

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

FORM 20-F/A
(Amendment No. 1)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

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

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number:

Tiziana Life Sciences Ltd

(Exact name of Registrant as specified in its charter and translation of Registrant's name into English)

Bermuda

(Jurisdiction of incorporation or organization)

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

(Address of principal executive offices)

Keeren Shah

Chief Financial Officer

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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New York, NY 10112-0015

(212) 653 8700

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

Title of each class

Name of each exchange on which registered

Common Shares

NASDAQ Capital Market

(*) *Not for trading, but only in connection with the listing of the American Depositary Shares*

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2022: 102,272,614 common shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, 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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by checkmark 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.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If the securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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EXPLANATORY NOTE

Tiziana Life Sciences Ltd. (the “Company”) is filing this Amendment No. 1 to its annual report on Form 20-F for the fiscal year ended December 31, 2022 (the “Amendment No. 1”), which was originally filed with the Securities and Exchange Commission (the “SEC”) on April 26, 2023 (the “Original Filing”). The purpose of this Amendment No. 1 is to (i) include the audit report issued by our predecessor auditor Mazars LLP for the year ended December 31, 2021 which was inadvertently not included in the Original Filing, (ii) correct an error in the prior year numbers for Item 16C: Principal Accountant fees and services, (iii) include the omitted Consolidated Statement of Shareholders’ Equity for the year to December 31, 2020 along with any associated notes, (iv) a correction and additional disclosure added to Note 21. Related Parties and (v) a presentational adjustment to Note 22. Leases.

In order to comply with certain requirements of the SEC’s rules in connection with this filing, this Amendment No. 1 includes Item 18. Financial Statements. Consistent with the rules of the SEC, the certifications of the Company’s principal executive officer and principal financial officer as of the date of this Amendment No. 1 are attached as exhibits to this Amendment No. 1.

Except as described above, no other changes have been made to the Original Filing. This Amendment No. 1 speaks as of the filing date of the Original Filing. Other than as stated otherwise, this Amendment No. 1 does not, and does not purport to, amend, update or restate any other information or disclosure included in the Original Filing, or reflect any events that have occurred since the date thereof. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Filing and any documents filed with or furnished to the SEC by the Company subsequent to April 26, 2023.

PART III

ITEM 16C: PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth, for each of the years indicated, the aggregate fees billed to us for services rendered by PKF, our independent registered public accounting firm and Mazars, our previous independent registered public accounting firm.

	Year Ending December 31,	
	2022	2021
Mazars LLP	(in thousands)	
Audit fees	98	203
Other assurance services	21	13
Total	119	216

	Year Ending December 31,	
	2022	2021
PKF Littlejohn LLP	(in thousands)	
Audit fees	196	-
Other assurance services	10	-
Total	206	-

ITEM 18: FINANCIAL STATEMENTS

See the Financial Statements beginning on page F-1.

ITEM 19: EXHIBITS

Exhibit No.	Description
3.2	Memorandum of Association of Tiziana Life Sciences Ltd, adopted as of October 20, 2021 (incorporated by reference to Exhibit 3.1 to Form 8-K12B filed on October 21, 2021).
3.3	Amended and restated bye-laws of Tiziana Life Sciences Ltd, adopted as of October 20, 2021 (incorporated by reference to Exhibit 3.2 to Form 8-K12B filed on October 21, 2021).
4.1	License Agreement relating to Milciclib between Nerviana Medical Services S.r.l. and Tiziana Life Sciences PLC, dated January 2015 (incorporated by reference to Exhibit 10.1 to Amendment No. 1 to Form F-1 filed on August 23, 2018).
4.2	License and Sublicence Agreement relating to CD3 (NI-0401) between Novimmune SA and Tiziana Life Sciences PLC, dated December 2014, incorporated by reference to Exhibit 10.2 to Amendment No. 1 to Form F-1 filed on August 23, 2018).
4.3	License and Sublicence Agreement relating to IL-6r (NI-1201) between Novimmune SA and Tiziana Life Sciences PLC, dated December 2016. (incorporated by reference to Exhibit 10.3 to Amendment No. 1 to Form F-1 filed on August 23, 2018).
4.4	License Agreement relating to a novel formulation of Foralumab in a medical device for nasal administration between The Brigham and Women's Hospital, Inc. and Tiziana Life Sciences plc, dated April 2018. (incorporated by reference to Exhibit 10.4 to Amendment No. 1 to Form F-1 filed on August 23, 2018).
4.5	Annual Lease for 55 Park Lane, Suite 14a, London W1K 1NA, United Kingdom, dated June 29, 2018 (incorporated by reference to Exhibit 4.5 to Form 20-F filed on June 17, 2020).
4.7	Annual Lease for 3084 Old Easton Road, Doylestown, Pennsylvania, United States, as amended, dated October 1, 2018. (Incorporated by reference to Exhibit 10.6 to Amendment No. 1 to Form F-1 filed on August 23, 2018).
4.8	Tiziana Life Sciences plc Employee Share Option Plan, with Non-Employee Sub-Plan and US Sub-Plan, adopted by the Board on 23 March 2016 and approved by shareholders on June 30, 2016. (Incorporated by reference to Exhibit 4.7 to Form 20-F filed on April 4, 2019).
4.9	Amended and Restated Service Agreement dated July 11, 2019, between the Registrant and Dr. Kunwar Shailubhai (incorporated by reference to Exhibit 10.9 to Amendment No. 2 to Form F-1 filed on July 11, 2019)
4.10	Form of Deed of Indemnity for board members. (Incorporated by reference to Exhibit 10.10 to Amendment No. 1 to Form F-1 filed on August 23, 2018).
4.12	Tiziana Life Sciences Ltd 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to Form 8-K12B filed on October 21, 2021).
8.1	List of Subsidiaries (Incorporate by reference to Exhibit 8.1 to Form 20-F filed on May 23, 2022).
12.1*	Certification by the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2*	Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1*	Certification by the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2*	Certification by the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1*	Consent of Mazars LLP.
15.2*	Consent of PKF Littlejohn
101.INS*	Inline XBRL Instance 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 as Inline XBRL and contained in Exhibit 101).

* Filed Herewith

SIGNATURES

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

TIZIANA LIFE SCIENCES LTD

By: /s/ Gabriele Cerrone
Gabriele Cerrone
Acting Chief Executive Officer

Date: June 13, 2023

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TIZIANA LIFE SCIENCES LTD

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Consolidated Financial Statements and Notes to Financial Statements to be provided under separate cover.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Opinion on the Consolidated Financial Statements

We have audited the accompanying Consolidated Statements of financial position of Tiziana Life Sciences Limited its subsidiaries (the “Group”) as of December 31, 2022 and the related Consolidated Statements of comprehensive income, Consolidated Statements of cash flow and Consolidated Statements of changes in equity for the year ended December 31, 2022 and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and the results of its operations and its cash flows for the year ended December 31, 2022 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

PKF Littlejohn LLP

We have served as the Group’s auditor since 2022.

London, England

April 26, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Opinion on the Consolidated Financial Statements

We have audited the accompanying Consolidated Balance Sheets of Tiziana Life Sciences Ltd and its subsidiaries (the Group) as of December 31, 2021 and 2020, together with the related Consolidated Statements of Operations and Comprehensive Loss, Consolidated Statements of Shareholders' Equity, and Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as "the consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Mazars LLP
Mazars LLP

We have served as the Group's auditor since 2016.

