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

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November 2024

Commission File Number: 001-40299

Achilles Therapeutics plc
(Exact name of registrant as specified in its charter)

245 Hammersmith Road
London W6 8PW
United Kingdom
Tel: +44 (0)20 8154 4600
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Achilles Therapeutics Reports Third Quarter 2024 Financial Results and Recent Business Updates

On November 14, 2024, Achilles Therapeutics plc ("Achilles" or the "Company") issued a press release, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 6-K, reporting its financial results for the three and nine month periods ended September 30, 2024 and providing business updates. Furnished (i) as Exhibit 99.2 to this Current Report on Form 6-K are the Company's unaudited condensed consolidated financial statements for the three and nine month periods ended September 30, 2024 and (ii) as Exhibit 99.3 to this Current Report on Form 6-K is the Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine month periods ended September 30, 2024.

Incorporation by Reference

This Report on Form 6-K, including the exhibits hereto (except for the statements contained in the "Achilles Therapeutics Reports Third Quarter 2024 Financial Results and Recent Business Updates" section of this Report on Form 6-K and Exhibit 99.1 hereto, which are not incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act") and shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act), is incorporated by reference into the Company's filings under the Securities Act, including the Company's Registration Statements on Forms F-3 (File No. 333-268239) and S-8 (File Nos. 333-278501, 333-270344, 333-263220, and 333-255063) to the extent not superseded by information subsequently filed or furnished (to the extent the Company expressly states that it incorporates such furnished information by reference) by the Company under the Securities Act or the Exchange Act.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Report on Form 6-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements contained in this Report on Form 6-K are based upon information available to us as of the date of this Report and, while we believe we have a reasonable basis for each forward-looking statement contained in this Report, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Report, we caution you that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. All of our forward-looking statements are subject to risks and uncertainties that may cause our actual results to differ materially from our expectations. These forward-looking statements include, without limitation, statements about the following:

- our ability to successfully implement our strategic review or realize any or all of the anticipated benefits once implemented;
- our ability to raise substantial additional capital to fund our planned operations related to our strategic review in the longer term;
- our ability to successfully consummate any strategic transactions, including, but not limited to, an acquisition, merger, reverse merger, business combination, asset sale, licensing, liquidation and return of cash to shareholders or other transactions;
- estimates regarding our expenses, use of cash, timing of future cash needs and anticipated capital requirements;
- our ability to license additional intellectual property to support our strategic review or out-license our intellectual property and to comply with our existing license agreements;
- our ability to enter into partnerships or strategic collaboration agreements and our ability to achieve the results and potential benefits contemplated from relationships with collaborators;
- our ability to maintain collaborations and licenses;
- our expectation of developments and projections relating to competition from other pharmaceutical and biotechnology companies or our industry;
- the anticipated amount, timing and accounting of contract liabilities, milestones and other payments under licensing, collaboration or acquisition agreements, research and development costs and other expenses;

• our ability to remain listed on the Nasdaq Capital Market;
• our intellectual property position, including the scope of protection we are able to establish and maintain for intellectual property rights covering product candidates we may develop, including the validity of intellectual property rights held by third parties, and our ability not to infringe, misappropriate or otherwise violate any third-party intellectual property rights;
• regulatory developments in the United States, the United Kingdom, the European Union, or the EU, and other countries and regions;
• competitive companies, technologies and our industry and the success of competing therapies that are or may become available;
• our ability to attract and retain key scientific or management personnel;
• whether we are classified as a controlled foreign corporation, or CFC, and/or passive foreign investment company, or PFIC, for current and future periods; and
• our ability to overcome the challenges posed by global health concerns or pandemics, global economic uncertainty and geo-political events, including the ongoing conflict between Russia and Ukraine, the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, and the unrest in the Middle East resulting from the Israel-Hamas war, to the conduct of our business. This has led to significant increases in commodity prices, energy and fuel prices, credit and capital market instability and supply chain interruptions which have led to increasing inflation. This may in turn adversely impact our ability to deliver our goals.

Actual results could differ materially from our forward-looking statements due to a number of factors, including the risks set forth under the section "Risk Factors" of this Report and in Item 3. "Key Information—Risk Factors" and elsewhere in the Annual Report on Form 20-F filed with the SEC on April 4, 2024.

Any forward-looking statements that we make in this Report are valid only as of the date of such statements, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events.

SUMMARY OF SELECTED RISKS ASSOCIATED WITH OUR BUSINESS

Our business faces significant risks and uncertainties. Below is a summary of the material risks to our business, operations and the investment in our ADSs. This summary does not address all of the risks that we face. Risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information in our most recent Annual Report on Form 20-F filed with the SEC on April 4, 2024 and subsequent quarterly filings in their entirety before making investment decisions regarding our ADSs.

• Our strategic review may not be successful, may not yield the desired results and we may be unsuccessful in identifying and implementing any strategic transaction.
• If a strategic transaction is not consummated, our Board of Directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available for distribution to our stockholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.
• We may require substantial additional financial resources to continue as a going concern, including through the strategic review process, and if we raise additional funds it may affect the value of your investment in our ordinary shares represented by ADSs.
• Our ability to consummate a strategic transaction depends on our ability to retain our current employees and consultants.
• Our corporate restructuring and the associated headcount reduction may not result in anticipated savings, could result in total costs and expenses that are greater than expected and could significantly disrupt our business.
• Should we resume development of our product candidates, we may not be able to commercialize them, generate significant revenues, or attain profitability.
• Should we resume development of our product candidates, we may encounter difficulties enrolling patients in our clinical trials, and our clinical development activities could be delayed or otherwise materially and adversely affected.
• Should we resume development of our product candidates, any candidate for which we obtain marketing approval could be subject to post-marketing restrictions or withdrawal from the market and we may be subject to significant penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.
• Should we resume development of our product candidates, our inability to obtain the necessary U.S. or worldwide regulatory approvals to commercialize any product candidate, our business will suffer materially.
• If we fail to comply with our current or future obligations in any agreements under which we may license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our current or future licensors, we could lose license rights that are important to our business.

The risk factors in this Report have been revised to incorporate changes to our risk factors from those included in our Annual Report on Form 20-F filed with the SEC on April 4, 2024. The risk factors set forth below are new risk factors or ones containing substantive changes from the risk factors previously disclosed in Item 3D of our Annual Report on Form 20-F. The market price of our ordinary shares represented by ADSs could decline if one or more of these risks or uncertainties actually occur, causing you to lose all or part of your investment. This situation is changing rapidly and additional impacts may arise. Additional risks that we currently do not know about, or that we currently believe to be immaterial, may also impair our business. Certain statements below are forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" in this Report. If any of the following risks are realized, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. You should carefully review and consider the full discussion of our risk factors in the section titled "Risk Factors" below and in our Annual Report on Form 20-F.

RISKS RELATED TO OUR STRATEGIC REVIEW

Our strategic review and any resulting transaction may not be successful, may not yield the desired results and we may be unsuccessful in identifying and implementing any strategic transaction.

On September 19, 2024, the Company announced a strategic review and the discontinuation of its TIL-based cNeT program and closure of the Phase I/IIa CHIRON and THETIS clinical trials. Concurrently, the Company has engaged BofA Securities as a financial advisor in the process of exploring and reviewing strategic options The process of exploring strategic options may include, but is not limited to, an acquisition, merger, reverse merger, business combination, asset sale, licensing, liquidation and return of cash to shareholders or other transactions. In connection with the strategic review, the Company is implementing an employee consultation process in line with UK legislation proposing a workforce reduction and undertaking cost-cutting measures.

We expect to devote substantial time and resources to exploring strategic options that our Board of Directors believes will maximize shareholder value. Despite devoting significant efforts to identify and evaluate potential strategic options, there can be no assurance that this strategic review process will result in us pursuing any transaction or that any transaction, if pursued, will be completed on attractive terms or at all. We have not set a timetable for completion of this strategic review process, and our Board of Directors has not approved a definitive course of action. Additionally, there can be no assurances that any particular course of action, business arrangement or transaction, or series of transactions, will be pursued, successfully consummated or lead to increased shareholder value or that we will make any additional cash distributions to our shareholders.

The process of continuing to evaluate these strategic options may be very costly, time-consuming and complex and we have incurred, and may in the future incur, significant costs related to this continued evaluation, such as legal and accounting fees and expenses and other related charges. We may also incur additional unanticipated expenses in connection with this process. A considerable portion of these costs will be incurred regardless of whether any such course of action is implemented or transaction is completed. Any such expenses will decrease the remaining cash available for use in our business.

In addition, potential counterparties in a strategic transaction involving the Company may place minimal or no value on our assets or our public listing. Further, should we resume the development of our product candidates, the development and any potential commercialization of our product candidates will require substantial additional cash to fund the costs associated with conducting the necessary preclinical and clinical testing and obtaining regulatory approval. Consequently, any potential counterparty in a strategic transaction involving the Company may choose not to spend additional resources and continue development of our product candidates and may attribute little or no value, in such a transaction, to those product candidates.

In addition, any strategic business combination or other transactions that we may consummate in the future could have a variety of negative consequences and we may implement a course of action or consummate a transaction that yields unexpected results that adversely affect our business and decreases the remaining cash available for use in our business or the execution of our strategic plan. Any potential transaction would be dependent on a number of factors that may be beyond our control, including, among other things, market conditions, industry trends, the interest of third parties in a potential transaction with us, obtaining shareholder approval and the availability of financing to third parties in a potential transaction with us on reasonable terms. Any failure of such potential transaction to achieve the anticipated results could significantly impair our ability to enter into any future strategic transactions and may significantly diminish or delay any future distributions to our shareholders.

If we are not successful in setting forth a new strategic path for the Company, or if our plans are not executed in a timely fashion, this may cause reputational harm with our shareholders and the value of our securities may be adversely impacted. In addition, speculation regarding any developments related to the review of strategic options and perceived uncertainties related to the future of the Company could cause our share price to fluctuate significantly.

Even if we successfully consummate a transaction from our strategic assessment, we may fail to realize all of the anticipated benefits of the transaction, those benefits may take longer to realize than expected, or we may encounter integration difficulties.

