease term	4.91 years	5.11 years
Weighted-average discount rate	8.6%	8.6%

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities as of March 31, 2024:

Years Ended December 31,		
2024	£	335,261
2025		447,015
2026		447,015
2027		447,015
2028		447,015
Less imputed interest		(395,194)
Total	£	1,728,127

NOTE 9. CONVERTIBLE LOAN

The Company entered into a $20 million convertible loan note instrument in April 2021. The note has a 5% annual interest rate. During the years ended December 31, 2023 and 2022, the Company converted loan notes totaling $809,692 and $14,228,245, respectively, into ordinary shares and warrants and repaid $0 and $3,195,765, respectively, of the convertible loan note. The convertible loan was recognized as a hybrid financial instrument and accounted for as two separate components: (i) a loan and (ii) an embedded conversion option derivative. As of December 31 2023, the convertible loan had either been fully paid down or converted. As such, the balance of both the convertible loan and corresponding embedded derivative was $0 as of December 31, 2023.

(i) The convertible loan's initial fair value was the residual amount of the consideration received, net of attributable costs, after separating out the fair value of the embedded conversion option derivative. The loan was subsequently measured at its amortized cost.

(ii) The embedded conversion option derivative was initially measured at fair value and was subsequently remeasured to fair value at each reporting date. The embedded derivative could have been classified as a component of equity only if in all cases the contract would be settled by the Company delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or debt redemption. That is, had the embedded instrument satisfied the "fixed-for-fixed" criteria outlined in ASC 815-40. However, the convertible accounting outlined in ASC 815-40). Changes in the fair value (gains or losses) of the derivative at the end of instrument included a conversion feature resulting in settlement in a variable number of shares and consequently, was not considered indexed to the company's shares (i.e. it did not qualify for the scope exception to derivative each period were recorded in the consolidated statements of operations) for the year ended December 31, 2023:

	Residual loan	Embedded Derivative	Total
Balance at December 31, 2022	£ 653,484	£ 2,439	£ 655,923
Accrued interest	71,568	-	71,568
Repayment	(639,336)	(2,439)	(641,775)
Modification of loan notes	(53,619)	-	(53,619)
Currency adjustment	(32,097)	-	(32,097)
Balance at December 31, 2023	£ -	£ -	£ -

The value of the embedded derivative was remeasured to fair value at each reporting date, based on the Black-Scholes valuation model, with recognition of the changes in fair value in the consolidated statements of operations. As noted above, the value of the embedded derivative liability as of December 31, 2023 was $0.

NOTE 10. SHAREHOLDERS' EQUITY

Ordinary shares

The Ordinary shares have no specific rights, preferences or restrictions attached to them.

Deferred shares

Deferred shares have the following properties:

a. do not entitle their holders to receive any dividend or other distribution;
b. do not entitle their holders to receive a share certificate in respect of the relevant shareholding;
c. do not entitle their holders to receive notice of, nor to attend, speak or vote at, any general meeting of the Company;

d. entitles their holders on a return of capital on a winding up of the Company (but not otherwise) only to the repayment of the amount paid up on that share after payment of the capital paid up on each Ordinary Share in the share capital of the Company and the further payment of £100,000,000 on each ordinary share;
e. do not entitle their holders to any further participation in the capital, profits or assets of the Company. The Deferred Shares shall not be capable of transfer at any time other than with the prior written consent of the directors of the Company.

A Ordinary shares

The A Ordinary shares ranked equally with all other shares in issue in that on a vote every member has one vote for each share held. The A ordinary shares contain preferential economic rights such that, in the event of a share or asset sale (as defined in the Articles of Association), they provide a return to the holders of the A Ordinary Shares of an amount greater than or equal to 1.5x the price paid by the investors for A Ordinary Shares. The A Ordinary shares have an anti-dilution provision where shares are subsequently issued at a price below £215.00 per share, whereby the existing A Ordinary shareholders receive additional compensation shares in line with the formula set out in the Articles of Association. The A Ordinary shares rank equally with all other shares in issue with respect to dividends.

Immediately prior to the completion of the IPO, 493,860 ordinary shares were issued, under the terms of the Articles of Association to certain shareholders who, prior to the IPO, owned A Ordinary shares which carried the right, to subscribe at nominal value for a certain number of additional shares, calculated by reference to the pre-money valuation of the IPO. As part of the IPO share issue, the Company re-organized its share capital whereby all of the outstanding series A ordinary shares were re-designated as ordinary shares of the Company on a one for one basis and as such no anti-dilution provisions are included within the issued shares.

Reorganization and IPO

Immediately prior to completion of the IPO, the Company re-organized its share capital whereby all of the outstanding series A ordinary shares were re-designated as ordinary shares of TC BioPharm (Holdings) plc on a one for one basis. Immediately prior to the completion of the offering, a further 493,860 ordinary shares were issued, under the terms of the Articles of Association to certain shareholders who, prior to the IPO, owned A ordinary shares which carried the right, to subscribe at nominal value for a certain number of additional shares, calculated by reference to the pre-money valuation of the IPO. The fair value of the shares issued was £3.8 million.

Share Issuances

During January of 2023, the Company issued 65,750 or 1,315,000 ordinary shares, par value £0.0001 per share of Company, based on a price per share of £0.0001 on exercise of pre-funded warrants that had been issued in prior financing rounds. As the pre-funded warrants contained a nominal exercise price, the exercise of the pre-funded warrants resulted in nominal proceeds to the Company.