London, England

May 20, 2022

TIZIANA LIFE SCIENCES LTD

Consolidated Balance Sheets
(In thousands)

	Notes	Year ended December 31,	
		2022	2021
		\$	\$
ASSETS			
Current assets:			
Cash and cash equivalents		18,122	42,186
Prepayments and other receivables	12	300	1,301
Taxation receivable	10	4,246	4,736
Related party receivables	21	1,614	456
Total current assets		24,282	48,679
Non – Current Assets:			
Property and equipment, net		17	17
Right of use asset	22	372	-
Intangible asset		-	130
Investment in related party	19	1,806	-
Total non-current assets		2,195	147
Total assets		26,477	48,826
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	18	6,532	6,181
Lease Liability	22	122	-
Related party payable		-	1,355
Other liabilities		9	10
Total current liabilities		6,663	7,546
Lease Liability (Non-Current)	22	243	-
Total liabilities		6,906	7,546
Shareholders' Equity:			
Called up share capital (102,272,614 shares are issued and outstanding; 2021: 102,272,614)		102	102
Share premium		15,596	15,596
Share based payment reserve – Options		5,190	13,797
Share based payment reserve – warrants		697	697
Merger relief reserve		118,697	118,697
Treasury shares		(1,320)	-
Translation reserve		(3,128)	454
Retained earnings		(116,263)	(108,063)
Total shareholders' equity		19,571	41,280
Total liabilities and shareholders' equity		26,477	48,826

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

TIZIANA LIFE SCIENCES LTD

Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except loss per share)

	Notes	Year ended December 31,		
		2022	2021	2020
		\$	\$	\$
Operating Expenses				
Research and Development		(12,955)	(13,208)	(5,993)
Operating expenses		(1,631)	(13,311)	(11,203)
Realization bonus		-	(855)	(13,214)
Impairment of other non-current asset		-	-	(279)
Gain from disposal of intellectual property		-	-	2,663
Total operating expenses		(14,586)	(27,374)	(28,026)
Loss from operations		(14,586)	(27,374)	(28,026)
Other income/(expense):				
Finance Income/(expense)	9	(7)	(176)	(312)
Other income/(losses)	4	(804)	893	-
Total other income/(expense)		(811)	717	(312)
Loss from operations before income taxes		(15,397)	(26,657)	(28,338)
Income tax credit		-	3,240	2,207
Loss for the year		(15,397)	(23,417)	(26,131)
Other Comprehensive loss:				
Gain/(Loss) on currency translation		(3,582)	(4,478)	3,474
Comprehensive loss		(18,979)	(27,895)	(22,657)
Basic and diluted loss per share attributable to common shareholders		\$ (0.15)	\$ (0.24)	\$ (0.16)

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

TIZIANA LIFE SCIENCES LTD

Consolidated Statements of Shareholders' Equity
(In thousands)

	Share Capital	Share Premium	Share Based Payment Reserve (Options)	Share Based Payment Reserve (warrants)	Convertible Loan Note Reserve	Merger Reserve	Treasury Shares	Retained Earnings	Shares to be issued Reserve	Translation Reserve	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2020	97	-	5,163	2,419	1,357	118,697	-	(60,044)	-	1,940	69,629
Issue of Share Capital (Loan conversion)	-	-	-	-	(2,304)	-	-	-	-	-	(2,304)
Convertible loan note issued	-	-	-	-	163	-	-	-	-	-	163
Convertible loan note interest	-	-	-	-	272	-	-	-	-	-	272
Share based payments charge (warrants)	-	-	-	324	(298)	-	-	-	-	-	26
Share based payment (options)	-	-	5,105	-	-	-	-	-	-	-	5,105
Options forfeited in the year	-	-	(35)	-	-	-	-	-	-	-	(35)
Exercise of options	-	-	(1,609)	-	-	-	-	1,529	-	-	(80)
Exercise of warrants	-	-	-	(2,046)	810	-	-	-	-	-	(1,236)
Shares to be issued in lieu of cash realization bonus	-	-	-	-	-	-	-	-	13,503	-	13,503
Total transactions with owners	-	-	3,461	(1,722)	(1,357)	-	-	1,529	13,503	-	15,414
Comprehensive Loss											
Loss for the period	-	-	-	-	-	-	-	(26,131)	-	-	(26,131)
Translation	-	-	-	-	-	-	-	-	-	3,474	3,474
Total comprehensive Loss								(26,131)		3,474	(22,657)
Balance at 31 December 2020	97	-	8,624	697	-	118,697	-	(84,646)	13,503	5,414	62,386
Issue of share capital	2	759	-	-	-	-	-	-	-	-	761
Share based payment charge (options)	-	-	5,173	-	-	-	-	-	-	-	5,173
Shares issued in lieu of cash realization bonus	3	14,837	-	-	-	-	-	-	(13,503)	(482)	855
Total transactions with owners	5	15,596	5,173	-	-	-	-	-	(13,503)	(482)	6,789
Comprehensive loss											
Loss for the period	-	-	-	-	-	-	-	(23,417)	-	-	(23,417)
Translation	-	-	-	-	-	-	-	-	-	(4,478)	(4,478)
Total comprehensive loss	-	-	-	-	-	-	-	(23,417)	-	(4,478)	(27,895)
Balance at 31 December 2021	102	15,596	13,797	697	-	118,697	-	(108,063)	-	454	41,280
Treasury Shares	-	-	-	-	-	-	(1,320)	-	-	-	(1,320)
Share based payment charge (options)	-	-	1,811	-	-	-	-	-	-	-	1,811
Options forfeited/cancelled in the year	-	-	(3,221)	-	-	-	-	-	-	-	(3,221)
Reclass of FV for options forfeited/Cancelled	-	-	(7,197)	-	-	-	-	7,197	-	-	-
Total transactions with owners	-	-	(8,607)	-	-	-	-	7,197	-	-	(1,410)
Comprehensive loss											
Loss for the period	-	-	-	-	-	-	-	(15,397)	-	-	(15,397)
Translation	-	-	-	-	-	-	-	-	-	(3,582)	(3,582)
Total comprehensive loss	-	-	-	-	-	-	-	(15,397)	-	(3,582)	(18,979)
Balance at 31 December 2022	102	15,596	5,190	697	-	118,697	(1,320)	(116,263)	-	(3,128)	19,571

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

Consolidated Statements of Cash Flows
(In thousands)

	Year ended December 31,		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss from operations before income taxes	\$ (15,397)	\$ (26,657)	\$ (28,338)
Adjustments to reconcile net loss to net cash used in operating activities:			
Convertible loan interest accrued	-	163	272
Shares issued in lieu of fees	-	-	466
Share based payment – options	1,811	5,173	5,070
Share based payment – warrants	-	-	26
Fair value loss on investment	869	-	-
Loss on disposal of asset	129	-	-
Bonus to be settled in equity	-	855	13,503
Depreciation	1	8	5
(Gain)/ loss on foreign exchange	(3,183)	(1,899)	237
Options forfeited during the year	(3,221)	-	-
Depreciation of right-of-use asset	50	133	86
(Gain)/loss on disposal of right of use asset	-	(28)	-
Proceeds from finance lease reclassified as an investing activity	-	(152)	-
Cash inflow from taxation	490	1,415	-
Impairment of SharDNA SPA	-	-	296
Gain from disposal of intellectual property	-	-	(2,663)
Net (increase) in related party receivables	(1,158)	(88)	(31)
Net (decrease)/increase in related party payables	(1,355)	(685)	1,145
Net (increase)/decrease in operating assets/other receivables	1,002	516	(437)
Net increase/(decrease) in operating liabilities /other liabilities	347	(516)	(972)
Net cash used in operating activities	(19,615)	(21,762)	(11,335)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of PPE	-	(22)	(3)
Purchase of Act D	-	-	(120)
Proceeds from finance lease	-	152	-
Investment in Related Party	(2,676)	-	-
Purchase of Treasury Shares	(1,320)	-	-
Net cash used in Investing activities	(3,996)	130	(123)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of ordinary shares	-	-	71,157
Proceeds from issuance of convertible loan notes	-	-	163
Proceeds from issuance of warrants	-	129	3,364
Proceeds from issuance of options	-	-	939
Repayment of leasing liabilities	(55)	(152)	(277)
Net cash (used in)/provided by financing activities	(55)	(23)	75,346
Net decrease in cash and cash equivalents	(23,666)	(21,655)	63,888
Cash and cash equivalent, beginning of year	42,186	65,824	200
Exchange difference on cash and cash equivalents	(398)	(1,983)	1,736
Cash and cash equivalent, end of year	18,122	42,186	65,824