Our ability to realize the anticipated benefits of any potential business combination or any other result from our strategic review is highly uncertain. Any anticipated benefits will depend on a number of factors, including our ability to integrate with any future business partner, the success of any future business we may engage in following the transaction and our ability to obtain value for our product candidates or technologies, if divested. The process may be disruptive to our business and the expected benefits may not be achieved within the anticipated timeframe, or at all. The failure to meet the challenges involved and to realize the anticipated benefits of any potential transaction could adversely affect our business and financial condition. Furthermore, our shareholders may experience substantial dilution as a result of the transaction without receiving the expected commensurate benefit, or only receiving part of the commensurate benefit to the extent we are able to realize only part of the expected strategic and financial benefits currently anticipated from a transaction.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks.

Although there can be no assurance that a strategic transaction will result from the process we have undertaken to identify and evaluate strategic options, the negotiation and consummation of any such transaction will require significant time on the part of our management, and the diversion of management's attention may disrupt our business.

The negotiation and consummation of any such transaction may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including:

- increased near-term and long-term expenditures;
- higher than expected acquisition or integration costs; and potential unknown liabilities;
- incurrence of substantial debt or dilutive issuances of equity securities to fund future operations;
- write-downs of assets or incurrence of non-recurring, impairment or other charges;
- difficulty and cost in combining the operations and personnel of any counterparty business with our operations and personnel;
- impairment of relationships with key suppliers or customers of any acquired business due to changes in management and ownership;
- inability to retain key employees of our company or any acquired business; and
- the possibility of future litigation.

Any of the foregoing risks could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

If a strategic transaction is not consummated, our Board of Directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available for distribution to our shareholders will depend on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.

There can be no assurance that a strategic transaction will be completed. If a strategic transaction is not completed, our Board of Directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available for distribution to our shareholders will depend on the timing of such decision and, with the passage of time the amount of cash available for distribution will be reduced as we continue to fund our operations and exploration of strategic options. In addition, if our Board of Directors were to approve and recommend, and our shareholders were to approve, a dissolution and liquidation, we would be required under English law and Delaware corporate law to pay our outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to our shareholders. As a result of this requirement, a portion of our assets may need to be reserved pending the resolution of such obligations and the timing of any such resolution is uncertain. In addition, we may be subject to litigation or other claims related to a dissolution and liquidation. If a dissolution and liquidation were pursued, our Board of Directors, in consultation with our advisors, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, holders of our ordinary shares represented by ADSs could lose all or a significant portion of their investment in the event of a liquidation, dissolution or winding up.

Our ability to consummate a strategic transaction depends on our ability to retain our remaining employees and consultants.

Our ability to consummate a strategic transaction depends upon our ability to retain our remaining employees and consultants, the loss of whose services may adversely impact our ability to consummate such transaction. In connection with the evaluation of strategic options and in order to extend our resources, on September 19, 2024, we announced that we are implementing an employee consultation process in line with UK legislation proposing a workforce reduction. Our cash conservation activities may yield unintended consequences, such as attrition beyond our planned reduction in workforce and reduced employee morale, which may cause remaining employees and consultants to seek alternative opportunities. If we are unable to successfully retain our remaining personnel, we are at risk of a disruption to our exploration and consummation of a strategic alternative as well as business operations.

Our corporate restructuring and the associated headcount reduction may not result in anticipated savings, could result in total costs and expenses that are greater than expected and could significantly disrupt our business.

In connection with the evaluation of strategic options, we announced that we are implementing an employee consultation process in line with UK legislation proposing a workforce reduction. We have also implemented a workforce reduction in the US. In addition, this corporate restructuring included a discontinuation of our clinical development programs and further reprioritization of our resources as we assess strategic options. We may not realize, in full or in part, the anticipated benefits, savings and improvements in our cost structure from our restructuring efforts due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings from the restructuring, our operating results and financial condition would be adversely affected. For example, our headcount reductions could yield unanticipated consequences, such as increased difficulties in implementing our business strategy, including retention of our remaining employees and consultants. Any employee litigation related to the headcount reduction could be costly and prevent management from fully concentrating on the business.

Any future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Due to our limited resources, we may not be able to effectively manage our operations or recruit and retain qualified personnel, which may result in weaknesses in our infrastructure and operations, risks that we may not be able to comply with legal and regulatory requirements, and loss of employees and reduced productivity among remaining employees. For example, the workforce reduction may negatively impact our clinical, regulatory, technical operations, and commercial functions, should we choose to continue to pursue them, which would have a negative impact on our ability to successfully develop, and ultimately, commercialize our product candidates. Our future financial performance and our ability to develop our product candidates or additional assets will depend, in part, on our ability to effectively manage any future growth or restructuring, as the case may be.

We may become involved in litigation, including securities class action litigation, that could divert management's attention and harm the Company's business, and insurance coverage may not be sufficient to cover all costs and damages.

In the past, litigation, including securities class action litigation, has often followed certain significant business transactions, such as the sale of a company or announcement of any other strategic transaction, or the announcement of negative events, such as negative results from clinical trials. These events may also result in investigations by the SEC or other governmental agencies. We may be exposed to such litigation even if no wrongdoing occurred. Litigation is usually expensive and diverts management's attention and resources, which could adversely affect our business and cash resources and our ability to consummate a potential strategic transaction or the ultimate value our shareholders receive in any such transaction.

INDEX TO EXHIBITS

Number	Description
99.1	Press Release of Achilles Therapeutics plc dated November 14, 2024.
99.2	Unaudited Condensed Consolidated Financial Statements of Achilles Therapeutics plc for the three and nine month periods ended September 30, 2024.
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations of Achilles Therapeutics plc for the three and nine month periods ended September 30, 2024.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACHILLES THERAPEUTICS PLC

Date: November 14, 2024

By: /s/ Robert Coutts
Robert Coutts
Chief Financial Officer

Exhibit 99.1

Achilles Therapeutics Reports Third Quarter 2024 Financial Results

– Cash position of $86.1 million as of September 30, 2024, not including cash R&D tax credit of $12.8 million received in October 2024 –

London, UK 14 November 2024 – Achilles Therapeutics plc (NASDAQ: ACHL) today announced its financial results for the third quarter ended September 30, 2024, and recent corporate updates.

Corporate Updates

- Following the discontinuation of its TIL-based cNeT program and closure of the Phase I/IIa CHIRON and THETIS clinical trials, the Company has engaged BofA Securities as a financial advisor in the process of exploring strategic options.
- Achilles Chief Scientific Officer, Sergio Quezada, presented "Targeting Clonal Neoantigens with Precision T-Cell Therapies: Key Mechanistic Insights From cNeT Clinical Trials" in a seminar on October 23, 2024 at the 6th Annual TIL Therapies Summit.

Financial Highlights

- **Cash and cash equivalents:** Cash and cash equivalents were $86.1 million as of September 30, 2024, as compared to $131.5 million as of December 31, 2023. Subsequent to September 30, 2024, the Company received a cash R&D tax credit of $12.8 million.
- **Research and development (R&D) expenses:** R&D expenses were $16.4 million for the third quarter ended September 30, 2024, compared to $14.7 million for the third quarter ended September 30, 2023.
- **General and administrative (G&A) expenses:** G&A expenses were $4.0 million for the third quarter ended September 30, 2024, compared to $4.4 million for the third quarter ended September 30, 2023.
- **Net loss:** Net loss for the third quarter ended September 30, 2024 was $19.6 million or $0.48 per share, compared to $16.7 million or $0.42 per share for the third quarter ended September 30, 2023.

About Achilles Therapeutics

Achilles is a clinical-stage biopharmaceutical company that was developing AI-powered precision T cell therapies targeting clonal neoantigens: protein markers unique to the individual that are expressed on the surface of every cancer cell. Achilles uses DNA sequencing data from each patient, together with its proprietary PELEUS™ bioinformatics platform, to identify clonal neoantigens specific to that patient, to enable and support development of product candidates specifically targeting those clonal neoantigens.

Forward Looking Statements

This press release contains express or implied forward-looking statements that are based on the Company management's belief and assumptions and on information currently available to the Company's management. Forward-looking statements in this press release include, but are not limited to, statements regarding the Company's clinical trials and the Company's beliefs about its goals for the discontinued trials; expectations related to the Company's cash runway and operating expenses and capital expense requirements; the Company's ability to engage with third parties who are developing alternative modalities to target clonal neoantigens for the treatment of cancers and the Company's review and evaluation of potential strategic options and their impact on stockholder value. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or the Company's future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements in this press release represent the Company's views as of the date of this press release. We anticipate that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company has no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing the Company's views as of any date subsequent to the date of this press release.

For further information, please contact:

Meru Advisors
Lee M. Stern
lstern@meruadvisors.com

ACHILLES THERAPEUTICS PLC

Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share amounts)
(expressed in U.S. Dollars, unless otherwise stated)

	September 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 86,052	$ 131,539
Prepaid expenses and other current assets	25,573	14,094
Total current assets	111,625	145,633
Property and equipment, net	5,827	9,171
Operating lease right of use assets	3,407	4,372
Deferred tax assets	41	41
Restricted cash	20	33
Other assets	1,756	2,206
Total non-current assets	11,051	15,823
Total assets	$ 122,676	$ 161,456
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 4,248	$ 5,629
Accrued expenses and other liabilities	10,602	7,828
Operating lease liabilities - current	3,620	3,539
Total current liabilities	18,470	16,996
NON-CURRENT LIABILITIES:		
Operating lease liabilities - non-current	-	1,076
Other long-term liability	1,068	1,015
Total non-current liabilities	1,068	2,091
Total liabilities	19,538	19,087
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Ordinary shares, £0.001 par value; 41,100,040 and 41,082,948 shares authorized, issued and outstanding at September 30, 2024 and December 31, 2023, respectively	54	54
Deferred shares, £92,451.85. par value, one share authorized, issued and outstanding at September 30, 2024 and December 31, 2023, respectively	128	128
Additional paid in capital	419,098	415,210
Accumulated other comprehensive income	(7,941)	(13,071)
Accumulated deficit	(308,201)	(259,952)
Total shareholders' equity	103,138	142,369
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 122,676	$ 161,456

Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

(in thousands, except share and per share amounts)
(expressed in U.S. Dollars, unless otherwise stated)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
OPERATING EXPENSES:				
Research and development	$ 16,396	$ 14,712	$ 40,171	$ 42,354
General and administrative	4,021	4,384	$ 12,344	13,387
Total operating expenses	20,417	19,096	52,515	55,741
LOSS FROM OPERATIONS:	(20,417)	(19,096)	(52,515)	(55,741)
OTHER INCOME (EXPENSE), NET:				
Other income (expense)	817	2,389	4,246	4,692
Total other income (expense), net	817	2,389	4,246	4,692
Loss before income taxes	(19,600)	(16,707)	(48,269)	(51,049)
Benefit for income taxes	5	24	20	14
Net loss	(19,595)	(16,683)	(48,249)	(51,035)
Other comprehensive (loss) income:				
Foreign exchange translation adjustment	6,074	(5,289)	5,130	2,505
Comprehensive loss	$ (13,521)	$ (21,972)	$ (43,119)	$ (48,530)
Net loss per share attributable to ordinary shareholders—basic and diluted	$ (0.48)	$ (0.42)	$ (1.20)	$ (1.28)
Weighted average ordinary shares outstanding—basic and diluted	40,427,199	40,066,922	40,355,124	39,900,910