On March 27, 2023, the Company, entered into a Second Securities Purchase Agreement with Investors, pursuant to which the Company agreed to issue and sell an aggregate of 10,750 ADSs, or 215,000 ordinary shares, pre-funded warrants to purchase up to 161,125 ADSs, and Series C purchase warrants to purchase up to 171,875 ADSs Securities. In addition, the Company also issued placement agent warrants to purchase 12,891 ADSs. The purchase price for each ADS and associated Ordinary Warrants was $32 (on a post-split basis) and the purchase price per each Pre-Funded Warrant and associated Ordinary Warrants was $31.98 (on a post-split basis). The Ordinary Warrants were immediately exercisable, expire five (5) years from the date of issuance and the Pre-Funded Warrants may be exercised at any time until all of the Pre-Funded Warrants are exercised in full. The total net proceeds from this offering were approximately £4.0 million (or $4.9 million), after deducting estimated offering expenses of approximately £0.5 million.

On March 27, 2023, the Company also agreed that certain existing warrants to purchase up to an aggregate of 140,000 ADSs of the Company that were previously issued on November 30, 2022, at an exercise price of $100 (on a post-split basis) per ADS and expiration dates of May 30, 2025 and May 30, 2028, were amended effective upon the closing of the Offering so that the amended warrants will have a reduced exercise price of $35 (on a post-split basis) per ADS. To account for the modification, the Company recognized the increase in fair value of the modified warrants (measured as the difference between the fair value immediately before and after the modification) a as a charge against the gross proceeds of the offering.

During January of 2024, the Company issued 1,398,000 or 27,960,000 ordinary shares, par value £0.0001 per share of Company, based on a price per share of £0.0001 on exercise of pre-funded warrants that had been issued in prior financing rounds. As the pre-funded warrants contained a nominal exercise price, the exercise of the pre-funded warrants resulted in nominal proceeds to the Company.

On March 11, 2024, the company issued 121,070 ADSs or 2,421,400 ordinary shares, par value £0.0001 per share of Company, based on a price per share of £0.0001 on exercise of share options that had been issued to a consultant as part of the consideration for undertaking consulting services. The issued shares options were recognized as non-employee compensation expense in accordance with ASC 718. Further, the fair value of the shares (as determined utilizing the Black Scholes valuation model) will be recognized over the estimated one-year consulting service period. Approximately £6,356 was recognized during the three month period ended March 31, 2024.

On March 11, 2024, the Company issued 23,808 ADSs or 476,153 ordinary shares, par value £0.0001 per share of Company to Bryan Kobel, the Chief Executive Officer of the Company following an agreement to convert an aggregate amount of approximately £19,765 (or approximately $24,760) of accrued but unpaid contractual pension benefits owed to him. The issued ADSs were based on a price per ADS equal to the closing price of the Company's ADSs on the Nasdaq Capital Market on March 7, 2024.

On March 12, 2024, the Company issued 623,750 ADSs representing 12,475,000 ordinary shares of the Company upon exercise of outstanding Series D warrants resulting in gross cash proceeds to the Company of £986,772 (approximately $1,263,000), which included £73,980 of offering costs.

ADS Ratio Change

On December 15, 2023, the Company changed its ratio of ADSs ordinary shares from one ADS representing one ordinary share to one ADS representing 20 ordinary shares. As a result of the ratio change, all references in these unaudited condensed consolidated financial statements and accompanying notes to units of ordinary shares underlying ADSs are reflective of the ratio change for all periods presented. In addition, the exercise prices and the numbers of ordinary shares issuable upon the exercise of any outstanding options to purchase ordinary shares were proportionally adjusted pursuant to the respective anti-dilution terms of the share-based payment plans.

NOTE 11. SHARE-BASED COMPENSATION

Enterprise Management Incentive (EMI) share option scheme

The Company operates an HMRC Approved Enterprise Management Incentive ("EMI") share option scheme for employees. Effective December 16, 2014, the Company approved a share option scheme under which the Board of Directors of the Company can award options to directors, officers, employees and consulting personnel of the Company. The Board of Directors will determine the terms, limitations, restrictions and conditions of the options granted under the plan.

The Company has granted options over ADSs to certain employees.

	Number of Share Options		Weighted Average Exercise Price
Outstanding at December 31, 2023	5,328	£	460
Granted during the period	-		-
Exercised during the period	-		-
Forfeited during the period	-		-
Outstanding at March 31, 2024	5,328	£	460
Exerciseable at March 31, 2024	5,328	£	460
Unexerciseable at March 31, 2024	-		-

The estimated fair value of the options outstanding in the period was calculated by applying a Monte Carlo Simulation for those options issued in 2020 and 2019 and a Black Scholes Model for those options issued in prior periods. The most appropriate approach is selected with reference to the share capital structure at the time of grant. The expense recognized for share-based payments in respect of employee services received during the three months ended March 31, 2024 was £0 as all options were fully vested as of March 31, 2024.

2021 Share Option Scheme

Effective immediately prior to completion of the IPO on February 10, 2022, the Company adopted a new share option scheme, or the 2021 Share Option Scheme, for the purpose granting share options to incentivize the Company's directors, employees and consultants. The 2021 Share Option Scheme incorporates a sub-plan for option holders subject to taxation in the United States, or the 2021 U.S. Sub-Plan, to provide for the grant of U.S. qualified incentive options.

The Company has granted options over ADSs to certain employees and directors.