TIZIANA LIFE SCIENCES LTD

Notes to Consolidated Financial Statements

1. GENERAL INFORMATION

Tiziana Life Sciences Ltd, (the “company”) is a public limited company incorporated in Bermuda and at the year end is quoted on the NASDAQ Capital Market (NASDAQ: TLSA). The previous parent, Tiziana Life Sciences PLC, delisted from the main market of the London Stock Exchange (LSE: TILS) on October 21, 2021. The address of its registered office is given on page 1. The principal activities of the Company and its subsidiaries (the Group) are that of a clinical stage biotechnology company that specializes in the development of transformative therapies for neurodegenerative and lung diseases. Our clinical pipeline includes drug assets for Secondary Progressive Multiple Sclerosis, ALS, Alzheimer's, Crohn's Disease and KRAS+ NSCLC.

The functional currency for the Company is also US dollars (\$) indicative of the primary economic environment in which the Company operates. These consolidated financial statements are presented in thousands of dollars (\$'000) which is the presentational currency of the Company.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and International Financial Reporting Interpretations Committee IFRIC interpretations as applicable to companies reporting under IFRS. These accounts have been prepared under the historical cost convention except for the following items:

- Financial instruments – fair value through profit or loss
- Financial instruments – fair value through other comprehensive income

Going Concern

The Group incurred losses during the year and has net assets at the year end.

The Group is in the early stages of developing its business focusing on the discovery and development of novel molecules that treat human disease in oncology and immunology. As the Group is pre-revenue, the Directors expect the Group to incur further losses and to require significant capital expenditure in continuing to develop clinical stage development therapeutic candidates in both oncology and immunology. The Group has successfully funded clinical trials to date and going forward will need to continue to secure additional investment to fund the clinical trials.

The Directors have prepared cash flow projections that include the costs associated with the continued clinical trials and additional investment to fund that operation. Based on those projections, the directors conclude that the company will be able to meet its liabilities as they fall due until at least April 2024, with a cash surplus of approximately \$1m projected at this date. Accordingly, the Directors believe it appropriate that the consolidated financial statements have been prepared on a going concern basis.

New and Revised Standards

Standards in effect in 2022

There are no new IFRS standards, amendments to standards or interpretations that are mandatory for the financial year beginning on January 1, 2022, that are relevant to the Group and that have had any impact in the year to December 31, 2022. New standards, amendments to standards and interpretations that are not yet effective, which have been deemed by the Group as currently not relevant and are not listed here.

Basis of consolidation

Subsidiary undertakings are all entities over which the Group exercises control. The Group has control when it can demonstrate all of the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's return.

The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. Subsidiaries are consolidated from the date at which the Group obtains control and are de-consolidated from the date at which control ceases.

Business combination

The Group undertook a group reorganisation exercise during the year to December 31, 2021. As part of this process, Tiziana Life Sciences Ltd (a Bermudan entity) was inserted above Tiziana Life Sciences Limited (formerly Tiziana Life Sciences Plc) in the Group's structure. As both entities were under common control of Planwise Ltd, the transaction does not constitute a business combination under IFRS 3 'Business combinations' and instead has been accounted for as a group reorganization, using the pooling of interest method. This results in assets and liabilities being measured at their carrying amount in Tiziana Life Sciences Limited (formerly Tiziana Life Sciences Plc) but share capital being that of Tiziana Life Sciences Ltd (a Bermudan entity). Merger accounting has been used to account for this transaction (See note 15 for details).

On 21 October 2021, Tiziana Life Sciences Ltd. (the 'Company') acquired the entire shareholding of the former Tiziana Life Sciences Plc and its related subsidiaries, by a way of a share for share exchange with Tiziana Life Sciences Ltd becoming the Group's immediate parent company.

On 21 October 2021, the Company was admitted for listing on the NASDAQ Capital Market Exchange and the former Tiziana Life Sciences Plc was delisted from the London Stock Exchange.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board. The Board considers there to be only one operating segment being the research and development of biotechnological and pharmaceutical products.

Taxation

The tax expense for the year represents the total of current taxation and deferred taxation. The charge in respect of current taxation is based on the estimated taxable profit for the year. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realized, or the deferred liability is settled. Deferred tax assets are recognized to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

Research and Development tax credits are provided for in the year that the costs are incurred. These are estimated based on eligible research and development expenditure. Any differences that are rebated are recognized in the following year, when the cash is received from the UK tax authorities.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US dollars, which is the Group's presentational currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated statements of operations and comprehensive loss.

The financial statements of overseas subsidiary undertakings are translated into US dollars on the following basis:

- Assets and liabilities at the rate of exchange ruling at the year-end date.
- Profit and loss account items at the average rate of exchange for the year.

Exchange differences arising from the translation of the net investment in foreign entities, borrowings and other currency instruments designated as hedges of such investments, are taken to equity (and recognized in the Consolidated statements of operations and comprehensive loss) on consolidation.

License fees

Payments made which provide the right to perform research are carefully evaluated to determine whether such payments are to fund research or acquire an asset. "License fees expenses" are recognized as incurred.

Research and development

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

Fair Value Measurement

Management have assessed the categorisation of the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows;

Level 1 - valued using quoted prices in active markets for identical assets

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1;

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

Financial instruments

The Group classifies a financial instrument, or its component parts, as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

The Group evaluates the terms of the financial instrument to determine whether it contains an asset, a liability or an equity component. Such components shall be classified separately as financial assets, financial liabilities or equity instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets, initial recognition and measurement and subsequent measurement

All financial assets not recorded at fair value through profit or loss, such as receivables and deposits, are recognized initially at fair value plus transaction costs. Financial assets carried at fair value through profit or loss (FVTPL) are initially recognized at fair value, and transaction costs are expensed in the consolidated statements of operations and comprehensive loss. The measurement of financial assets depends on their classification. Financial assets such as receivables and deposits are subsequently measured at amortized cost using the effective interest method, less loss allowance. The Group holds an investment in Accustem Inc. as a financial asset at fair value through profit or loss or fair value through other comprehensive income.

(b) Financial liabilities, initial recognition and measurement and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Group's financial liabilities include trade and other payables.

Warrants

Warrants are issued by the Group in return for services and as part of a financing transaction.

Warrants issued in return for services.

These warrants fall within the scope of IFRS 2. The Company recognises that the fair value at the date of grant of these warrants should be expensed to the Statement of Income and recognised over the life of the service for which the warrant was provided. These warrants have been valued by reference to the equity instruments granted as they are all tied to Convertible loan notes. The measurement date is therefore the date that the Convertible loan note was entered into.

Warrants issued as part of a financing transaction.

Warrants issued as part of a financing transaction fall outside the scope of IFRS 2. These are classified as equity instruments because a fixed amount of cash is exchanged for a fixed amount of equity. The fair value is recognised within equity and is not remeasured.

Share capital

Ordinary shares of the Company are classified as equity.

Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

(ii) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in consolidated statements of operations and comprehensive loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case they are depreciated over their useful lives.

The estimated useful lives for the current period and the comparative period are as follows.

Fixtures and fittings	5 years
IT and equipment	3 years
Right of use asset	Economic life of contractual relationship

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation is allocated to the operating expenses line of the Consolidated statements of operations and comprehensive loss.

Impairment

Impairment of financial assets measured at amortised cost

At each reporting date the Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost.