Exhibit 99.2

INDEX TO FINANCIAL STATEMENTS

ACHILLES THERAPEUTICS PLC

Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share amounts)

(expressed in U.S. Dollars, unless otherwise stated)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 86,052	$ 131,539
Prepaid expenses and other current assets	25,573	14,094
Total current assets	111,625	145,633
Non-current assets:		
Property and equipment, net	5,827	9,171
Operating lease right of use assets	3,407	4,372
Deferred tax assets	41	41
Restricted cash	20	33
Other assets	1,756	2,206
Total non-current assets	11,051	15,823
TOTAL ASSETS	$ 122,676	$ 161,456
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,248	$ 5,629
Accrued expenses and other liabilities	10,602	7,828
Operating lease liabilities-current	3,620	3,539
Total current liabilities	18,470	16,996
Non-current liabilities:		
Operating lease liabilities-non-current	—	1,076
Other long-term liability	1,068	1,015
Total non-current liabilities	1,068	2,091
Total liabilities	19,538	19,087
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Ordinary shares, £0.001 par value; 41,100,040 shares and 41,082,948 shares authorized, issued and outstanding at September 30, 2024 and December 31, 2023, respectively	54	54
Deferred shares, £92,451.85 par value, one share authorized, issued and outstanding at September 30, 2024 and December 31, 2023	128	128
Additional paid in capital	419,098	415,210
Accumulated other comprehensive loss	(7,941)	(13,071)
Accumulated deficit	(308,201)	(259,952)
Total shareholders' equity	103,138	142,369
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 122,676	$ 161,456

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

ACHILLES THERAPEUTICS PLC

Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
OPERATING EXPENSES:				
Research and development	$ 16,396	$ 14,712	$ 40,171	$ 42,354
General and administrative	4,021	4,384	12,344	13,387
Total operating expenses	20,417	19,096	52,515	55,741
Loss from operations	(20,417)	(19,096)	(52,515)	(55,741)
OTHER INCOME, NET:				
Other income	817	2,389	4,246	4,692
Total other income, net	817	2,389	4,246	4,692
Loss before provision for income taxes	(19,600)	(16,707)	(48,269)	(51,049)
Benefit for income taxes	5	24	20	14
Net loss	(19,595)	(16,683)	(48,249)	(51,035)
Other comprehensive income:				
Foreign exchange translation adjustment	6,074	(5,289)	5,130	2,505
Comprehensive loss	$ (13,521)	$ (21,972)	$ (43,119)	$ (48,530)
Net loss per share attributable to ordinary shareholders—basic and diluted	$ (0.48)	$ (0.42)	$ (1.20)	$ (1.28)
Weighted average ordinary shares outstanding—basic and diluted	40,427,199	40,066,922	40,355,124	39,900,910

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

ACHILLES THERAPEUTICS PLC

Condensed Consolidated Statements of Shareholders' Equity

(unaudited)

(in thousands, except share amounts)

	Ordinary $0.001 par value		Deferred shares		Additional paid-in	Accumulated other comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	capital	income (loss)	deficit	Total
Balance at December 31, 2023	41,082,948	$ 54	1	$ 128	$ 415,210	$ (13,071)	$ (259,952)	$ 142,369
Issuance of ordinary shares	4,953	—	—	—	5	—	—	5
Share-based compensation expense	—	—	—	—	1,387	—	—	1,387
Unrealized loss on foreign currency translation	—	—	—	—	—	(1,139)	—	(1,139)
Net loss	—	—	—	—	—		(12,274)	(12,274)
Balance at March 31, 2024	41,087,901	$ 54	1	$ 128	$ 416,602	$ (14,210)	$ (272,226)	$ 130,348
Issuance of ordinary shares		—	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	1,312	—	—	1,312
Unrealized gain on foreign currency translation	—	—	—	—	—	195	—	195
Net loss	—	—	—	—	—	—	(16,380)	(16,380)
Balance at June 30, 2024	41,087,901	$ 54	1	$ 128	$ 417,914	$ (14,015)	$ (288,606)	$ 115,475
Exercise of share options	6,255	—	—	—		—	—	—
Share-based compensation expense		—	—	—	1,180	—	—	1,180
Issuance of shares under employee share purchase plan	5,884	—	—	—	4		—	4
Forfeiture of ordinary shares		—	—	—	—	—	—	—
Unrealized gain on foreign currency translation	—	—	—	—	—	6,074	—	6,074
Net loss	—	—	—	—	—	—	(19,595)	(19,595)
Balance at September 30, 2024	41,100,040	$ 54	1	$ 128	$ 419,098	$ (7,941)	$ (308,201)	$ 103,138

	Ordinary $0.001 par value		Deferred shares		Additional paid-in	Accumulated other comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	capital	income (loss)	deficit	Total
Balance at December 31, 2022	40,932,727	$54	1	$128	$408,844	$(21,695)	$(190,287)	$197,044
Issuance of ordinary shares	5,726	—	—	—	4	—	—	4
Share-based compensation expense	—	—	—	—	1,652	—	—	1,652
Unrealized gain on foreign currency translation	—	—	—	—	—	3,977	—	3,977
Net loss	—	—	—	—	—		(17,506)	(17,506)
Balance at March 31, 2023	40,938,453	$54	1	$128	$410,500	$(17,718)	$(207,793)	$185,171
Issuance of ordinary shares	7,786	—	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	1,701	—	—	1,701
Unrealized gain on foreign currency translation	—	—	—	—	—	3,817	—	3,817
Net loss	—	—	—	—	—	—	(16,846)	(16,846)
Balance at June 30, 2023	40,946,239	$54	1	$128	$412,201	$(13,901)	$(224,639)	$173,843
Issuance of ordinary shares	4,820	—	—	—		—	—	—
Share-based compensation expense	—	—	—	—	1,609	—	—	1,609
Issuance of shares under employee share purchase plan	6,484	—	—	—	5		—	5
Forfeiture of ordinary shares	(174,595)	—	—	—	—	—	—	—
Unrealized loss on foreign currency translation	—	—	—	—	—	(5,289)		(5,289)
Net loss	—	—	—	—	—	—	(16,683)	(16,683)
Balance at September 30, 2023	40,782,948	$54	1	$128	$413,815	$(19,190)	$(241,322)	$153,485

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

ACHILLES THERAPEUTICS PLC

Condensed Consolidated Statements of Cash Flows

(unaudited)

(in thousands)

	Nine Months Ended September 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (48,249)	$ (51,035)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	3,555	3,565
Loss on impairment	487	16
Write off of prepaid expenses and other current assets	367	—
Changes in right of use assets and operating lease liabilities, net	(43)	(166)
Loss on disposal of property and equipment	305	—
Non-cash loss on foreign currency remeasurement	(6)	(5)
Non-cash share-based compensation	3,879	4,962
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(10,623)	8,236
Accounts payable	(1,236)	403
Income taxes payable	—	(326)
Accrued expenses and other liabilities	2,439	(32)
Other long-term liabilities	—	—
Deferred tax assets	—	65
Other assets	50	57
Net cash used in operating activities	(49,075)	(34,260)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(759)	(1,054)
Net cash used in investing activities	(759)	(1,054)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of shares under the employee share purchase plan	9	9
Net cash provided by financing activities	9	9
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4,325	2,105
Net decrease in cash, cash equivalents and restricted cash	(45,500)	(33,200)
Cash, cash equivalents and restricted cash, beginning of period	131,572	173,371
Cash, cash equivalents and restricted cash, end of period	$ 86,072	$ 140,171
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for new operating lease liabilities	$ 1,759	$ 2,109
Property and equipment purchases in accounts payable and accrued expenses	$ 15	$ 271
Cash paid for income taxes	$ 155	$ 264

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances as of each of the periods, shown above:

	Nine Months Ended September 30,	
	2024	2023
Cash and cash equivalents	$ 86,052	$ 140,138
Restricted cash	20	33
Total cash, cash equivalents and restricted cash	$ 86,072	$ 140,171

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

ACHILLES THERAPEUTICS PLC

Notes to Condensed Consolidated Financial Statements

1. Nature of the business

Achilles Therapeutics plc (formerly Achilles TX Limited) and subsidiaries, or the Company, is a biopharmaceutical company developing AI-powered precision T cell therapies targeting clonal neoantigens to treat solid tumors. The Company is focused on advancing immuno-oncology therapeutics by exploiting its pioneering work in the field of tumor evolution and clonal neoantigens.

The Company is a public limited company originally incorporated pursuant to the laws of England and Wales in November 2020 as a private limited company named Achilles TX Limited, with nominal assets and liabilities, for the purposes of becoming the ultimate holding company for Achilles Therapeutics UK Limited (formerly Achilles Therapeutics Limited). Achilles Therapeutics UK Limited was incorporated in May 2016 under the laws of England and Wales and its registered office and principal place of business is currently 245 Hammersmith Road, London W6 8PW. Achilles TX Limited and Achilles Therapeutics Holdings Limited (a wholly owned direct subsidiary of Achilles TX Limited formed in November 2020 for the purpose of becoming the direct holding company of Achilles Therapeutics UK Limited and Achilles Therapeutics US, Inc.) have not conducted any operations prior to the corporate reorganization other than activities incidental to their formation.

The Company has devoted its efforts principally to research and development since formation. The Company has not yet completed product development, filed for or obtained regulatory approvals for any products, nor verified the market acceptance and demand for such products. As a result, the Company is subject to risks that are common to emerging companies in the biotech industry, including the uncertainties of the product discovery and development process, dependence on key individuals, development of the same or similar technological innovations by the Company's competitors, protection of proprietary technology, compliance with government regulations and approval requirements, the Company's ability to access capital and uncertainty of market acceptance of products.