*	Number of Share Options		Weighted Average Exercise Price
Outstanding at December 31, 2023	37,066	$	230
Granted during the period	999,838		1.07
Exercised during the period	(121,070)		.0025
Cancelled during the period	(933)		4,240
Outstanding at March 31, 2024	914,901	$	6.01
Exerciseable at March 31, 2024	914,901	$	6.01
Unexerciseable at March 31, 2024	-		-

The totals of options and related exercise price are for options over ADSs and reflect the ratio change on December 15, 2023.

The estimated fair value of the options outstanding in the period was calculated by applying a Black Scholes Model. The most appropriate approach is selected with reference to the share capital structure at the time of grant. The weighted average grant-date fair value of options granted during the three month period ended March 31, 2024 was $0.93. No options were granted during the threemonth period ended March 31, 2023. The expense recognized for share-based payments in respect of employee and non-employee services received during the three months ended March 31, 2024 was £784,555.

The options granted under the 2021 share option scheme will typically vest over three years after the date of grant. In some cases, options granted to senior management vested immediately. As of March 31, 2024, there were no remaining unvested options.

Modifications

During March of 2024, share options that had been granted to five grantees, including one of our executive officers and all of our non-employee directors, were cancelled and replaced by new options with different terms. The company determined that the option cancellations and subsequent re-issuances should be considered award modifications and be recognized in accordance with the guidance in ASC 718-20. As the new awards vested immediately, the Company fully recognized the incremental fair value of the awards of £248,659.

Additional Right to Subscribe for Shares

On August 25, 2020, the Company issued Ordinary shares, which included an additional right to subscribe for a fixed number (15,891) of shares at £215.00 per share at a future date based on certain clinical and commercial milestones. The estimated fair value of the right to subscribe was calculated by applying a Black Scholes Model. This was deemed the most appropriate approach due to the future liquidity event being date-uncertain and could take one of many forms.

NOTE 12. FAIR VALUE MEASUREMENTS

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on the Company's assessment of the assumptions that market participants would use in pricing the asset or liability.

The Company had cash and cash equivalents of £1.0 million as of March 31, 2024. The cash and cash equivalents are carried at fair value due to the liquid nature of the instruments and are measured in Level 1.

In addition, the Company also had numerous outstanding warrants that were classified in Level 2 due to our use of implied volatility in determining the expected volatility input for purposes of determining the instruments fair value via the Black-Scholes valuation model. The details of the issued warrants were as follows:

Unlisted warrants in issue

Series A warrants

The fair value of each of the warrants was approximately $0.06 and $0.37 as of March 31, 2024 and December 31, 2023, respectively.

The inputs associated with calculating the fair value of the warrants are considered to be Level 2 and were valued using a Black-Scholes valuation model. The inputs were as follows:

	March 31, 2024	December 31, 2023
Exercise price	$ 100.00	$ 100.00
Share price	$ 1.31	$ 3.17
Time to maturity	4.17 years	4.4 years
Expected volatility	90%	90%
Risk free interest rate (US treasury bond)	3.9%	4.0%
Dividend yield	-	-

Series B warrants

The fair value of each of the warrants was approximately $0.00 and $0.02 as of March 31, 2024 and December 31, 2023, respectively.

The inputs associated with calculating the fair value of the warrants are considered to be Level 2 and were valued using a Black-Scholes valuation model. The inputs were as follows:

	March 31, 2024	December 31, 2023
Exercise price	$ 100.00	$ 100.00
Share price	$ 1.31	$ 3.17
Time to maturity	1.16 years	1.4 years
Expected volatility	90%	90%
Risk free interest rate (US treasury bond)	4.3%	4.0%
Dividend yield	-	-

Series A-B placement agent warrants

The fair value of each of the warrants was $0.04 and $0.31 as of March 31, 2024 and December 31, 2023, respectively.

The inputs associated with calculating the fair value of the warrants are considered to be Level 2 and were valued using a Black-Scholes valuation model. The inputs were as follows:

	March 31, 2024	December 31, 2023
Exercise price	$ 125.00	$ 125.00
Share price	$ 1.31	$ 3.17
Time to maturity	4.17 years	4.4 years
Expected volatility	90%	90%
Risk free interest rate (US treasury bond)	3.9%	4.0%
	-	-

Series C placement agent warrants

The fair value of each of the warrants was $0.12 and $0.69 as of March 31, 2024 and December 31, 2023, respectively.

The inputs associated with calculating the fair value of the warrants are considered to be Level 2 and were valued using a Black-Scholes valuation model. The inputs were as follows:

	March 31, 2024	December 31, 2023
Exercise price	$ 40.00	$ 40.00
Share price	$ 1.31	$ 3.17
Time to maturity	3.99 years	4.2 years
Expected volatility	90%	90%
Risk free interest rate (US treasury bond)	4.5%	4.0%
Dividend yield	-	-

Series D warrants

The fair value of each of the warrants was $8.46 as of the August 30, 2023 issuance date. As the warrants were equity classified, they were not re-measured to fair value as of December 31, 2023. The warrants were subsequently exercised in full on March 12, 2024.

NOTE 13. SUBSEQUENT EVENTS

Management evaluated subsequent events and transactions that occurred after the balance sheet date, up to the date that the financial statements were issued. Based upon this review, other than as set forth below, management did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

On May 6, 2024, the Company, entered into a letter agreement (the "Inducement Letter") with certain holders (the "Holders") of existing Series E warrants (the "Existing Warrants") to purchase ordinary shares represented by american depositary shares (the "ADSs") of the Company. The Existing Warrants were issued on December 21, 2023 and have an exercise price of £1.5814 per ADS. Each ADS represents twenty (20) ordinary shares of the Company.