In establishing the appropriate amount of loss allowance to be recognised, the Group applies either the general approach or the simplified approach, depending on the nature of the underlying group of financial assets.

General approach

The general approach is applied to the impairment assessment of refundable lease deposits and other refundable lease contributions, and cash and cash equivalents.

Under the general approach the Group recognises a loss allowance for a financial asset at an amount equal to the 12-month expected credit losses, unless the credit risk on the financial asset has increased significantly since initial recognition, in which case a loss allowance is recognised at an amount equal to the lifetime expected credit losses.

Simplified approach

The simplified approach is applied to the impairment assessment of trade receivables.

Under the simplified approach the Group always recognises a loss allowance for a financial asset at an amount equal to the lifetime expected credit losses.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Non-financial assets are impaired when carrying amounts exceed recoverable amounts. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value at a pre-tax discount rate.

Contingent Liabilities

The Company is required to make judgments about contingent liabilities including the probability of pending and potential future litigation outcomes that, by their nature, are dependent on future events that are inherently uncertain. In making its determination of possible scenarios, management considers the evaluation of outside counsel knowledgeable about each matter, as well as known outcomes in case law.

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group has leases for its offices. Each lease is reflected on the consolidated balance sheet as a right-of-use asset and a lease liability. The Group does not have any leases of low value assets. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 21).

For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. The expected costs of returning to original condition are considered negligible.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated balance sheets. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Short term leases exempt from IFRS 16 are classified as operating leases. Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Share – based payments

The calculation of the fair value of equity-settled share-based awards and the resulting charge to the Consolidated statements of operations and comprehensive loss requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

Where employees and directors are rewarded using share-based payments, the fair value of the employees', directors' and/or advisers' services are determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the date of grant and excludes the impact of any nonmarket vesting conditions (for example, profitability and sales growth targets).

In accordance with IFRS 2, a charge is made to the Consolidated statements of operations and comprehensive loss for all share-based payments including share options based upon the fair value of the instrument used. A corresponding credit is made to an equity reserve, in the case of options/warrants awarded to employees, directors, advisers and other consultants.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non market vesting conditions are included in assumptions about the number of options/warrants that are expected to become exercisable.

Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options/warrants, the proceeds received are allocated to share capital with any excess being recorded as share premium. A corresponding debit is made to the share-based payment reserve.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Consolidated statements of operations and comprehensive loss.

All goods and services received in exchange for the grant of any share – based payment are measured at their fair value.

Convertible loan notes

The Group issues Convertible loan notes which can be classified as equity or a liability depending on whether the fixed for fixed condition is met or not.

Where the fixed for fixed condition is met

The Group classifies convertible loan notes that meet the fixed for fixed condition as equity instruments and records the principal of the loan note as a equity in a Convertible loan note reserve. The accrued interest on the principal amount is also recorded in the Convertible loan note reserve. Upon redemption of the instrument and the issue of share capital, the amount is reclassified from the convertible loan note reserve to share capital and share premium.

Where the fixed for fixed condition is not met

The Group classifies convertible loan notes that do not meet the fixed for fixed condition as liability instruments and records the principal of the loan note as a debt liability in the liabilities section of the statement of financial position. The accrued interest on the principal amount is recorded in the income statement and as an increase in the debt liability. Upon redemption of the instrument and the issue of share capital, the amount is reclassified from the debt liability to share capital and share premium.

Sub license income

In September 2021 the Company signed a collaboration agreement signed with Precision Biosciences, Inc. under which \$750k was recognized as an upfront payment in accordance with the contract for the grant of an exclusive license to use foralumab as a lymphodepletion agent in conjunction with Precision Biosciences, Inc's allogeneic CAR T therapeutics for the treatment of cancers. Sublicense income is included in other income on the consolidated statements of operations and comprehensive loss.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated impairment losses.

At each balance sheet date non-financial assets are assessed to determine whether there is an indication that the asset or the asset's cash generating unit may be impaired. If there is such an indication the recoverable amount of the asset or asset's cash generating unit is compared to the carrying amount.

3. CRITICAL ACCOUNTING JUDGEMENT

The preparation of financial information in accordance with generally accepted accounting practice, in the case of the Group being International Financial Reporting Standards as issued by the IASB, requires the directors to make estimates and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in the consolidated financial statements. Such estimates and judgements must be continually evaluated based on historical experience and other factors, including expectations of future events.

The following are considered to be critical accounting estimates:

Share-based payments

The Group accounts for share-based payment transactions for employees in accordance with IFRS 2 Share-based Payment, which requires the measurement of the cost of employee services received in exchange for the options on our ordinary shares, based on the fair value of the award on the grant date.

The Company utilizes the Black-Scholes-Merton option pricing model as the most appropriate method for determining the estimated fair value of our share-based awards without market conditions. For performance-based options that include vesting conditions relating to the market performance of our ordinary shares, a Monte Carlo pricing model was used in order to reflect the valuation impact of price hurdles that have to be met as conditions to vesting.

The Company makes estimates as to the useful life of an option award, the expected price volatility of the underlying share, risk free interest rate for the term of the award and correlations and volatilities of the shares of peer group companies. The Company also makes estimates as to the vesting period for awards that have performance – based criteria.

4. OTHER (EXPENSE)/ INCOME

The Group's other (expense)/ income is made up of the following:

	Year Ended December 31,		
	2022 \$'000	2021 \$'000	2020 \$'000
Sublicense income	-	750	-
Other	65	143	-
Loss on investment at fair value through profit or loss (see note 19)	(869)	-	-
Total other (expense)/ income	(804)	893	-

Sublicense income has been classified as other income as the counterparty is not considered a customer but an entity we are collaborating with.

5. OPERATING LOSS

The Group's operating losses are stated after charging/(crediting) the following:

	Year Ended December 31,		
	2022 \$'000	2021 \$'000	2020 \$'000
License fee	-	(1,047)	706
Realization bonus	-	855	13,503
Foreign exchange gain related to the realization bonus	-	-	(289)
Depreciation of Property, plant and equipment	1	8	5
Depreciation (Right-of-use asset)	50	133	86
Foreign exchange (gains)/losses	(3,183)	(1,899)	239

License fees relating to 2020 were waived in 2021 as a result of negotiations by the Group.

A realization bonus of \$13.5 million became payable during the year ended December 31, 2020 to the chairman of the board upon the Company raising funds in excess of \$28m (£20m), which it successfully raised in August 2020. As the bonus was not settled until November 2021, interest of \$0.9m was accrued on the amount due in the year to December 31, 2021. No realization bonus is accounted for in year ended December 31, 2022.

6. SEGMENTAL REPORTING

During the year under review Management identified the Group's only operating segment as the research and development of biotechnological and pharmaceutical products. This one segment is monitored and strategic decisions are made based upon it and other non-financial data collated from industry intelligence. The form of financial reporting reported to the Board is consistent with those presented in the annual consolidated financial statements.