On September 19, 2024, the Company announced a strategic review and the discontinuation of its TIL-based cNeT program and closure of the Phase I/IIa CHIRON and THETIS clinical trials. Concurrently, the Company has engaged BofA Securities as a financial advisor in the process of exploring and reviewing strategic options. The process of exploring strategic options may include, but is not limited to, an acquisition, merger, reverse merger, business combination, asset sale, licensing, liquidation and return of capital to shareholders or other transactions. In connection with the strategic review, the Company is implementing an employee consultation process in line with UK legislation proposing a workforce reduction and undertaking cost-cutting measures.

Going concern

In accordance with the Financial Accounting Standards Board, or FASB, Accounting Standards Update, or ASU, 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern.

The Company has historically been loss making and anticipates that it will continue to incur losses for the foreseeable future and had an accumulated deficit of $308.2 million as of September 30, 2024. The Company has funded these losses principally through the issuance of ordinary and preferred shares. The Company expects to continue to incur operating losses and negative cash outflows until such time as it generates a level of revenue that is sufficient to support its cost structure.

The Company continues to assess the impact of the disruption of global financial markets, including as a result of global health concerns or pandemics, global economic uncertainty and geo-political events, including the war between Russia and Ukraine and the unrest in the Middle East resulting from the Israel-Hamas war and other global macroeconomic factors such as inflation, increases in commodity prices, energy and fuel prices, credit and capital markets instability, its announcement of a strategic review and the discontinuation of our TIL-based cNeT program and closure of the Phase I/IIa CHIRON and THETIS clinical trials and supply chain interruptions could reduce our ability to access capital, which could, in the future, negatively affect our business and the value of our common shares. These events may in turn adversely impact the Company's ability to deliver its goals.

As of September 30, 2024, the Company had cash and cash equivalents of $86.1 million. The Directors have reviewed the financial projections of the Company for the 12 months subsequent to the date of issuance of these financial statements

including consideration of severe but plausible scenarios that may affect the Company in that period. These show that the Company will be able to pay (or otherwise discharge) its debts as they fall due immediately following the date of signing of this Balance Sheet and for the period considered by the forecast.

Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and settlement of liabilities and commitments as they fall due in the ordinary course of business for at least 12 months from the date of issuance of the financial statements.

2. Summary of significant accounting policies

The Company's significant accounting policies are described in Note 2, Summary of Significant Accounting Policies, to the financial statements for the year ended December 31, 2023 in the Form 20-F filed with the Securities and Exchange Commission, or the "SEC", on April 4, 2024. There have been no material changes to the significant accounting policies during the nine months ended September 30, 2024, except as described below.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America or U.S. GAAP.

The unaudited condensed consolidated interim financial statements have been prepared on the same basis as the audited annual consolidated financial statements as of and for the year ended December 31, 2023, and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2024, the results of its operations and comprehensive loss for the three and nine months ended September 30, 2024, its statements of shareholders' equity for the three and nine months ended September 30, 2024 and 2023 and its statements of cash flows for the nine months ended September 30, 2024 and 2023.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from these interim financial statements. However, these interim financial statements include all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary to fairly state the results of the interim period. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ended December 31, 2024, any other interim periods, or any future year or period. The balance sheet information as of December 31, 2023, was derived from the audited financial statements included in the Company's Form 20-F filed with the SEC on April 4, 2024. These interim financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2023, and the notes thereto, which are included elsewhere in the Company's Form 20-F filed with the SEC on April 4, 2024.

Impairment loss

The Company evaluates assets for potential impairment when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparing the book values of the assets to the expected future net undiscounted cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book values of the assets exceed their fair value. For the three and nine months year ended September 30, 2024, the Company recognized an impairment loss of $0.5 million related to discontinued software implementation costs. This impairment loss was recorded within research and development in the Company's Consolidated Statements of Operations and Comprehensive Loss.

3. Fair value of financial instruments

The following tables show assets measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 (in thousands):

	September 30, 2024		
	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	$ 53,605	$ —	$ —
Total	$ 53,605	$ —	$ —

	December 31, 2023		
	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	$ 76,257	$ —	$ —
Total	$ 76,257	$ —	$ —

There were no liabilities measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023.

4. Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
U.K. R&D tax credit	$ 21,151	$ 9,558
Prepaid research and development	326	1,074
Prepaid insurance	1,143	690
VAT recoverable	637	793
Other current assets	2,316	1,979
	$ 25,573	$ 14,094

In connection with the Company's announcement to discontinue its TIL-based cNeT program and the closure of the Phase I/IIa CHIRON and THETIS clinical trials, the Company has written off $0.4 million related to fees paid in connection with GMP manufacturing space in the three and nine months ended September 30, 2024. This write off was recorded within research and development in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss.

Other current assets primarily relates to grant and interest income, as well prepaid rent and facility costs.

In October 2024, the Company was paid £9,581,516 ($12.8 million using a rate of 1.33941 at September 30, 2024) from HMRC for its U.K. R&D tax credit for 2023.

5. Property and equipment, net

Property and equipment, net consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Lab equipment	$ 10,432	$ 9,914
Leasehold improvements	10,092	9,451
Office equipment and computers	1,424	1,636
Fixtures and fittings	1,121	1,085
	23,069	22,086
Less: Accumulated depreciation	(17,242)	(12,915)
	$ 5,827	$ 9,171

Depreciation expense was $3.6 million and $3.6 million for the nine months ended September 30, 2024 and 2023, respectively. and was $1.2 million and $1.2 million for the three months ended September 30, 2024 and 2023, respectively. In connection with the Company's announcement to discontinue its TIL-based cNeT program and the closure of the Phase I/IIa CHIRON and THETIS clinical trials, the Company recognized a loss on disposal of $0.3 million related to software license costs in the three and nine months ended September 30, 2024. This loss on disposal was recorded within research and development in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss.

6. Accrued expenses and other liabilities

Accrued expenses and other liabilities consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Compensation and benefits	$ 6,100	$ 2,949
External research and development expenses	2,877	3,227
Facility costs	151	373
Professional services	234	115
Property and equipment	—	314
Other liabilities	1,240	850
	$ 10,602	$ 7,828

Compensation and benefits includes the restructuring reserve of $4.7 million recorded as of September 30, 2024. See Note 14, “Restructuring” for further details.

7. Shareholders’ equity

Ordinary shares

As of September 30, 2024 and December 31, 2023, the Company had the following number of ordinary shares with a par value £0.001 (equivalent to $0.001) issued and outstanding:

	September 30, 2024	December 31, 2023
Ordinary shares	41,100,040	39,466,581
Class A non-voting ordinary shares	—	1,616,367
Deferred Shares	1	1
Total ordinary and deferred shares	41,100,041	41,082,949

On the completion of the initial public offering, or "IPO", on April 6, 2021, all the Employee Shares, Convertible Preferred Shares (see below) and B ordinary shares were converted into ordinary shares or Class A non-voting ordinary shares. Class A non-voting ordinary shares have the same rights and privileges as ordinary shares, except for the voting rights. As of September 30, 2024, all Class A non-voting shares had been converted into ordinary shares.

As of September 30, 2024, the Company has not declared any dividends.

***Deferred* shares**

On April 6, 2021, all the deferred shares were cancelled. In addition, a single deferred share with a nominal value of £92,451.85 in the capital of the Company was created as part of the Company’s reorganization. As of September 30, 2024, the Company had one deferred share which could be repurchased at any time by the Company for nil consideration.

8. Share-based compensation

2020 Share Omnibus Plan

Under the Company’s shareholder and subscription agreements, which were effective until the date of IPO, the Company was authorized to grant equity awards to individuals including a director of and/or a person who is employed by or who directly or indirectly provides consultancy services to the Company, in the form of D, E, F, G, H, I, J, K, L, M and N ordinary shares, collectively referred to as Employee Shares and share options. All Employee Shares converted into ordinary shares in accordance with the reverse share split implemented on IPO. The share options were granted pursuant to the terms of the 2020 Share Omnibus Plan, or the 2020 Plan.

Upon and following closing of the IPO, no further equity awards were granted under the 2020 Plan. To the extent outstanding options granted under the 2020 Plan are cancelled, forfeited or otherwise terminated without being exercised and would otherwise have been returned to the share reserve under the 2020 Plan, the number of shares underlying such awards will be available for future grant under the Company's 2021 Omnibus Plan (see below). In anticipation of IPO, the holders of Employee Shares and the Company entered into individual vesting agreements, or Vesting Agreements, which apply the same terms to vesting of Employee Shares as applied prior to IPO under the Company's pre-IPO Articles of Association, except that following the IPO Employee Shares that would pre-IPO have converted to deferred shares, will be transferred back to the Company and cancelled within twelve months of an employee leaving the Company.

2021 Share Omnibus Plan

In March 2021, the Company's board of directors adopted, and the Company's shareholders approved, the 2021 Share Omnibus Plan, or the 2021 Plan, which became effective upon the effectiveness of the Company's Registration Statement on Form F-1 in connection with the IPO. The 2021 Plan allows the remuneration committee to make equity-based and cash-based incentive awards to our officers, employees, directors and other key persons (including consultants).

The Company committee initially reserved 2,572,558 of its ordinary shares for the issuance of awards under the 2021 Plan. The 2021 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning on January 1, 2022, by 4% of the outstanding number of ordinary shares on the immediately preceding December 31, or such lesser number of shares as determined by our remuneration committee. This number is subject to adjustment in the event of a sub-division, consolidation, share dividend or other change in our capitalization. The total number of ordinary shares that may be issued under the 2021 Plan was 7,471,315 shares as of September 30, 2024, of which 1,046,621 shares remained available for future grant after taking into account options granted and adding back forfeitures in the period.

2021 Employee Share Purchase Plan

The Company's 2021 Employee Share Purchase Plan, or ESPP, was adopted by the Board in March 2021 and approved by shareholders in March 2021 and became effective upon the effectiveness of the Company's Registration Statement on Form F-1 in connection with the IPO. The ESPP initially reserved and authorized the issuance of up to a total of 467,738 ordinary shares to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase each January 1, beginning on January 1, 2022 and each January 1 thereafter through January 1, 2022, by the least of: (i) 1% of the outstanding number of ordinary shares on the immediately preceding December 31; (ii) 467,738 ordinary shares or (iii) such number of shares as determined by the remuneration committee. The number of shares reserved under the ESPP is subject to change in the event of a share split, share dividend or other change in our capitalization. The purpose of the ESPP is to: (i) provide U.S. employees the opportunity to purchase ordinary shares or ADSs at 85% of the fair market value of the ADSs on the offering date or the exercise date, whichever is lower, and (ii) provide UK-based employees with ordinary shares or ADSs under the SIP Plan as further discussed below.