Pursuant to the Inducement Letter, the Holders agreed to exercise for cash their Existing Warrants to purchase an aggregate of 1,750,000 ADSs of the Company for cash and the payment of £0.099625 (US$0.125) per new warrant in consideration for the Company's agreement to issue new Series F warrants to purchase ordinary shares represented by ADSs (the "New Warrants"), as described below, to purchase up to 70,000,000 of the Company's ordinary shares represented by 3,500,000 ADSs (the "New Warrant ADSs"). The Company expects to receive aggregate gross proceeds of approximately £3.1 million from the exercise of the Existing Warrants by the Holders, prior to deducting placement agent fees and estimated offering expenses.

The Company engaged H.C. Wainwright & Co., LLC (the "Placement Agent") to act as its exclusive placement agent in connection with the transactions summarized above and has agreed to pay the Placement Agent a cash fee equal to 7.5% of the gross proceeds received from the Holders' exercise of their Existing Warrants and a management fee of 1% of the gross proceeds received from the Holders' exercise of their Existing Warrants. The Company has also agreed to reimburse the Placement Agent for its expenses in connection with the exercise of the Existing Warrants and the issuance of the New Warrants, up to $50,000 for fees and expenses of legal counsel and other out-of-pocket expenses, and agreed to pay the Placement Agent for non-accountable expenses in the amount of $35,000 and a clearing fee of $15,950. Upon any exercise for cash of any New Warrants, the Company has agreed to pay the Placement Agent a cash fee of 7.5% of the aggregate gross exercise price paid in cash with respect the exercise of the New Warrants. In addition, the Company granted warrants ("Placement Agent Warrants") to the Placement Agent, or its designees, to purchase up to an aggregate of 2,625,020 ordinary shares represented by 131,251 ADSs, which Placement Agent Warrants shall be substantially in the same form as the New Warrants except that the Placement Agent Warrants will have an exercise price of £2.2313.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and our audited financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on April 1, 2024. This discussion and analysis and other parts of this Quarterly Report contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under Part II, Item 1A, "Risk Factors" and elsewhere in this Quarterly Report. You should carefully read the "Risk Factors" section of this Quarterly Report and of our Annual Report on Form 10-K for the year ended December 31, 2023, to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled "Special Note Regarding Forward-Looking Statements."

Overview

We are a clinical-stage biopharmaceutical company with a cell-based product pipeline capable of treating a variety of disorders including cancer and infectious disease. We are currently developing a pipeline of unmodified allogeneic GD-T therapies and next generation GD CAR-T treatments with a number of advantages over conventional approaches. We own our main patent families in the GD CAR-T space, providing robust IP protection and manufactures all products in-house, leading to a much lower cost of goods than competitor products.

In-house clinical studies have demonstrated that our unmodified allogeneic GD-T products are (i) well tolerated and (ii) show preliminary evidence of disease modification in patients with the late-stage blood cancer, known as acute myeloid leukemia – AML. Based on clinical data generated by us, we believe that unmodified GD-Ts have the potential to treat all blood cancers.

The Company's lead product, TCB-008, is now in phase 2b-into-pivotal (phase 3) clinical studies with a view to launching its first oncology product for the treatment of AML. Clinical results generated thus far have enabled us to obtain FDA orphan drug status for treatment of AML.

In addition to unmodified allogenic GD-Ts for treatment of blood cancers, we are also developing an expanded platform for TCB-008 use case in anti-fungal, anti-viral and anti-microbial diseases. We believe TCB-008 can be impactful in immune-suppressed and immune-compromised patient populations, including cancer patients, to treat and act as a prophylactic in these disease verticals.

In order to manufacture our portfolio of allogeneic products, we select the highest quality GD-T cells from healthy donors, activate the cells and grow them in large numbers at our in-house GMP-compliant manufacturing facility before administration to a patient in order to target and then destroy malignant or virally-infected tissues. We believe that we have introduced a step-change to our manufacturing platform by implementing a freeze-thaw process that will allow product to be shipped from cleanroom to patient without any shelf-life issue. Resulting products, we believe, will be more cost-effective and straightforward to ship from cleanroom to clinic. Our team continues to improve and optimize our process based on data and new technologies being developed globally.

Components of Our Results of Operations

Revenues

We do not have any approved products. Accordingly, we have not generated any revenue from the sale of products, and we do not expect to generate any such revenue unless and until we obtain regulatory approvals for, and commercialize any of, our product candidates. In the future, we will seek to generate revenue primarily from product sales and, potentially, regional or global collaborations with strategic partners, which may produce license fee income.

Since inception through March 31, 2024, the Company has received £14.5 million in pre-clinical payments connected with CAR-T development partnerships. These partnerships are no longer actively being progressed and it is unlikely that we will receive any future milestone revenues.

Operating Expenses

We classify our operating expenses into two categories: research and development expenses and administrative expenses. Personnel costs, including salaries, benefits, bonuses and share-based payment expense, comprise a significant component of each of these expense categories. We allocate expenses associated with personnel costs based on the function performed by the respective employees.

Research and Development Expenses

The largest component of our total operating expenses since inception has been costs related to our research and development activities, including the preclinical and clinical development of our product candidates.