An analysis of the Group's sublicense income by location is shown below:

	Year ended December 31,		
	2022 \$'000	2021 \$'000	2020 \$'000
UK	-	750	-
US	-	-	-
Total sublicense income	-	750	-

7. EMPLOYEES

	Year ended December 31,		
	2022 \$'000	2021 \$'000	2020 \$'000
Staff costs comprised:			
Directors' salaries (including bonus)	554	2,526	14,666
Employees' wages, salaries and bonus	2,014	1,856	1,058
Social security costs	135	176	194
Recruitment fees	197	242	17
Share based payment charge	(1,410)	5,173	5,105
	<u>1,242</u>	<u>9,973</u>	<u>21,040</u>
The average monthly number of employees, including directors, employed by the group during the year was:			
Research and development	3	8	3
Corporate and administration	6	5	8
	<u>9</u>	<u>13</u>	<u>11</u>

8. REMUNERATION OF KEY MANAGEMENT PERSONNEL

\$'000	Year ended December 31,											
	2022				2021				2020			
Director	Directors' fee	Bonus	Salary	Share based payments	Directors' fee	Bonus	Salary	Share based payments	Directors' fee	Bonus	Salary	Share based payments
G. Cerrone ⁽¹⁾	296	148	-	-	330	855	-	624	170	13,588	-	155
Willy Simon	55	-	-	83	59	-	-	93	49	-	-	31
Gregor MacRae	-	-	-	-	-	-	-	-	27	-	-	-
J Brancaccio	55	--	-	83	59	--	-	93	22	-	-	31
K. Shailubhai	-	-	379	(145)	-	210	600	492	-	210	600	2,069
T Adams	-	-	-	(1,967)	-	-	413	2,197	-	-	-	-
	<u>406</u>	<u>148</u>	<u>379</u>	<u>(1,946)</u>	<u>448</u>	<u>1,065</u>	<u>1,013</u>	<u>3,499</u>	<u>268</u>	<u>13,798</u>	<u>600</u>	<u>2,286</u>

(1) Gabriele Cerrone's 2021 bonus is the interest charged on his 2020 bonus due to delayed issuance of shares; his 2020 bonus includes a \$13.2m realization bonus.

All bonuses are short term. No post-employment or termination payments were made.

The following share options were granted to directors in the following periods:

	Year ended December 31,		
	2022 Number of options	2021 Number of options	2020 Number of options
G. Cerrone	-	-	1,800,000
K. Shailubhai	-	-	-
L. Zanbeletti	-	-	-
W.Simon	-	-	250,000
J. Brancaccio	-	-	250,000
T Adams	-	3,500,000	-
	<u>-</u>	<u>3,500,000</u>	<u>2,300,000</u>

Key management personnel of the Group are comprised of directors and officers of the Company.

No share options were exercised by directors during the years ended December 31, 2022 and 2021. 2,319,225 share options were exercised by directors in the year to 31 December 2020 for an intrinsic gain of \$4.1m.

The Company made payments totaling approximately \$32K, \$24K, and \$10K to defined contribution pension schemes on behalf of directors or employees during 2022, 2021, and 2020, respectively.

9. FINANCE COSTS

	Year ended December 31,		
	2022 \$'000	2021 \$'000	2020 \$'000
Group			
<u>Finance Income</u>			
Finance income received on net investment in lease	-	-	8
Total finance income	-	-	8
<u>Finance Expense</u>			
Finance charge accrued on convertible loan notes	-	163	303
Interest expense on lease liabilities	7	13	17
Total finance expenses	<u>7</u>	<u>176</u>	<u>320</u>
Net finance expense recognized in Consolidated statements of operations and comprehensive loss	<u>7</u>	<u>176</u>	<u>312</u>

10. TAXATION

	Year Ended December 31,		
	2022 \$'000	2021 \$'000	2020 \$'000
Group			
Current year tax (credit)	-	(3,255)	(1,546)
Adjustments due to prior periods	-	(15)	(661)
Total tax (credit) for the period	-	(3,240)	(2,207)

The tax charge for the year is different from the standard rate of corporation tax in the United Kingdom of 19%. The difference can be reconciled as follows:

Loss before taxation	(15,397)	(26,657)	(28,337)
Loss charged at standard rate of corporation tax 19%	(2,926)	(5,065)	(5,384)
Movement in unrecognized deferred tax	2,319	1,722	1,316
Expenses not deductible for taxation	1,036	1,550	4,986
Adjustments due to prior periods	-	(15)	(661)
Research and development claim	-	(1,401)	(665)
Income not taxable for tax purposes	(495)	(61)	(1,741)
Fixed asset differences	(1)	-	-
Adjustments to brought forward values	67	-	-
Consolidation adjustment in relation to foreign exchange movements	-	-	(58)
	-	(3,313)	(2,207)

The Research and Development claim has been calculated in accordance with the R&D tax relief available to small and medium sized entities, whereby the entity is able to claim a cash tax credit (if loss making), worth up to 14.5% of the surrenderable losses.

The adjustments due to prior periods relates to R&D tax relief claims for the prior period. Under UK tax legislation, a 2 year window is available under which R&D tax relief can be claimed.

No deferred tax asset has been recognized in respect of trading losses carried forward because of uncertainty as to when these losses will be recoverable.

The amount of tax losses for which no deferred tax assets has been recognized for the year ended December 31, 2022 is \$15,011k (2021 is \$11,591k; 2020; \$6,182k).

11. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended December 31,		
	2022	2021	2020
(Loss) attributable to equity holders of the company (\$000)	(15,397)	(23,417)	(26,131)
Weighted average number of ordinary shares in issue	101,526,389	97,932,055	97,306,144
Basic loss per share (cents per share)	(15.2)	(23.9)	(26.9)

As the Group is reporting a loss from continuing operations for the year then, in accordance with IAS 33, share options, warrants and convertible loan notes are not considered dilutive because the exercise of the share options would have an anti-dilutive effect. The basic and diluted earnings per share as presented on the face of the income statement are therefore identical. All earnings per share figures presented above arise from continuing and total operations and therefore no earnings per share for discontinued operations are presented. The weighted average number of ordinary shares in issuance is stated as net excluding Treasury shares.

12. OTHER RECEIVABLES

\$000	Year ended December 31,	
	2022	2021
VAT Receivable	-	80
Security deposits receivable	130	35
Prepayments	170	1,186
	<u>300</u>	<u>1,301</u>

There are no differences between the carrying amount and fair value of any of the trade and other receivables above.

13 SHARE CAPITAL AND SHARE PREMIUM

Group

On 21 October 2021, the Company acquired the entire shareholding of Tiziana Life Sciences Plc and its subsidiaries through a share for share exchange transaction. On this date Tiziana Life Sciences Ltd became the Group's parent company. This transaction does not constitute a business combination under IFRS 3 "Business combinations" and has been accounted for as a group reorganization. Merger accounting has been applied to account for the insertion of the new company. Due to a share consolidation, the effect of this was a decrease in share capital of the Company with an offset posted to the merger reserve. As a common control transaction, the Group has elected to present the comparative information as if this transaction had occurred before the start of the comparative period. The share capital arising on the share for share exchange has been presented as share capital in the comparative period.

	Nominal Value £/\$	Share Capital Shares	\$000	Share Premium \$000	Merger Reserve \$000
At January 1 2021 per 20-F annual report	£ 0.03	194,612,289	10,794	111,821	-
Group Reorganization					
Elimination of share capital in Tiziana Life Sciences Plc	£ 0.03	(194,612,289)	(10,794)	(111,821)	122,615
Shares issued pursuant to share for share exchange and consolidation	\$ 0.001	97,306,144	97	-	(97)
Elimination of other reserves in Tiziana Life Sciences Plc					(3,821)
Restated at 1 January 2021	\$ 0.001	97,306,144	97	-	118,697
Shares issued in the period:					
Conversion of warrants	\$ 0.001	136,854	-	156	-
Conversion of Loan	\$ 0.001	1,866,907	2	603	-
Issued in lieu of cash bonus	\$ 0.001	2,962,709	3	14,837	-
At 31 December 2021		102,272,614	102	15,596	118,697
Shares issued in the period:					
At 31 December 2022		102,272,614	102	15,596	118,697

Ordinary Shares

Ordinary shares have a par value of \$0.001. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares include 1,683,544 of shares that are held in treasury which the Company has purchased pursuant to a share buyback but which are not cancelled upon delivery back to the Company. The Company has 102,272,614 shares in issue and holds 1,683,544 shares in treasury. The 1,683,544 treasury shares carry no voting rights and do not rank for dividends or return of capital whilst held in treasury.

14. SHARE BASED PAYMENTS

Group and Company Options

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. The exercise price of the option is normally equal to the market price of an ordinary share in the Company at the date of grant. The Company is currently operating two plans (Tiziana Life Sciences PLC) Share Option Plan which is closed for any new issuances and the Tiziana Life Sciences Ltd 2021 Equity Incentive Plan.