The total number of ordinary shares that had been approved for issue under the ESPP was 1,286,392 shares as of September 30, 2024. The initial purchase period under the ESPP commenced in February 2022. The Company estimated the fair value of the option component of the ESPP at the date of grant using a Black-Scholes valuation model. During the three and nine months ended September 30, 2024, the compensation expense from ESPP shares, including SIP shares was less than $0.1 million and $0.2 million, respectively. During the three and nine months ended September 30, 2023, the compensation expense from ESPP shares was less than $0.1 million.

2021 Share Incentive Plan

The Achilles Therapeutics plc Share Incentive Plan, or SIP Plan is a sub plan of the ESPP. This SIP Plan is an HMRC approved Plan for UK tax-paying employees. Under the SIP Plan, eligible employees can receive "Free Shares" within HMRC guidelines, purchase ordinary shares from the market, or Partnership Shares, as well as receive "Matching Shares" which are issued without any consideration payment in connection with an acquisition of Partnership Shares (collectively referred to as "SIP Shares"). For any award of Matching Shares, the renumeration committee must specify the ratio of Matching Shares to Partnership Shares. Under HMRC rules, the ratio determined by the renumeration committee must not exceed two Matching Shares for every Partnership Share.

There is no minimum service condition on the Partnership Shares, and the participants can sell/transfer the shares after their acquisition from the market. There is a minimum service condition for the Free and Matching Shares that requires the

participants to provide continuing service for at least 36 months from the date of grant. If the participants are no longer with the Company or its subsidiaries before the completion of 36 months' service (with the relevant date determined as the last day of employment), the Free and Matching Shares generally will be 100% forfeited and available for future issuance.

During the nine months ended September 30, 2024, 66,286 shares were issued under the ESPP, including SIP shares. This reduced the number of shares reserved and available to grant under the ESPP to 654,207 shares available to grant as of September 30, 2024.

Employee Shares and SIP Shares

Prior to the IPO, the Company typically granted shares which vested over a four-year service period with 25% of the award vesting on the first anniversary of the vesting commencement date, and the balance vesting periodically over the remaining three years.

Post IPO, the Company typically grants SIP Shares under the SIP Plan. SIP Shares effectively vest in full on the third anniversary of the service commencement date.

Unvested Employee Shares are forfeited upon the termination of employment or service relationship in accordance with the process set out in the Articles of the Company prior to IPO, and in accordance with the process set out in the Vesting Agreements post-IPO and 2020 Plan, or in the case of the SIP Plan, SIP shares in accordance with the rules of the SIP Plan. Before IPO, the forfeited shares were converted into deferred shares, with a repurchase right for a nominal amount in favor of the Company. As of December 31, 2020, the Company repurchased 1,509,384 deferred shares for consideration of £0.01 to each holder for all of the deferred shares held by that holder. As part of the Company's reorganization, 109,058 outstanding deferred shares in existence immediately before the IPO were cancelled upon the IPO, and a single deferred share with a nominal value of £92,451.85 in the capital of the Company was created. As of September 30, 2024**,** the Company had one deferred share which could be repurchased by the Company at any time for nil consideration. SIP shares forfeited under the rules of the SIP Plan are made available under the ESPP for future issuances.

The Company measures all share-based awards using the fair value on the date of grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The Company has granted Employee Shares to employees and non-employees with service-based conditions and SIP Shares to employees with service-based conditions, and in both cases records expense for these awards using the straight-line method.

A summary of the changes in the Company's unvested ordinary shares from December 31, 2023 through September 30, 2024 are as follows:

	Number of unvested ordinary shares	Weighted average grant date fair value
Unvested ordinary shares as of December 31, 2023	838,845	$ 3.92
Granted	60,402	0.89
Vested	(218,199)	7.95
Forfeited	(79,194)	1.61
Unvested ordinary shares as of September 30, 2024	601,854	$ 2.56

As of September 30, 2024 and December 31, 2023, there was $0.5 million and $2.6 million, respectively, of unrecognized compensation cost related to unvested Employee Shares outstanding, which is expected to be recognized over a weighted-average period of 1.2 years and 1.2 years, respectively.

Share Options

The following table summarizes the Company's share options activity for the nine months ended September 30, 2024:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	5,057,099	$ 4.09	8.27	$ 232
Granted	2,220,120	$ 0.99		
Exercised	(6,255)	$ 0.01		
Forfeited	(488,243)	$ 2.61		
Outstanding as of September 30, 2024	6,782,721	$ 3.35	8.07	$ 286
Exercisable as of September 30, 2024	2,920,738	$ 5.40	7.19	$ 138
Unvested as of September 30, 2024	3,861,983	$ 1.81	8.73	$ 148

The weighted average grant-date fair value of share options granted during the three and nine months ended September 30, 2024 was $0.63 and $0.76 per share, respectively.

As of September 30, 2024, there was $4.1 million of unrecognized compensation cost related to share options outstanding, which is expected to be recognized over a weighted-average period of 2.1 years.

Share Option Valuation

The weighted-average assumptions used in the Black-Scholes option pricing model to determine the fair value of the share options granted to employees during the three and nine months ended September 30, 2024 and 2023, respectively, were as follows:

	Three Months Ended	
	September 30, 2024	September 30, 2023
Expected term (in years)	6.00	6.08
Expected volatility	91.49%	72.88%
Expected dividend yield	0.00%	0.00%
Risk free interest rate	4.24%	4.23%
Fair value of underlying ordinary shares	$0.81	$0.99

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Expected term (in years)	6.04	6.02
Expected volatility	90.15%	72.76%
Expected dividend yield	0.00%	0.00%
Risk free interest rate	3.82%	3.52%
Fair value of underlying ordinary shares	$0.99	$1.19

Share-based Compensation Expense

Share-based compensation expense recorded during the three and nine months ended September 30, 2024 and 2023, respectively, is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development	$ 631	$ 882	$ 2,217	$ 2,701
General and administrative	549	727	1,662	2,261
	$ 1,180	$ 1,609	$ 3,879	$ 4,962

9. Leases

The Company determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to use, or control the use of, identified property, plant, or equipment for a period of time in exchange for consideration. Leases may be classified as finance leases or operating leases. All the Company's leases are classified as operating leases. Operating lease right-of-use assets and operating lease liabilities are recognized in the Consolidated Balance Sheets. The operating leases of the Company are for real property for office and laboratory use, for which the Company recorded right-of-use assets and lease liabilities as of the ASU 2016-02 effective date or lease commencement date, if later. In addition, the Company enters into leases that meet the short-term exception, having lease terms of 12 months or less, and are therefore not recorded on the Company's balance sheet. The Company's leases do not include purchase options. Where the Company's leases contain options to extend the lease term, the extended lease term is only included in the measurement of the lease when it is reasonably certain to remain in the lease beyond the non-cancelable term. The Company's leases contain variable lease costs, which pertain to common area maintenance and other operating charges, that are expensed as incurred.

On February 22, 2024, the Company entered into an amendment to the manufacturing services collaboration agreement with Cell and Gene Therapy Catapult for laboratory space access at Gunnels Wood Road, Stevenage, Hertfordshire, with cancellation penalties of up to £1.1 million or $1.5 million as of September 30, 2024 should the Company terminate without due cause. This amendment extended the term through March 31, 2025.

On April 30, 2024, the Company entered into a Tenancy at Will agreement to lease office and laboratory suites with immediate termination when notice is served for the three Stevenage Bioscience Catalyst locations at Gunnels Wood Road, Stevenage, Hertfordshire that expired in April 2024. Effective July 31, 2024, the Company terminated its tenancy for two of the rooms. On August 8, 2024, the Company entered into an agreement to continue to lease laboratory space at the Stevenage Bioscience Catalyst location at Gunnels Wood Road, Stevenage, Hertfordshire. This location has been accounted as a short-term lease as there is a rolling one-month break clause. On October 4, 2024, the Company exercised its one-month break clause for this location and thus the location was vacated by November 4, 2024.

In June 2024, the Company entered into a lease agreement for lab and office space with University College London for six locations previously occupied at the Royal Free Hospital. The term of the agreement is through May 31, 2025. For the two locations that were previously accounted for as long-term leases, the Company has remeasured the right-of-use assets and operating lease liabilities. The remaining four locations continued to be accounted for as short-term leases. On October 4, 2024, the Company exercised its three-month break notice for all of the above locations and thus will have vacated the locations by January 3, 2025.

On July 8, 2016, the Company entered into a Master Service Agreement ("MSA") with Royal Free London NHS Foundation Trust, which included access rights to the laboratory space (Labs B &D) at the Royal Free Hospital, Pond Street, London, with a 5-year term. This lease was renewed and expires on May 31, 2025. On November 4 2024, the Company exercised its one-month break clause for this location and thus will have vacated the locations by December 3, 2024.

On February 21, 2020, the Company entered into a non-cancellable operating lease in relation to office premises at Hammersmith Road, London for a period of 10 years, with a break clause at 5 years through February 20, 2025. On May 2, 2024, this lease was modified with the break clause being extended through November 20, 2025.

In June 2021, the Company entered into an obligation to take on a new lease of lab and office premises (Sycamore House) in Stevenage, Hertfordshire, United Kingdom for a period of 10 years, with a break clause at 3 and 6 years. This lease commenced in September 2022. The Company may terminate this lease by serving a break notice on the landlord at least nine months before the relevant break date (February 4, 2025). If the Company serves a break notice to the landlord, the Company shall pay penalties to the landlord of 12 months' annual rent in the case of the first break date and 6 months' annual rent in the case of the second break date. The Company has accounted for the asset and liability to the first break clause in October 2025.

In October 2021, the Company entered into a non-cancellable operating lease in relation to office and laboratory premises in Philadelphia, Pennsylvania in the United States that expires on April 30, 2025.