Research and development costs are expensed as incurred, with our development activities not yet at the point at which capitalization can occur under GAAP. Our research and development expense primarily consist of:

- consumable costs related to research and development of pharmaceutical or biologic therapy products for preclinical studies and clinical trials;
- costs related to manufacturing active pharmaceutical or biologic therapy products for preclinical studies and clinical trials;
- salaries and personnel-related costs, including bonuses, benefits and any share-based payment expense, for our personnel performing research and development activities or managing those activities that have been out-sourced;
- fees paid to consultants and other third parties who support our product candidate development;

- third party costs incurred in connection with preclinical studies and clinical trials from investigative sites and contract research organizations, or CROs;
- other costs incurred in seeking regulatory approval of our product candidates;
- costs of related office space allocated to our research and development function, materials and equipment; and
- payments under our license agreements.

The successful development of our product candidates is highly uncertain. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. In addition, the cost of development of our CAR-T range of products is likely to be substantially higher than costs incurred historically in the development of our unmodified products. Accordingly, we expect research and development costs to increase significantly for the foreseeable future as programs progress. However, we do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. We are also unable to predict when, if ever, material net cash inflows will commence from our product candidates to offset these expenses. Our expenditures on current and future preclinical and clinical development programs are subject to numerous uncertainties in timing and cost to completion.

The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors including:

- the scope, rate of progress, results and expenses of our ongoing and future clinical trials, preclinical studies and research and development activities;
- the potential need for additional clinical trials or preclinical studies requested by regulatory agencies;
- potential uncertainties in clinical trial enrolment rates or drop-out or discontinuation rates of patients;
- competition with other drug development companies in, and the related expense of, identifying and enrolling patients in our clinical trials and contracting with third-party manufacturers for the production of the drug product needed for our clinical trials;
- the achievement of milestones requiring payments under in-licensing agreements;
- any significant changes in government regulation;
- the terms and timing of any regulatory approvals;
- the expense of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights; and
- the ease, cost and ability to market, commercialize and achieve market acceptance for any of our product candidates, if approved.

We track research and development expenses on a program-by-program basis for both clinical-stage and preclinical product candidates. Manufacturing, clinical trial and preclinical research and development expenses are assigned or allocated to individual product candidates. We do not allocate employee costs or facility expenses, including depreciation or other indirect costs, to specific programs because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to oversee research and development as well as for managing our preclinical development, process development, manufacturing and clinical development activities.

Administrative Expenses

Administrative expenses consist of personnel costs, other administrative expenses and other expenses for outside professional services, including legal, audit and accounting services. Personnel costs consist of salaries, bonuses, benefits and share-based compensation expense. Other administrative expenses include office space-related costs not otherwise allocated to research and development expense, professional fees and costs of our information systems. We anticipate that our administrative expenses will increase in the future as we increase our headcount to support our continued research and development and potential commercialization of our product candidates. We expect to continue to incur additional expenses as a public company, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance expenses, and expenses related to investor relations activities and other administrative and professional services.

Change in fair value of derivative liability

The gain/loss relates to the movement in the estimated fair value of the embedded derivative related to the issue of Convertible Loan Notes, calculated by using a Black Scholes option pricing model at the end of each reporting period. The gain/loss relates to the movement in the estimated fair value of our warrants, calculated by using a Black Scholes option pricing model at the end of each reporting period. As it pertains to the issued warrants, it is important to note that as of March 31, 2024 and December 31, 2023 they were primarily equity classified and therefore are no longer required to be re-measured to fair value at the end of each reporting period.

Interest Expense

Interest expense includes the effective interest charge accrued in relation to the Convertible Loan Notes. Interest expense is offset by interest income related to interest earned on our cash and cash equivalents and short-term deposits.

Income Tax Credit

We are subject to corporate taxation in the United Kingdom. Due to the nature of our business, we have generated losses since inception. Our income tax credit recognized represents the sum of the research and development tax credits recoverable in the United Kingdom.

As a company that carries out extensive research and development activities, we benefit from the United Kingdom research and development tax credit regime and are able to surrender some of our losses for a cash rebate of up to 20% of expenditures related to eligible research and development projects. Qualifying expenditures largely comprise clinical trial and manufacturing costs, employment costs for relevant staff and consumables incurred as part of research and development projects. A large portion of costs relating to our research and development, clinical trials and manufacturing activities are eligible for inclusion within these tax credit cash rebate claims.

There can be no certainty that we will be able to continue to claim research and development tax credits in the future. Tax losses that have not been utilized to offset taxable income or surrendered in connection with the aforementioned research and development tax credits are carried forward to be offset against future taxable profits. In the event we generate revenues in the future, we may benefit from the United Kingdom's government's "patent box" initiative that allows profits attributable to revenues from patents and/or patented products registered in the United Kingdom or European Union to be taxed at a lower rate than other streams of revenue. The current rate of tax for relevant streams of revenue for companies receiving this relief is 10%.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 and 2023

The following table summarizes our results of operations:

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023	£ Change	% Change
Operating expenses:				
Research and development expenses	1,298,942	1,934,304	(635,362)	(32.8)%
Administrative expenses	2,142,714	2,231,461	(88,747)	(4.0)%
Total operating expenses	3,441,656	4,165,765	(724,109)	(17.4)%
Loss from operations	(3,441,656)	(4,165,765)	724,109	(17.4)%
Other income (expense):				
Change in fair value of derivatives	11,446	3,148,648	(3,137,202)	(99.6)%
Other expense, net	(2,386)	(17,794)	15,408	(86.6)%
Total other income (expense), net	9,060	3,130,854	(3,121,794)	(99.7)%
Net loss before income taxes	(3,432,596)	(1,034,911)	(2,397,685)	231.7%
Income tax credit	110,742	400,000	(289,258)	(72.3)%
Net loss	**£ (3,321,854)**	**£ (634,911)**	£ (2,686,943)	423.2%

Research and Development Expenses

	For the Three Months Ended March 31,			
	2024	2023		
	£'000's	£'000's	£ Change	% Change
Direct research and development expenses by program:				
Unmodified cell therapy programs(1)	£ 316	£ 446	£ (130)	(29.2)%
Other research and development programs(2)	21	188	(167)	(88.9)%
Total direct research and development expense	337	634	(298)	(46.9)%
Research and development and unallocated costs:				
Personnel related (including share-based compensation)	620	896	(277)	(30.9)%
Indirect research and development expense(3)	343	404	(61)	(15.1)%
Total research and development expenses	£ 1,299	£ 1,934	£ (635)	(32.8)%

(1) Unmodified cell therapy programs include OmnImmune® and ImmuniStim®
(2) Other research and development programs include expenditure on areas such as our CAR-T program and induced pluripotent stem cells (iPSCs).
(3) Indirect research and development expense includes property related costs and depreciation and amortization.

Research and development expenses decreased by 33% to £1.3 million for the three months ended March 31, 2024 from £1.9 million for the three months ended March 31, 2023, which was primarily driven by a decrease in direct and indirect research expenses due to a refocus of the clinical strategy and consequently a decrease in personnel.

General and administrative

	For the Three Months Ended March 31,			
	2024	2023	£ Change	% Change
	£'000's	£'000's		
Share-based compensation expense	785	100	£ 685	686.9)%
Employee-related costs	464	688	(224)	(32.6)%
Legal & professional fees	827	1,345	(517)	(38.5)%
Other expenses	67	99	(32)	(32.5)%
Total administrative expenses	2,143	2,231	(89)	(4.0)%

Administrative expenses decreased by 4% to £2.1 million for the three months ended March 31, 2024 from £2.2 million for the three months ended March 31, 2023. The decrease was primarily driven by a decrease in employee-related costs and a decrease in legal and professional fees, offset by an increase in share-based compensation expense.

Change in fair value of derivative liability

The change in fair value of derivative liability is comprised of the change in fair values of the convertible loan derivative, warrant derivative, and other derivatives. The change in the fair value of the embedded convertible loan derivatives relates to the movement in the estimated fair value of the embedded derivatives during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023.

The change in fair value of the warrant derivatives for the three months ended March 31, 2024 relates to the movement in the estimated fair value of our issued detachable warrants. The warrants were issued at the time of the IPO and at various times during each of the two years ended December 31, 2023. In addition, certain warrants were both modified and induced over the course of our fiscal year ended December 31, 2023. All of our issued warrants are valued by using the Black Scholes option pricing model.

Other expense, net

Other expense, net is comprised of foreign currency (losses) gains and interest (expense) income. Interest expense decreased by 100% during the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The decrease was due to the Convertible Loan Note being paid off during 2023. Interest expense was partially offset by interest income earned on cash accounts. The change in foreign currency (losses) increased during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 primarily due to a higher foreign exchange rate during 2024.

Income tax credit

The research and development tax credit of £0.1 million was 72% lower for the three months ended March 31, 2024 compared to £0.4 million for the three months ended March 31, 2023. This was due to lower levels of expenditure eligible for research and development tax credits and changes in the UK tax rules around research and development tax credits.

After accounting for tax credits receivable, there were accumulated tax losses for carry forward in the United Kingdom of £18.3 million as of March 31, 2024. Unrecognized deferred tax assets totaling £4.9 million as of March 31, 2024 consist of temporary differences on tax losses and share-based compensation arrangements. No deferred tax asset is recognized in respect of accumulated tax losses or temporary differences on share-based compensation arrangements because future profits are not sufficiently certain.

Going Concern

Our existing cash of £1.0 million as of March 31, 2024 will not be sufficient to enable us to conduct our business 12 months from the issuance of these financial statements. We will need additional funding to complete the development and research of our products. If we are unable to raise capital when needed or on acceptable terms, we would be forced to delay, reduce, or eliminate our research and development efforts.

On May 8, 2023, the Group had cash on hand of $4.0 million (£3.2 million), which will not be sufficient to enable the Group to meet the cash requirements required to enable it to conduct its business plan through the going concern period (being to May 15, 2025) ("Going Concern Period"). With existing resources, we expect to be able to fund current operations into July 2024.

As a result of the Company's recurring losses from operations, and the need for additional financing to fund its operating and capital requirements, there is uncertainty regarding the Company's ability to maintain liquidity sufficient to operate its business effectively, which raises substantial doubt as to the Company's ability to continue as a going concern.

Liquidity and Capital Resources

For the three months ended March 31, 2024 and 2023, we incurred net losses of £3.3 million and £0.6 million, respectively. We used £2.4 million of cash in operating activities during the three months ended March 31, 2024 and used £2.9 million of cash in operating activities during the three months ended March 31, 2023.