Tiziana Life Sciences PLC Share Option Plan

	2022		2021		2020	
	Weighted Average exercise price (cents)	Options ('000)	Weighted Average exercise price (cents)	Options ('000)	Weighted Average exercise price (cents)	Options ('000)
Outstanding at 1 January	90	22,234	67	17,024	113	16,379
Granted	-	-	166	5,210	111	3,870
Forfeited/Cancelled	176	(6,910)	-	-	(52)	(300)
Exercised	-	-	-	-	(25)	(2,925)
Outstanding at 31 December	49	15,324	90	22,234	67	17,024
Exercisable at 31 December	48	6,249	54	7,616	65	6,249

No options were exercised during 2022 or 2021. 2,925,725 options were exercised during the year ending 31 December 2020.

The total outstanding fair value charge of the share option instruments is deemed to be approximately \$242k (2021: \$12,339k, 2020: \$7,046k).

Under the Tiziana Life Sciences PLC Share Option Plan, the total expense recognized for the year ending 31 December 2022 arising from share – based payment transactions under the Tiziana Life Sciences PLC Share Option Plan is (\$1,479k) of which \$3,221k was forfeiture during the year (2021 \$5,173k, 2020: \$5,105k).

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price	Share Options at 31 December 2022 ('000)
26 June 2014	26 June 2024	\$ 0.47	1,831
30 April 2018	30 April 2028	\$ 1.10	500
6 May 2020	5 May 2028	\$ 0.47	12,393
23 July 2020	26 July 2030	\$ 2.11	100
25 August 2020	24 August 2030	\$ 1.98	500
Total			15,324

Fair value of options granted

The Directors have used the Black-Scholes-Merton option pricing model to estimate the fair value of all of the options granted during the year to December 31, 2021, applying the assumptions below.

Historical volatility is based on the historical volatility of the Company itself.

The Company has estimated a forfeiture rate of zero.

The model inputs for options granted during the year ended 31 December 2021 valued under the Black-Scholes-Merton model included:

	2 February 2021	8 October 2021
Grant date share price	\$ 2.116	\$ 0.719
Exercise share price	\$ 1.357/1.983	\$ 0.719
Risk free rate	-0.10% to -0.02%	0.32% to 0.65%
Expected volatility	101% to 162%	83% to 122%
Option life	10 years	10 years
Weighted average share price	\$ 1.818	\$ 0.719
Weighted average fair value per share option	\$ 0.862	\$ 0.319

For the options issued in August 2020 with a market condition attached, the Directors have used the Monte Carlo simulation to estimate the fair value of these options. The Company uses the following methods to determine its underlying assumptions:

- expected volatilities are based on the historical volatilities of the market;
- the expected term of the award is 4 years and is based on managements' assessment of when the market condition is likely to be achieved; and
- a range of fair values per share were produced and management have determined the most appropriate value based on their knowledge of the market and vesting conditions being fulfilled.

Modification of share – based payments.

In May 2020, the Company reduced the exercise price for options issued to employees and directors to \$0.48 (£0.35). This was approved by shareholders at a General Meeting held on May 6, 2020.

The fair value of the modified options at the date of modification was determined using the option pricing models as described above. The incremental fair value was recognised as an expense over the period from the modification date to the end of the vesting period. The expense for the original option grant will continue to be recognised as if the terms had not been modified.

The fair value of the modified options was determined using the same models and principles as described above.

Tiziana Life Sciences Ltd 2021 Equity Incentive Plan

	2022	
	Weighted Average exercise price (cents)	Options (‘000)
Outstanding at 1 January	-	-
Granted	69	2,575
Forfeited/Cancelled	-	-
Exercised	-	-
Outstanding at 31 December	69	2,575
Exercisable at 31 December	-	-

The model inputs for options granted during the year ended 31 December 2022 valued under the Black-Scholes-Merton Valuation model included:

	4 November 2022	1 August 2022
Grant date share price	\$ 0.679	\$ 0.741
Exercise share price	\$ 0.679	\$ 0.741
Risk free rate	-0.10% to -0.02%	0.32% to 0.65%
Expected volatility	99% to 122%	90% to 126%
Option life	10 years	10 years
Weighted average share price	\$ 0.67	\$ 0.741
Weighted average fair value per share option	\$ 0.690	\$ 0.690

During the year ending 31 December 2022 no options were exercised.

The total outstanding fair value charge of the share option instruments is deemed to be approximately \$1,176k.

Under the Tiziana Life Sciences Ltd 2021 Equity Incentive Plan, the total expenses recognized for the year ending 31 December 2022 arising from share based payment transactions is \$332k.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price	Share Options as at 31 December 2022 ('000)
01 August 2022	01 August 2032	\$ 0.74	725
04 November 2022	04 November 2022	\$ 0.67	1,850
Total			2,575

Group and Company Warrants

No warrants were issued in 2022 or 2021. For warrants issued in 2020, the Directors have estimated the fair value of the warrants using the Black-Scholes valuation model and assumptions below:

	21 January 2020	21 January 2020	1 June 2020
Grant date share price	£ 0.43	£ 0.43	£ 1.15
Exercise share price	£ 0.42	£ 0.35	£ 0.70
Risk free rate	0.64%	0.40%	0.04%
Expected volatility	61.7%	84.7%	111%
	2022 \$000	2021 \$000	2020 \$000
Outstanding at 1 January	697	697	2,418
Granted	-	-	324
Transfer to share premium on exercise of warrants	-	-	(2,045)
Outstanding at 31 December	697	697	697

No share-based payment charges relating to warrants were recorded during 2022 or 2021. Approximately \$26K of share-based payment charges are included in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2020.

15. RESERVES

The share-based payment reserve for warrants represents the cost to issue warrants in the future based on their grant date fair value.

The share-based payment reserve for options represents the cost to issue share-based compensation, primarily share options, based on their grant date fair value.

Retained earnings represent the cumulative profits/(losses) of the entity which have not been distributed to shareholders. This reserve has been credited as part of the capital reduction exercise described below.

The translation reserve represents the unrealised gains or losses from the foreign currency translation of Companies within the Group.

The merger reserve arises on consolidation as a result of the share for share exchange transaction that took place this year described in note 13. It represents the difference between the share capital issued and the aggregate carrying value of assets and liabilities and other reserves of the previous parent on the merger date.

16. FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk and credit risk. The directors regularly review and agree policies for managing each of these risks which are summarised below.

Market risk

Market risk encompasses three types of risk, being foreign currency exchange risk, price risk and fair value interest rate risk. The Group policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below. The Directors do not consider the Group's exposure to price risk to be significant. The Group's risk management is coordinated by the Directors and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. The Group does not engage in the trading of financial assets for speculative purposes.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises principally from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure to customers including committed transactions and outstanding receivables. The Group reviews its banking arrangements carefully to minimise such risks and currently has no customers and therefore this risk is viewed as minimal. Management monitor loans between members of the Group as part of their internal reporting and assess outstanding receivables for ability to be repaid.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term. The Group ordinarily finances its activities through cash generated from by private and public offerings of equity and debt securities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

\$000	2022		
	Less than 3 months	3 to 12 months	Total
Trade payables	1,230	3,732	4,962
Lease liabilities	32	98	130
Related party payables	-	-	-
Total	1,262	3,830	5,092

\$000	2021		
	Less than 3 months	3 to 12 months	Total
Trade payables	2,873	1,533	4,406
Related party payables	1,355	-	1,355
Total	4,228	1,533	5,761

Interest rate risk

The Group has limited exposure to interest-rate risk arising from its bank deposits. These deposit accounts are held at variable interest rates based on Bank of America base rate.