Summary of lease costs recognized under ASU 2016-02

The following table contains a summary of the lease costs recognized under ASU 2016-02 and other information pertaining to the Company's operating leases for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Lease cost				
Operating lease cost	$ 1,038	$ 1,260	$ 3,054	$ 3,569
Variable lease cost	1,191	1,466	3,616	4,142
Short-term lease cost	49	96	149	278
	$ 2,278	$ 2,822	$ 6,819	$ 7,989
Other information:				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows used in operating leases			$ 3,145	$ 3,736
Right of use assets obtained in exchange for new operating lease liabilities			$ 1,759	$ 2,109
Weighted average remaining lease term (in years)			0.88	1.69
Weighted average discount rate			8.35%	6.11%

Pursuant to the terms of the Company's non-cancelable lease agreements in effect at September 30, 2024, the following table summarizes the Company's maturities of operating lease liabilities as of September 30, 2024 (in thousands):

	September 30, 2024
Operating lease liabilities payment	
2024	1,172
2025	2,573
Total lease payments	$ 3,745
Less: imputed interest	(125)
Present value of lease liability	$ 3,620

10. License agreements

CRT license

In May 2016, the Company entered into a License Agreement, or the License Agreement, with Cancer Research Technology Limited, or CRT, pursuant to which the Company obtained access rights to intellectual property and know-how from the TRACERx Study. Under the License Agreement, the Company is granted an exclusive, sublicensable license to the TRACERx patents and bioinformatic data for use in: (i) the therapeutic field of neoantigen cell therapies and adoptive cell transfer; and (ii) the neoantigen diagnostic field, for use in research and the potential development of products for commercialization. The Company is further granted, during the vaccine option period, an exclusive license to the TRACERx patents and the bioinformatic data in the private neoantigen therapeutic vaccine field for research and development but not in the development of products for commercial sale, and a non-exclusive license to the same in the public neoantigen therapeutic vaccine field.

The Company also obtained a non-exclusive license to the TRACERx bioinformatic pipeline, patient sequencing and medical data, know-how, and materials.

CRT additionally granted the Company certain rights to new patent applications filed by the Founding Institutions in respect of inventions resulting from the TRACERx study through February 2023, including automatic exclusive licenses to patent rights relating to non-severable improvements of technology covered by the original TRACERx patents and non-exclusive rights to severable improvements.

In July 2017, the Company obtained a non-exclusive license to the LOHHLA patent under the License Agreement. In October 2018, the Company obtained an exclusive license to the LOHHLA patent under an addendum to the License Agreement. Under the License Agreement, the Company held an option to exploit products in the therapeutic vaccine field (the "Vaccine Option"). The Company exercised the Vaccine Option on May 4, 2023.

Upon execution of the License Agreement the Company granted CRT 396,125 B ordinary shares and 67,793 C ordinary shares. The C ordinary shares granted to CRT were forfeited and transferred to the deferred shares during the year ended December 31, 2019, as the applicable performance conditions were not met. The B ordinary shares granted to CRT were converted into ordinary shares upon the IPO. The Company recorded $0.3 million of IP research and development expense in 2016. The Company is obligated to pay CRT milestone success payments up to an aggregate of £6.5 million for therapeutic products, and milestone success payments up to an aggregate £0.8 million for non-therapeutic products, as well as sub-single digit to low-single digit percentage royalty on net sales of products that utilize the licensed intellectual property, subject to certain customary reductions. The royalty obligations continue on a product-by-product and country-by-country basis until the later of: (i) the date there ceases to be a valid patent claim covering such product in the country in which it is sold; or (ii) with respect to contribution royalty products, ten years from the first commercial sale of the product, and with respect to a patent royalty product, five years from the first commercial sale of the product. On a product-by-product basis, the Company may also elect to provide other cash consideration at fair market value and forgo the milestone or royalty payment.

Unless terminated earlier, the term of the agreement continues until the later of the expiration of the royalty term in each country and such time as no further milestone payments are due, and upon such termination, the licenses granted shall become fully-paid, royalty-free, irrevocable, and perpetual. The Company has the right to terminate the license agreement for convenience in its entirety upon 90 days' notice. Each party may terminate the agreement if the other party is in material breach subject to a 90 day remedy period. The Company had the right to acquire ownership of the TRACERx patents upon either: (i) the occurrence of a royalty product for use in the therapeutic field; (ii) CRT shareholders cease to hold any ordinary shares in the Company; (iii) the Company undergoes an initial public offering; or (iv) the Company is acquired by a third party for more than £25.0 million. Upon its IPO, the Company gave notice to CRT to exercise the option to acquire the TRACERx patents with no consideration in accordance with the terms of the License Agreement. The acquisition was finalized in accordance with an assignment and license agreement, or Assignment Agreement, with effective date November 29, 2023. Under the terms of the Assignment Agreement the relevant TRACERx patents were assigned to the Company and the Company will license back certain rights to CRT in relation to those assigned patents.

Less than $0.1 million of expenses were recorded for the three and nine months ended September 30, 2024 and 2023, respectively, related to the CRT License Agreement.

11. Net loss per share

Basic and diluted net loss per share attributable to ordinary shareholders was calculated as follows (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator				
Net loss	$ (19,595)	$ (16,683)	$ (48,249)	$ (51,035)
Net loss attributable to ordinary shareholders—basic and diluted	$ (19,595)	$ (16,683)	$ (48,249)	$ (51,035)
Denominator				
Weighted-average number of ordinary shares used in net loss per share—basic and diluted	40,427,199	40,066,922	40,355,124	39,900,910
Net loss per share—basic and diluted	$ (0.48)	$ (0.42)	$ (1.20)	$ (1.28)

The Company's potentially dilutive securities, which include warrants to purchase ordinary shares, unvested Employee Shares and Convertible Preferred Shares, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of ordinary shares outstanding used to calculate both basic and diluted net loss per share attributable to ordinary shareholders is the same. The Company excluded the following potential ordinary shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to ordinary shareholders as of September 30, 2024 and 2023, respectively because including them would have had an anti-dilutive effect:

	As of September 30,	
	2024	2023
Unvested ordinary shares	601,854	650,873
Share options	6,782,721	5,110,655
Total	7,384,575	5,761,528

12. Commitments and contingencies

Commitment with suppliers

The Company entered into several agreements with vendors that contain non-cancellable software arrangements, business rate lease commitments, non-permanent employee consultancy commitments, as well as minimum purchase commitments for laboratory materials and consumables for the purpose of research and development activities. The unused purchase commitment as of September 30, 2024 and December 31, 2023 was $2.2 million and $3.5 million, respectively.

Legal proceedings

From time to time, the Company may be a party to litigation or subject to claims incident to the ordinary course of business. The Company was not a party to any litigation and did not have contingency reserves established for any liabilities as of September 30, 2024 and December 31, 2023.

Indemnification agreements

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

In accordance with the indemnification agreements entered into with relevant individuals in accordance with the Company's Articles of Association, the Company has indemnification obligations to its directors, officers and members of senior management for certain events or occurrences, subject to certain limits, while they are serving at the Company's request in

such capacity. There have been no claims to date under these indemnification agreements, and the Company has director and officer insurance that may enable it to recover a portion of any amounts paid for future potential claims.

13. Employee benefit plans

In the United Kingdom, the Company makes contributions to private defined contribution pension schemes on behalf of its employees. The contributions to this scheme are expensed to the statement of operations as they fall due. The Company paid $0.5 million and $0.5 million in contributions in the three months ended September 30, 2024 and 2023, respectively, and paid $1.8 million and $1.8 million in contributions in the nine months ended September 30, 2024 and 2023, respectively.

In the United States, the Company established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all U.S. employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. The Company paid less than $0.1 million in contributions in the three and nine months ended September 30, 2024 and 2023, respectively.

14. Restructuring

On September 19, 2024, the Company announced a strategic review and the discontinuation of its TIL-based cNeT program and closure of the Phase I/IIa CHIRON and THETIS clinical trials. Concurrently, the Company has engaged BofA Securities as a financial advisor in the process of exploring and reviewing strategic options. The process of exploring strategic options may include, but is not limited to, an acquisition, merger, reverse merger, business combination, asset sale, licensing, liquidation and return of capital to shareholders or other transactions. In connection with the strategic review, the Company is implementing an employee consultation process in line with UK legislation proposing a workforce reduction and undertaking cost-cutting measures.

Restructuring costs are comprised of amounts payable to employees because of redundancy related to restructuring programs. The Company classifies redundancy payments as either, contractual termination benefits if they relate to an ongoing benefit arrangement, including terms of employment contracts or termination benefits that arise from employment law in the relevant jurisdiction, or, one-time employee termination benefits if the benefits are not related to an ongoing benefit arrangement or represent a one-time enhancement to an ongoing benefit arrangement.

A liability for contractual termination benefits is recognized when it is probable that employees will be entitled to benefits and the amount can be reasonably estimated.

A liability for one-time employee termination benefits is recognized from the communication date. If employees are not required to render service until they are terminated or will not be retained to render service beyond the minimum retention period in order to receive the termination benefits, a liability for one-time employee termination benefits is recognized at the communication date. If employees are required to render services beyond the minimum retention period in order to receive the termination benefits, a liability is measured initially at the communication date based on the fair value of the liability as of the termination date and is recognized ratably over the required service period.

Under the restructuring plan, the Company recorded a restructuring charge in the third quarter of $4.5 million related to severance for involuntary employee terminations for 163 employees or 81 percent of its workforce. Restructuring charges of $4.0 million and $0.5 million were recorded in research and development and general and administrative expenses, respectively, in the Condensed Consolidated Statements of Operations and Comprehensive Loss. The Company could incur an additional estimated $2.2 million to $4.0 million related to severance for involuntary employee terminations, as well as costs incurred to close out the clinical trials. The Company is likely to incur additional restructuring costs subject to the strategic review, which is dependent on the outcome of the process. The Company is unable to estimate these potential costs at this time.

Restructuring charges were comprised of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Severance for Involuntary Employee Terminations	$ 4,527	$ -	$ 4,527	$ -
Total Restructuring Expense	$ 4,527	$ -	$ 4,527	$ -

The following table summarizes the activity and balances of the restructuring reserve (in thousands):

	Severance for Involuntary Employee Terminations	Total
Balance at December 31, 2023	$ -	$ -
Reserve Established	4,527	4,527
Foreign exchange translation adjustment	217	217
Payments	-	-
Balance at September 30, 2024	$ 4,744	$ 4,744

15. Related Party Transactions

On March 20, 2024, the Company entered into an interim agreement with Icon Clinical Research Limited, or ICON, for services related to an open-label, multi-centre Phase I/IIa study evaluating the safety and clinical activity of neoantigen reactive T cells in patients with advanced Non-Small Cell Lung Cancer, which expired on September 20, 2024 and was not renewed. One of the non-executive directors of the Company is a non-executive director of ICON. The fees per the agreement are $0.4 million. For the three and nine month periods ended September 30, 2024, $0.2 million and $0.4 million was paid to ICON, respectively, and was recorded in research and development in the Condensed Consolidated Statement of Operations and Comprehensive Loss. As of September 30, 2024, less than $0.1 million was due to ICON and was recorded in accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets.