As of March 31, 2024 and December 31, 2023, we had cash and cash equivalents of £1.0 million and £2.5 million, respectively. From incorporation through March 31, 2024, we have financed our operations primarily through our IPO, private placements of equity securities, convertible loans, government grants, research and development tax credits, and receipts from partner for collaborative research and development services totaling £83.0 million.

While we work towards obtaining regulatory approval to advance any of our GD-T cell therapeutic candidates into pivotal clinical trials or to commercialization, we will incur significant research and development expenses, and also commercialization expenses related to product sales, marketing, manufacturing and distribution and additional funding would be required. Where appropriate, we will seek to fund our operations through milestone payments under our agreements with collaboration partners and additional equity financings.

Cash Flows

The following tables summarize the results of our cash flows for the below respective periods:

	For the Three Months Ended March 31,	
	2024	**2023**
Net cash provided by (used in):		
Operating activities	£ (2,408,593)	£ (2,911,247)
Investing activities	£ (5,618)	£ (145,233)
Financing activities	£ 932,557	£ 3,954,238
Change in cash	£ (1,481,654)	£ 897,758

Operating Activities

Net cash used in operating activities was £2.4 million for the three months ended March 31, 2024. The net loss for the three months ended March 31, 2024 was £3.3 million, which was offset by noncash items of £0.9 million, consisting of £0.1 million in depreciation and amortization, £0.8 million in share-based compensation expense, and less than £0.1 million in the change in the fair value of the derivative liability. Changes in working capital amounted to less than £0.1 million, which consisted of a decrease in the corporation tax receivable and lease liabilities, offset by an increase in prepaid expenses, operating lease right of use assets, and accounts payable and accrued expenses.

Net cash used in operating activities was £2.9 million for the three months ended March 31, 2023. The net loss for the three months ended March 31, 2023 was £0.6 million, which was offset by noncash items of £2.6 million, consisting of £0.2 million in depreciation and amortization, £0.1 million in share-based compensation expense, a £3.1 million change in the fair value of the derivative liability, and £0.2 million in offering costs related to the Series C Placement Agent Warrants. Changes in working capital provided £0.3 million in cash.

Investing Activities

Net cash used in investing activities was immaterial for the three months ended March 31, 2024 and £0.1 million for the three months ended March 31, 2023. These amounts relate primarily to purchases of property and equipment related to our facility and patent filing costs.

Financing Activities

Net cash from financing activities was £0.9 million and £3.9 million for the three months ended March 31, 2024 and 2023, respectively. For the three months ended March 31, 2024, these amounts consisted of net proceeds from sale of own shares and warrants for £1.0 million offset by issuance costs of £0.1 million. For the three months ended March 31, 2023, these amounts consisted of net proceeds from sale of own shares and warrants for £4.1 million offset by issuance costs of £0.2 million.

Funding Requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities and clinical trials of our product candidates. Our expenses will increase as we (i) advance our product candidates through phases of clinical development and, potentially, registration, (ii) fund our research and development activities to further expand our GD-T cell technologies and develop future product candidates and follow-on versions of our more advanced product candidates, (iii) fund our manufacturing activities and the expansion of our plant to support our ongoing and future clinical trials and potential commercial launch; and (iv) fund our general operations.

Since February 10, 2022, we have been a publicly traded company and incur significant legal, accounting and other expenses that we were not required to incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, as well as rules adopted by the SEC and The Nasdaq Stock Market, requires public companies to implement specified corporate governance practices. We expect to continue to incur substantial legal and financial compliance costs, which may make some activities more time-consuming and costly.

We will require additional capital to continue to conduct our business and implement our business plans.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical product candidates, we are unable to estimate the amount of our future working capital requirements, which will depend on and are likely to increase significantly as a result of many uncertain factors, including:

- the scope, progress, outcome and costs of our clinical trials and other research and development activities;
- the costs, timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- the costs of future sales and marketing activities, including cost of product sales, medical regulatory affairs, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- the amount and timing of the receipt of any future revenue from commercial sale of our products, should any of our product candidates receive marketing approval and become successful in the market;
- the impact of the COVID-19 pandemic on our ability to progress research and development and clinical trials;
- the costs and timing of hiring new employees to support our future growth;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the cost of and extent to which we in-license or acquire additional product candidates or technologies.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our future cash needs through equity offerings and debt and a combination thereof, including securities convertible into ordinary shares and through development collaborations with partners. To the extent that we raise additional capital through the sale of equity, our shareholders' ownership interest will be diluted.

If we raise additional funds through other third-party funding, collaborations agreements, strategic alliances, licensing arrangements or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves. If we raise funding through borrowings, we may have to enter into onerous covenants which may adversely impact our operations and our ability to obtain further funding.

There is no assurance that we will be able to raise any further funding, or if further funding is offered, it will be on terms that are acceptable to us and may bring dilution which is unacceptable to our shareholders.

The source, timing, and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our clinical development program. Funding may not be available when needed, at all, or on terms acceptable to us. Lack of necessary funds may require us to, among other things, delay, scale back or eliminate expenses including some or all our planned development, including our clinical trials. While we may need to raise funds in the future, we believe the current cash reserves should be sufficient to fund our operation for the foreseeable future. Because of these factors, we believe that this creates doubt about our ability to continue as a going concern.