The Directors do not consider the impact of possible interest rate changes based on current market conditions to be material to the net result for the year or the equity position as of year-end for either the year ended 31 December 2022 or 31 December 2021.

Foreign currency risk

The Group operates internationally although the majority of its operations are based in the United Kingdom and the United States, and the majority of assets and liabilities are denominated in US Dollars, with a small amount denominated in Pound Sterling. It therefore is exposed to some foreign exchange risk arising from exposure to various currencies primarily the Pound Sterling. The Group monitors currency exchange rates and makes judgments as to whether to enter into currency hedging contracts. Currently no such hedging contracts are in place.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar or Sterling against all other currencies at 31 December 2022 would have affected the measurement of the financial instruments denominated in a foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant.

December 31, 2022	Profit or loss and equity	
	Strengthening	Weakening
USD (5% movement)	415	(415)

17. CAPITAL RISK MANAGEMENT

For the purpose of the Group's capital management, capital includes called up share capital, share premium, share – based payments for options, share - based payments for warrants, convertible loan note reserve, and all other equity reserves attributable to the equity holders of the parent as reflected in the consolidated statement of financial position.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maximize shareholder value through the optimization of the equity balance.

The Group adjusts its capital structure in light of changes in economic conditions and expected business demands on capital. The Group may also return capital to shareholders or issue additional shares.

18. TRADE AND OTHER PAYABLES

Group	Year ended December 31,	
	2022	2021
	\$000	\$000
Trade payables	4,962	4,406
Accruals	1,570	1,775
	<u>6,532</u>	<u>6,181</u>

19. INVESTMENT IN RELATED PARTY

Group	Year ended December 31,	
	2022	2021
	\$000	\$000
Investment in Accustem Sciences Inc	2,675	-
Movement in fair value	(869)	-
	<u>1,806</u>	<u>-</u>

During the year the company purchased One Million Three Hundred Thirty Seven Thousand Nine Hundred Seventy (1,337,970) shares of the Accustem Sciences Inc's Common Stock, with a par value of \$0.001, at a price per share of \$2.00, for an aggregate purchase price of \$2,675,940. The share price of Accustem as of December 31, 2022 was \$1.35, which has resulted in the recognition of a fair value loss of \$869k. This has been measured using the Level 1per IFRS 13 fair value hierarchy. Accustem Sciences Inc is listed on the OTC markets and is run by a separate management team which is independent of the Tiziana management team. Tiziana is therefore not able to assert significant influence over Accustem Sciences Inc.

20. TREASURY SHARES

The company acquired 1,683,544 of its own shares through purchases on the NASDAQ stock exchange during the year ended December 31, 2022. The amount paid to acquire the shares totaled \$1,320k, and the shares are held as "treasury shares". The Company has the right to reissue these shares at a later date. All shares issued by the Company are fully paid.

21. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Planwise Group Ltd.

Rasna Therapeutics Inc is a related party as the entity is controlled by a person that has significant influence over the Group. Rasna is also party to a Shared Services agreement with Tiziana whereby Rasna is charged for shared services such as the payroll and rent. During 2020, Tiziana extended a loan to Rasna for \$72,000 at an interest rate of 8% per annum. During 2022, Tiziana extended a further loan to Rasna for \$85,000 at an interest rate of 16% per annum. As of December 31, 2022, \$206k (2021: \$106, 2020: \$78k) was owed to Tiziana Life Sciences Ltd in respect of the loan, accrued interest and the shared services agreement. The total charged under the shared services agreement in the year ending 31 December 2022 was \$7k (2021: \$11k, 2020: \$6k).

In addition to the above, on April 16, 2020, Tiziana also acquired all of the intellectual property relating to a nanoparticle-based formulation of Actinomycin D (Act D; a.k.a. Dactinomycin), from Rasna to expand its pipeline for a consideration of an initial \$120k upfront payment and milestone payments of up to an additional aggregate \$630k. There were no milestone payments due in the year ending 31 December 2022.

OKYO Pharma Ltd is a related party as the entity is controlled by a person that has significant influence over the Group. OKYO is also party to a Shared Services agreement with Tiziana whereby OKYO is charged for shared services such as the payroll and rent. As of December 31, 2022 \$274k (2021, \$42k, 2020: \$27k) was owed to Tiziana Life Sciences Ltd in respect of this agreement. The total charged under the shared services agreement in the year ending 31 December 2022 was \$125k (2021: \$98k, 2020: \$20k).

In August 2022, the Group issued a short-term credit facility to OKYO Pharma, a related party, for \$2,000k in order to support short term liquidity. The loan is available for a period of 6 months upon first draw-down and carries an interest rate of 16% per annum, with additional default interest of 4% if the loan is not repaid after the 6-month period. As at December 31, 2022 \$1,056k had been drawn down against the loan and \$19k of interest had been accrued.

Gensignia Lifesciences Inc is a related party as the entity is controlled by a person that has significant influence over the Group. As of December 31, 2022 \$ 295k was written off to bad debt after management assessment and deemed the balance to be irrecoverable (2021, \$295k, 2020: \$348k).

Accustem Sciences Inc is a related party as the entity is controlled by a person that has significant influence over the Group. Accustem is also party to a Shared Services agreement with Tiziana whereby the Company is charged for shared services such as payroll and rent As of December 31, 2022 \$72K (2021, (\$1,341k) (2020: (\$1,346k)) was the net amount owed from Accustem, including shared service costs of \$72k.

22. LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group has leases for its offices. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group does not have leases of low value assets. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

During the course of 2022, the Group entered into a new lease agreement for its London office. Any leases that have a term shorter than 12 months the Group has applied the exemption allowed by paragraph 5a in IFRS16 in respect of short – term leases.

Right-of-use assets	31 Dec 2022	31 Dec 2021
	\$000	\$000
At 1 January 2022	-	357
Additions	448	-
Depreciation	(50)	(133)
Disposal of lease	-	(224)
Exchange differences	(26)	-
	372	-
	31 Dec 2022	31 Dec 2021
	\$000	\$000
At 1 January 2022	-	555
Additions	448	-
Interest expense	6	13
Lease payments	(61)	(174)
Exchange differences	(28)	-
Disposal of lease	-	(394)
	365	-

Lease liabilities are presented in the consolidated statement of financial; position as follows:

	31 Dec 2022	31 Dec 2021
	\$000	\$000
Current	122	-
Non-current	243	-
	365	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as of 31 December 2022 were as follows:

	Minimum lease payment due				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Lease payments	139	139	104	-	382
Finance Charges	(9)	(6)	(2)	-	(17)
Net Present Values	130	133	102	-	365

The total net cash outflow for leases in the year to 31 December 2022 was \$55k..

23. FINANCIAL COMMITMENTS

The Group's main financial commitments relate to the contractual payments in respect of its licensing agreements. Due to the uncertain nature of scientific research and development and the length of time required to reach commercialisation of the products of this research and development, pre-clinical, clinical and commercial milestone obligations are not detailed until there is a reasonable certainty that the obligation will become payable.

- Milciclib project research future payments relate to the achievement of clinical milestones or the payment of royalties.

We are obligated to pay Nerviano the following additional amounts in respect of the first licensed product or service which achieves the stated development milestones:

- (a) \$1,000,000 upon initiation of the first Phase II clinical trial, this is currently being negotiated with BMS.
 - (b) \$4,000,000 upon FPD of the first Phase 3 registration trial in HCC.
 - (c) \$3,600,000 upon first patient enrollment into a Phase II human clinical trial
 - (d) Upon the first NDA equivalent in: thymic carcinoma, \$900,000; HCC, \$9,000,000; breast cancer, \$15,000,000.
- Foralumab project – Future payments relate to the achievement of clinical milestones or the payment of royalties. Diligence obligations are payable to BMS/Medarex should the project continue to commercialisation. \$750,000 has been recorded as other income in respect of diligence obligations due to Medarex for 2021.