16. Subsequent events

The Company has completed an evaluation of all subsequent events through November 14, 2024, the date on which the financial statements were issued, to ensure that these financial statements include appropriate disclosure of events both recognized in these financial statements as of September 30, 2024, and events which occurred subsequently but were not recognized in these financial statements.

Exhibit 99.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes appearing elsewhere in this Report of Foreign Private Issuer on Form 6-K, or Report, and our audited consolidated financial statements and related footnotes for the year ended December 31, 2023 included in our Form 20-F filed with the U.S. Securities and Exchange Commission, or the SEC, on April 4, 2024, or Annual Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties and assumptions. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, certain risks described above in this Form 6-K and those set forth under the caption "Risk Factors" in our Form 20-F filed with the SEC on April 4, 2024.

We maintain our books and records in pounds sterling, our results are subsequently converted to U.S. dollars and we prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB. All references in this Report to "$" are to U.S. dollars and all references to "£" are to pounds sterling. Unless otherwise indicated, certain U.S. dollar amounts contained in this Report have been translated into pounds sterling at the rate of £1.00 to $1.33941 on September 30, 2024. These translations should not be considered representations that any such amounts have been, could have been or could be converted into pounds sterling at that or any other exchange rate as of that or any other date. We have made rounding adjustments to some of the figures included in this Report. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

Overview

We are a clinical immuno-oncology biopharmaceutical stage company developing AI-powered precision T cell therapies to treat multiple types of solid tumors. We are focused on advancing cancer therapies through our pioneering work in the field of tumor evolution and our belief that clonal neoantigens represent the most specific class of cancer cell targets. Our platform enables us to identify mutations formed early in the development of a cancer that give rise to antigens that are expressed by all of a patient's cancer cells but are absent from healthy tissue. We refer to this novel class of solid tumor targets as clonal neoantigens. To identify clonal neoantigens in a patient, we have developed a proprietary AI-powered platform called PELEUS. This platform employs advanced computational methods with AI and machine learning and is validated on real world patient tumor genetic data derived from our exclusive license to data from the TRACERx study, which aims to analyze tumor samples from 814 non-small cell lung cancer, or NSCLC, patients. Once we have identified the clonal neoantigens, our proprietary manufacturing process, VELOS, uses the patient's T cells and blood-derived dendritic cells to create a clonal neoantigen-reactive T cell therapy, or cNeT, that specifically targets multiple clonal neoantigens to eradicate the tumor.

Since our inception in 2016, we have devoted substantially all of our resources to conducting research activities and clinical trials, organizing and staffing our company, business planning, raising capital and establishing our intellectual property portfolio. We have initially focused on two solid tumor types: advanced NSCLC and metastatic or recurrent melanoma. We do not have any products approved for sale and have not generated any revenue from product sales. We have principally raised capital through the issuance and sale of our convertible preferred shares to outside investors and sales of ADSs through our IPO. Through September 30, 2024, we had received net cash proceeds of $230.9 million from investors in our preferred shares financings and $160.6 million from sales of ADS through our IPO.

On September 19, 2024, we announced a strategic review and the discontinuation of our TIL-based cNeT program and closure of the Phase I/IIa CHIRON and THETIS clinical trials. Concurrently, we have engaged BofA Securities as a financial advisor in the process of exploring and reviewing strategic options. The process of exploring strategic options may include, but is not limited to, an acquisition, merger, reverse merger, business combination, asset sale, licensing, liquidation and return of capital to shareholders or other transactions. In connection with the strategic review, we are implementing an employee consultation process in line with UK legislation proposing a workforce reduction and undertaking cost-cutting measures. See Note 14, "Restructuring", to our unaudited Condensed Consolidated Financial Statements for further details.

We have incurred significant operating losses since inception. We incurred total net losses of $19.6 million and $48.2 million for the three and nine months ended September 30, 2024, respectively, and $16.7 million and $51.0 million for the three and six months ended September 30, 2023, respectively. As of September 30, 2024, we had an accumulated deficit of $308.2 million. These losses have resulted primarily from costs incurred in connection with research and development activities and general and administrative costs associated with our operations.

As of September 30, 2024, we had cash and cash equivalents of $86.1 million. We believe our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least 12 months from the date of issuance of the financial statements. See "—Liquidity and Capital Resources—Funding Requirements" below.

Impacts of Global Political and Economic Events on Our Business

Geopolitical events and disruptions of global financial markets, including as a result of the COVID-19 pandemic, the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia, the unrest in the Middle East resulting from the Israel-Hamas war and other global macroeconomic factors such as inflation, increases in commodity prices, energy and fuel prices, credit and capital markets instability and supply chain interruptions could reduce our ability to access capital, which could, in the future, negatively affect our business and the value of our common shares. We believe our financial results for the nine months ended September 30, 2024 and 2023 were not significantly impacted by these conditions.

CRT license

In May 2016, we entered into the CRT Agreement with CRT pursuant to which we obtained access rights to intellectual property and know-how from the TRACERx Study. Under the CRT Agreement, we are granted an exclusive, sublicensable license to the TRACERx patents and bioinformatic data for use in: (i) the therapeutic field of neoantigen cell therapies and adoptive cell transfer; and (ii) the neoantigen diagnostic field, for use in research and the potential development of products for commercialization. We are further granted, during the vaccine option period, an exclusive license to the TRACERx patents and the bioinformatic data in the private neoantigen therapeutic vaccine field for research and development but not in the development of products for commercial sale, and a non-exclusive license to the same in the public neoantigen therapeutic vaccine field. We also obtained a non-exclusive license to the TRACERx bioinformatic pipeline, patient sequencing and medical data, know-how, and materials.

CRT additionally granted us certain rights to new patent applications filed by the Founding Institutions in respect of inventions resulting from the TRACERx study through February 2023, including automatic exclusive licenses to patent rights relating to non-severable improvements of technology covered by the original TRACERx patents and non-exclusive rights to severable improvements.

In July 2017, we obtained a non-exclusive license to the LOHHLA patent under the CRT Agreement. In October 2018, we obtained an exclusive license to the LOHHLA patent under an addendum to the CRT Agreement.

Under the CRT Agreement, we held an option to exploit products in the therapeutic vaccine field (the "Vaccine Option"). We exercised the Vaccine Option on May 4, 2023.

Upon execution of the CRT Agreement, we granted CRT 396,125 B ordinary shares and 67,793 C ordinary shares. The C ordinary shares granted to CRT were forfeited and transferred to the deferred shares during the year ended December 31, 2019, as the applicable performance conditions were not met. The B ordinary shares granted to CRT were converted into ordinary shares upon our IPO. We recorded $0.3 million of IP research and development expense in 2016. We are obligated to pay CRT milestone success payments up to an aggregate of £6.5 million for therapeutic products, and milestone success payments up to an aggregate £0.8 million for non-therapeutic products, as well as sub-single digit to low-single digit percentage royalty on net sales of products that utilize the licensed intellectual property, subject to certain customary reductions. The royalty obligations continue on a product-by-product and country-by-country basis until the later of: (i) the date there ceases to be a valid patent claim covering such product in the country in which it is sold; or (ii) with respect to contribution royalty products, ten years from the first commercial sale of the product, and with respect to a patent royalty product, five years from the first commercial sale of the

product. On a product-by-product basis, we may also elect to provide other cash consideration at fair market value and forgo the milestone or royalty payment.

Unless terminated earlier, the term of the agreement continues until the later of the expiration of the royalty term in each country and such time as no further milestone payments are due, and upon such termination, the licenses granted shall become fully-paid, royalty-free, irrevocable, and perpetual. We have the right to terminate the license agreement for convenience in its entirety upon 90 days' notice. Each party may terminate the agreement if the other party is in material breach subject to a 90 day remedy period. We had the right to acquire ownership of the TRACERx patents upon either: (i) the occurrence of a royalty product for use in the therapeutic field; (ii) CRT shareholders cease to hold any ordinary shares in the Company; (iii) we undergo an initial public offering; or (iv) we are acquired by a third party for more than £25.0 million. Upon our IPO, we gave notice to CRT to exercise the option to acquire the TRACERx patents with no consideration in accordance with the terms of the CRT Agreement. The acquisition was finalized in accordance with an assignment and license agreement, or Assignment Agreement, with effective date November 29, 2023. Under the terms of the Assignment Agreement the relevant TRACERx patents were assigned to us and we license back certain rights to CRT in relation to those assigned patents.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the research and development of ATL001 for our current programs, additional follow-on indications and enhancement of our existing technology platform. Research and development expenses consist of:

• expenses incurred under agreements with clinical research organizations, or CROs, as well as investigative sites and consultants that conduct our clinical trials, research activities and other scientific development services;
• manufacturing scale-up expenses and the cost of acquiring and manufacturing clinical trial materials;
•expenses to acquire technologies to be used in research and development;
• employee-related expenses, including salaries, related benefits, travel and share-based compensation expense for employees engaged in research and development functions;
• costs of outside consultants, including their fees, share-based compensation and related travel expenses;
• the costs of laboratory supplies and acquiring, developing and manufacturing clinical trial materials;
• costs related to compliance with regulatory requirements;
• facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs; and
• upfront, milestone and management fees for maintaining licenses under our third-party licensing agreements.

We expense research and development costs as incurred. We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers. As a result, our research and development expenses may vary substantially from period to period based on the timing of our research and development activities. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our financial statements as a prepaid expense or accrued research and development expenses.

U.K. research and development tax credits are recorded as an offset to research and development expense.

Our direct research and development expenses are tracked on an indication-by-indication basis and consist primarily of external costs, such as fees paid to outside consultants, CROs and central laboratories in connection with our research activities, process development, manufacturing and clinical development activities. License fees and other

costs incurred after a product candidate has been selected that are directly related to a product candidate are included in direct research and development expenses for that program. License fees and other costs incurred prior to designating a product candidate are included in other program expense. We do not allocate employee costs, costs associated with our discovery efforts, laboratory supplies, and facilities, including depreciation or other indirect costs, to specific programs because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to oversee the research and development as well as to manage our research activities, process development, manufacturing and clinical development activities. These employees work across multiple programs and, therefore, we do not track their costs by program.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefits, share-based compensation expense, travel and other expenses incurred by personnel in executive, finance and administrative functions. These expenses include professional fees for legal, including patent costs, consulting, accounting and audit services.

We also anticipate we will continue to incur increased accounting, audit, legal, regulatory, compliance, director and officer insurance costs as well as investor and public relations expenses associated with being a public company.