Contractual Obligations

The following table summarizes our contractual obligations as of March 31, 2024 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments due by period				
	Total	Less Than 1 Year	–1 - 3 Years	–4 - 5 Years	More Than 5 Years
Trade payables	£ 1,927,612	£ 1,927,612	£ –	£ –	£ –
Lease liabilities	2,123,321	335,261	894,030	894,030	–
Payables related to clinical trial testing	1,177,500	1,177,500	–	–	–
Other payables	1,348,335	1,348,335	–	–	–
Total commitments	£ 6,576,768	£ 4,788,708	£ 894,030	£ 894,030	£ -

Lease liabilities

Amounts shown as lease liabilities and similar reflect minimum payments due for our leases of office, laboratory and manufacturing space. We entered into a lease for our corporate headquarters in April 2014 and, as part of this agreement, exercised an option to lease additional space in January 2017 and March 2019. The overall lease expires in February 2029.

Other commitments

We enter into contracts in the normal course of business with third parties who support us in the conduct of certain specialist aspects of clinical trials and preclinical research studies and testing. These contracts are generally cancellable by us upon prior notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancelable obligations of our service providers, up to the date of cancellation. These payments are not included in the preceding table, as the amount and timing of such payments are not known.

We have not included any contingent payment obligations that we may incur upon achievement of clinical, regulatory and commercial milestones, as applicable, or royalty payments that we may be required to make under in-licensing agreements which we have or may enter into which could be payable if any of our products generate future sales or license revenue as the amount, timing and likelihood of such payments are not known and are not anticipated in the near term or before we generate significant revenues.

Critical Accounting Estimates

Management's discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements required the use of estimates and judgments that affect the reported amounts of our assets, liabilities, revenues, and expenses. Management bases estimates on historical experience and other assumptions it believes to be reasonable under the circumstances and evaluates these estimates on an on-going basis. Actual results may differ from these estimates. There have been no significant changes to the critical accounting estimates included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were not effective at a reasonable assurance level due to a material weakness in our internal control over accounting for complex financial instruments (including in determining the appropriate valuation basis in areas requiring significant judgement) and in the accounting for our property leases on conversion from IFRS to GAAP. The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the period ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various disputes, claims, suits, investigations, and legal proceedings arising in the ordinary course of business. We believe that the resolution of current pending legal matters will not have a material adverse effect on our business, financial condition, results of operations or cash flows. Nonetheless, we cannot predict the outcome of these proceedings, as legal matters are subject to inherent uncertainties, and there exists the possibility that the ultimate resolution of these matters could have a material adverse effect on our business, financial condition, results of operations or cash flows.

In accordance with the terms of a Convertible Loan Note ('Note') on August 9, 2022 (the Conversion Date) the Company issued 183,820 Ordinary Shares and 367,640 listed warrants to the Note holder in full satisfaction of the Note in the aggregate amount of $781,233. The holder filed a claim in the English courts on June 19, 2023 asserting that notice was provided such that the Company should have paid it the value of the Note in cash, rather than by settling it through the issuance of Ordinary Shares and listed warrants. The holder is demanding payment of the face value of the Note, together with interest, (approximately $860,000 as at the time of the initial filing of the claim). The litigation process is in its early stages and is not expected to conclude until late 2024 or later. The Company has retained English solicitors and is contesting the claim in its entirety. The Company believes that it acted correctly under the terms of the Note and has accounted for the transaction on that basis, and that no further amounts are payable to the holder.

Item 1A. Risk Factors

In addition to the information set forth in this Form 10-Q, you should carefully consider the risk factors disclosed under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to our risk factors from those included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the three months ended March 31, 2024.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

10b5-1 Trading Plans

During the fiscal quarter ended March 31, 2024, no Section 16 director or officer adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act).

There were no "non-Rule 10b5-1 trading arrangements" (as defined in Item 408 of Regulation S-K of the Exchange Act) adopted, modified or terminated during the fiscal quarter ended March 31, 2024 by our directors and Section 16 officers.

Item 6. Exhibits

The exhibits required by Item 601 of Regulation S-K and Item 15(b) of this Quarterly Report are listed in the Exhibit Index below. The exhibits listed in the Exhibit Index are incorporated by reference herein.

Exhibit	Description	Schedule/ Form	File Number	Exhibit	File Date
31.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2022				
31.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2022				
32.1*	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2022				
32.2*	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2022				

*The certification attached as Exhibit 32.1 and 32.2 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in IXBRL, and included in exhibit 101).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TC BIOPHARM (HOLDINGS) PLC

By: */s/ Bryan Kobel*
Bryan Kobel
Chief Executive Officer

By: */s/ Martin Thorp*
Martin Thorp
Chief Financial Officer

Date: May 15, 2024

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) OR 15D-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Bryan Kobel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TC BioPharm (Holdings) plc for the period ended March 31, 2024.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 15, 2024

/s/ Bryan Kobel
Bryan Kobel
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) OR 15D-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Martin Thorp, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TC BioPharm (Holdings) plc for the period ended March 31, 2024.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 15, 2024

/s/ Martin Thorp
Martin Thorp
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TC BioPharm (Holdings) plc (the "Company") on Form 10-Q, for the period ended March 31, 2024 as filed with the Securities and Exchange Commission, I, Bryan Kobel, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

May 15, 2024

/s/ Bryan Kobel
Bryan Kobel
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TC BioPharm (Holdings) plc (the "Company") on Form 10-Q, for the period ended March 31, 2024 as filed with the Securities and Exchange Commission, I, Martin Thorp, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

May 15, 2024

/s/ Martin Thorp
Martin Thorp
Chief Financial Officer
(Principal Financial and Accounting Officer)