We are obligated to pay BMS the following additional amounts in respect of the first licensed product or service which achieves the stated development milestones:

- (a) \$300,000 upon enrollment of first patient in a Phase I human clinical trial of the first Phase II Clinical trial, this is currently being negotiated with BMS.
- (b) \$1,500,000 upon initiation of the first Phase III clinical trial
- (c) \$2,000,000 upon filing of the first BLA, or equivalent
- (d) \$2,000,000 upon approval of the first BLA, or equivalent

We are obligated to pay Brigham's Womens Hospital the following hospital milestone payments:

- (a) \$300,000 upon first patient enrollment into a Phase I human clinical trial
 - (b) \$300,000 upon first patient enrollment into a Phase II human clinical trial
 - (c) \$1,500,000 upon first patient enrollment into a Phase III human clinical trial
 - (d) \$3,000,000 upon first commercial sale of a product
- ACT D - Tiziana will need to make milestone payments of up to \$630k depending on the issuance of a US patent from any US patent application in Transferred IP relating to nanoparticle formulations of Act D and upon the successful completion of a Phase II clinical efficacy trial.

24. CONTINGENT LIABILITIES

The group from time to time is involved in legal proceedings, none of which have given rise to contingent liabilities. Contingencies arising in the ordinary course of business, for which no security has been given, are not expected to result in any material financial loss.

25. CONVERTIBLE DEBT INSTRUMENT CLASSIFIED AS A LIABILITY

Group and Company Convertible Loan Notes 2016

A convertible loan note of \$273k was in existence as detailed in the Admission Document dated 31 March 2014. Proceeds of the subscriptions for the notes are to be used exclusively to finance the Company's on-going working capital requirements. The terms of the loan note are that the loan notes, plus accrued interest at a rate of 4 per cent above Bank of England base rate per annum, will convert into ordinary shares in the Company at a price of £0.10 per share at the election of the Noteholder any time after the second anniversary of the readmission to AIM on 24 April 2014. The Company considers this to be a Convertible Debt Instrument as detailed in the policy described at note 2 as a result of the fact that the Company is obligated to repay the capital amount and the interest of the loan, and the Noteholder has the right to settle the obligation via a cash settlement and is not limited to settling the obligation in shares in the Company. The loan note was converted during the course of the year to December 31, 2021, with accelerated interest until October 2028 recognized by board approval.

Accounting for the convertible debt instrument

The net proceeds received from the issue of the Convertible Loan Note have been recorded as a debt liability in the balance sheet and the accrued interest charged to the income statement and the debt liability. The loan was converted in November 2021. The liability for the convertible debt instrument is;

Convertible Loan Note Classified as a Liability

	2022	2021	2020
Convertible loan notes b/f	-	-	324
Accrued interest	-	-	163
Conversion of loan note	-	-	487
	<u>-</u>	<u>-</u>	<u>-</u>

26. CONVERTIBLE INSTRUMENTS CLASSIFIED AS EQUITY

On October 31, 2019, the Company decided to raise convertible equity finance from supportive existing shareholders. \$1,850,000 was raised from the issuance of Convertible Loan Notes. The Loan Notes are short term instruments and carry a coupon of 16% per annum and are convertible (together with all accrued interest) into ordinary shares of nominal value £0.03 each in the capital of the Company at a conversion price of 42p, they are not convertible into cash. The Loan Notes are convertible on the third anniversary of the date of issue of the Notes, or at the election of the noteholder on completion of the next non-qualifying equity financing or on the making of a takeover offer for the Company (as defined in the City Code on Takeovers and Mergers), and such election may be made on an immediate basis or conditional on any such takeover offer being declared, or becoming, unconditional. The warrants issued in connection with the Loan Notes entitle the holders to subscribe for one additional share per conversion share at the same price of 42p. The warrants may be exercised for a period of up to 5 years from their date of issue. The principal amount of the Convertible Equity Instrument that was recorded as in the convertible loan note reserve prior to conversion is as follows:

	2022	2021	2020
Par value of Convertible loan notes issued	-	-	1,850
Less: Fair value of warrants issued to note holders	-	-	(545)
Exchange rate adjustment	-	-	209
	<u>-</u>	<u>-</u>	<u>1,514</u>
Accrued interest	-	-	348
Less: convertible loan note conversion	-	-	(2,523)
Exercise of warrants	-	-	661
	<u>-</u>	<u>-</u>	<u>-</u>

27. POST BALANCE SHEET EVENTS

On March 20, 2023, the Company announced the grant of 857,500 share options to directors and members of senior management.

In August 2022, the Group issued a short-term credit facility to Okyo Pharma, a related party, for \$2,000k in order to support short term liquidity. As at December 31, 2022 \$1,056k had been drawn down against the loan and the remaining amount was drawn down by January 17, 2023. The company further extended its loan facility by \$500k on February 13, 2023, as of March 2023 the \$500k was fully repaid to the company.

CERTIFICATION

I, Gabriele Cerrone, certify that:

1. I have reviewed this annual report on Form 20-F/A of Tiziana Life Sciences plc;
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 company as of, and for, the periods presented in this report;
4. The company'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 company 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 company, including its consolidated 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: June 13, 2023

/s/ Gabriele Cerrone

Gabriele Cerrone

Acting Chief Executive Officer

CERTIFICATION

I, Keeren Shah, certify that:

1. I have reviewed this annual report on Form 20-F/A of Tiziana Life Sciences plc;
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 company as of, and for, the periods presented in this report;
4. The company'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 company 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 company, including its consolidated 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: June 13, 2023

/s/ Keeren Shah

Keeren Shah

Chief Financial Officer

CERTIFICATION

The certification set forth below is being submitted in connection with Tiziana Life Sciences plc's Annual Report on Form 20-F/A for the fiscal year ended December 31, 2022 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Gabriele Cerrone, Acting Chief Executive Officer of Tiziana Life Sciences plc, certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Tiziana Life Sciences plc

Date: June 13, 2023

/s/ Gabriele Cerrone

Name: Gabriele Cerrone

Acting Chief Executive Officer

CERTIFICATION

The certification set forth below is being submitted in connection with Tiziana Life Sciences plc's Annual Report on Form 20-F/A for the fiscal year ended December 31, 2022 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Keeren Shah, Chief Financial Officer of Tiziana Life Sciences plc, certifies that, to the best of her knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Tiziana Life Sciences plc

Date: June 13, 2023

/s/ Keeren Shah

Name: Keeren Shah
Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

The Board of Directors of Tiziana Life Sciences Ltd

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (File No. 333-252441) of our report dated May 20, 2022 with respect to the consolidated balance sheet for the year ended December 31, 2021 and the related consolidated statements of comprehensive income, cash flows and changes in shareholders' equity for each of the years in the two-year period ended December 31, 2021, and the related notes, for Tiziana Life Sciences Ltd and its subsidiaries (the Group), which report appears in the December 31, 2022 Annual Report on the Form 20-F/A to be filed on or about June 13, 2023.

/s/ Mazars LLP

Mazars LLP

London, United Kingdom

June 13, 2023

Consent of Independent Registered Public Accounting Firm

The Board of Directors of Tiziana Life Sciences Ltd:

We consent to the incorporation by reference in the Registration Statement on Form F-3 (File No. 333-252441) of our report dated April 26, 2023 with respect to the consolidated balance sheet for the year ended December 31, 2022 and the related consolidated statement of operations and comprehensive loss, cash flows and shareholders' equity for the period ended December 31, 2022, and the related notes, for Tiziana Life Sciences Ltd, which report appears in the December 31, 2022 annual report on Form 20-F.

Handwritten signature in black ink that reads "PKF Littlejohn LLP".

/s/ PKF Littlejohn LLP.

PKF Littlejohn LLP
London
June 13, 2023