Other Income (Expense), Net

Interest Income

Interest income consists primarily of interest earned on our cash and cash equivalents.

Other Income and Expense

Foreign currency transactions in currencies different from the functional currency of our entity are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange differences resulting from the settlement of such transactions and from the translation at period-end exchange rates in foreign currencies are recorded in other income (expense), net in the statement of operations and comprehensive loss. As such, our other income (expense), net may be impacted by future changes in exchange rates. See "—Quantitative and Qualitative Disclosures About Market Risks" for further discussion.

Income Taxes

We are subject to corporate taxation in the United States and corporation tax in the UK. Due to the nature of our business, we have generated losses since inception and have therefore not paid UK corporation tax. As a company that carries out extensive R&D activities, we seek to benefit from one of two UK R&D tax credit cash rebate regimes: the SME, Program or the RDEC Program. Qualifying expenditures largely comprise employment costs for research staff, consumables and certain internal overhead costs incurred as part of research projects for which we do not receive income.

Based on criteria established by HMRC, a portion of expenditures being carried in relation to our pipeline R&D, clinical trials management and manufacturing development activities were eligible for the SME Program for the years ended December 31, 2021, 2022 and 2023. We claimed R&D tax credits in 2020, 2021 and 2022 which were paid in 2021, 2022 and 2023, respectively. We have claimed R&D tax credits for 2023, which was paid to us in October 2024 from HMRC. As a company that carries out extensive R&D activities, the Company benefits from the UK research and development tax credit regime under the scheme for small or medium-sized enterprises ("SME"). Under the current SME regime, the Company can surrender some of its trading losses that arise from qualifying R&D activities for a cash rebate of 33.35% of qualifying R&D expenditure incurred prior to April 1, 2023 (after taking into account the enhanced rate of deduction) and decreasing to 18.6% of qualifying R&D expenditure after April 1, 2023 (after taking into account the enhanced rate of deduction). Additionally, the UK Government has enacted further changes to the SME regime in February 2024, which include the introduction of a new rate for R&D intensive companies of 26.97% and comes into effect for qualifying R&D expenditures incurred after April 1, 2023.

Unsurrendered UK losses may be carried forward indefinitely to be offset against future taxable profits, subject to numerous utilization criteria and restrictions. The amount that can be offset each year is limited to £5.0 million plus an incremental 50% of UK taxable profits. After accounting for tax credits receivable, we had accumulated tax losses for carry forward in the UK of $121.7 million as of December 31, 2023. We have recorded an insignificant amount of income tax provisions for the year ended December 31, 2023, which relate to income tax obligations of our operating company in the U.S., which generates a profit for tax purposes.

Benefit from R&D, tax credits is received in the UK and recorded as an offset to R&D expenses. The UK R&D tax credit, as described above, is fully refundable to us and is not dependent on current or future taxable income. As a result, we have recorded the entire benefit from the UK R&D tax credit as a benefit which is included in our net loss before income tax and accordingly, not reflected as part of the income tax provision. If, in the future, any UK R&D tax credits generated are needed to offset a corporation tax liability in the UK, that portion would be recorded as a benefit within the income tax provision and any refundable portion not dependent on taxable income would continue to be recorded as an offset to R&D expenses.

In the event we generate revenues in the future, we may benefit from the UK "patent box" regime that allows profits attributable to revenues from patents or patented products to be taxed at an effective rate of 10%.

UK Value Added Tax, or VAT, is broadly charged on all taxable supplies of goods and services by VAT-registered businesses established or operating in the UK. Under current rates as determined for VAT purposes, the VAT on goods or services supplied is added to all relevant sales invoices and is payable to HMRC. Similarly, VAT paid on purchase invoices is generally reclaimable from HMRC (whether by repayment or credit).

Results of Operations

Comparison of the three months ended September 30, 2024 and 2023

The following table summarizes our results of operations for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		
	2024	2023	Change
Operating expenses:			
Research and development	$ 16,396	$ 14,712	$ 1,684
General and administrative	4,021	4,384	(363)
Total operating expenses	20,417	19,096	1,321
Loss from operations	(20,417)	(19,096)	(1,321)
Other income:			
Other income	817	2,389	(1,572)
Total other income	817	2,389	(1,572)
Loss before income taxes	(19,600)	(16,707)	(2,893)
Benefit for income taxes	5	24	(19)
Net loss	$ (19,595)	$ (16,683)	$ (2,912)

Research and development expenses

The table below summarizes our research and development expenses incurred by program (in thousands):

	Three Months Ended September 30,		
	2024	2023	Change
Direct research and development expense by program:			
NSCLC	$ 4,324	$ 4,009	$ 315
Melanoma	1,315	3,033	(1,718)
Other pre-clinical and technology development cost	524	632	(108)
Unallocated research and development expense:			
Personnel expenses	6,909	4,058	2,851
Other expenses	3,324	2,980	344
Total research and development expenses	$ 16,396	$ 14,712	$ 1,684

Research and development expenses were net of research and development tax credit reimbursement of $2.4 million and $2.9 million for the three months ended September 30, 2024 and 2023, respectively. The net increase in research and development expenses was $1.7 million for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. The net increase in direct research and development expense was primarily attributable to an increase of $2.9 million in personnel expenses primarily related to employee termination costs recorded in connection with our strategic review and an increase of $0.3 million in our NSCLC program specifically in relation to our Phase I/II CHIRON clinical trial. This was partially offset by a decrease of $1.7 million in our metastatic or recurrent melanoma program specifically in relation to our Phase I/II THETIS clinical trial.

General and administrative expenses

The following table summarizes our general and administrative expenses for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		
	2024	2023	Change
Personnel expenses	$ 2,692	$ 2,452	$ 240
Professional services fees	308	617	(309)
Facilities and other expense	1,021	1,315	(294)
	$ 4,021	$ 4,384	$ (363)

General and administrative expenses were $4.0 million for the three months ended September 30, 2024, compared to $4.4 million for the three months ended September 30, 2023. The decrease of $0.4 million was primarily attributable to a decrease of $0.3 million in facilities and other expense mainly attributable to a reduction in Directors and Officers insurance premiums and a decrease of $0.3 million in professional services fees, partially offset by an increase of $0.2 million in personnel expenses primarily related to employee termination costs recorded in connection with our strategic review .

Total other income

Other income was $0.8 million and $2.4 million for the three months ended September 30, 2024 and 2023, respectively. The decrease in in other income of $1.6 million was primarily due to a decrease in foreign exchange gains of $1.0 million and a decrease in interest income of $0.5 million.

Provision for Income Taxes

The benefit/provision for income taxes was less than $0.1 million for the three months ended September 30, 2024 and 2023, respectively, which is related to income tax obligations of our operating company in the U.S., which generates a profit for tax purposes.

Comparison of the nine months ended September 30, 2024 and 2023

The following table summarizes our results of operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,		
	2024	2023	Change
Operating expenses:			
Research and development	$ 40,171	$ 42,354	$ (2,183)
General and administrative	12,344	13,387	(1,043)
Total operating expenses	52,515	55,741	(3,226)
Loss from operations	(52,515)	(55,741)	3,226
Other income:			
Other income	4,246	4,692	(446)
Total other income	4,246	4,692	(446)
Loss before provision for income taxes	(48,269)	(51,049)	2,780
Benefit for income taxes	20	14	6
Net loss	$ (48,249)	$ (51,035)	$ 2,786

Research and development expenses

The table below summarizes our research and development expenses incurred by program (in thousands):

	Nine Months Ended September 30,		
	2024	2023	Change
Direct research and development expense by program:			
NSCLC	$ 12,077	$ 10,201	$ 1,876
Melanoma	4,560	8,491	(3,931)
Other pre-clinical and technology development cost	1,107	2,570	(1,463)
Unallocated research and development expense:			
Personnel expenses	13,790	12,670	1,120
Other expenses	8,637	8,422	215
Total research and development expenses	$ 40,171	$ 42,354	$ (2,183)

Research and development expenses were net of research and development tax credit reimbursement of $10.6 million and $9.2 million for the nine months ended September 30, 2024 and 2023, respectively. The research and development tax credit reimbursement increased as the UK Government enacted further changes to the SME regime that became effective in February 2024, which included the introduction of a new rate for R&D intensive companies of 26.97% that came into effect for qualifying R&D expenditures incurred after April 1, 2023.The net decrease in research and development expenses was $2.2 million for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. The net decrease in direct research and development expense was primarily attributable to a decrease of $3.9 million in our metastatic or recurrent melanoma program specifically in relation to our Phase I/II THETIS clinical trial and a decrease of $1.5 million in other pre-clinical and technology development IND enabling activities. This was partially offset by an increase of $1.9 million in our NSCLC program specifically in relation to our Phase I/II CHIRON clinical trial and an increase of $1.1 million in personnel expenses primarily related to employee termination costs recorded in connection with our strategic review.

General and administrative expenses

The following table summarizes our general and administrative expenses for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,		
	2024	2023	Change
Personnel expenses	$ 7,356	$ 7,603	$ (247)
Professional services fees	1,857	1,801	56
Facilities and other expense	3,131	3,983	(852)
	$ 12,344	$ 13,387	$ (1,043)

General and administrative expenses were $12.3 million for the nine months ended September 30, 2024, compared to $13.4 million for the nine months ended September 30, 2023. The decrease of $1.0 million consisted primarily of a decrease of $0.9 million in facilities and other expense mainly attributable to a reduction in Directors and Officers insurance premiums and a decrease of $0.2 million in personnel expenses due to an overall decrease in headcount.

Total other income

Other income was $4.2 million and $4.7 million for the nine months ended September 30, 2024 and 2023, respectively. The decrease in other income of $0.5 million was primarily due to a decrease in interest income of $0.2 million and a decrease in rebate income of $0.2 million.

Provision for Income Taxes

The benefit/provision for income taxes was less than $0.1 million for each of the nine months ended September 30, 2024 and 2023, which is related to income tax obligations of our operating company in the U.S., which generates a profit for tax purposes.

Liquidity and Capital Resources

As of September 30, 2024, we had cash and cash equivalents of $86.1 million. We believe our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least 12 months from the date of issuance of the financial statements.

Since our inception, we have not generated any revenue from product sales or any other sources and have incurred significant net losses in each period and on an aggregate basis. We have not yet commercialized any product candidates or generated revenue from sales of any product candidates. We have funded our operations to date primarily with proceeds from the sale of preferred shares and ordinary shares. Through September 30, 2024, we had received net cash proceeds of $230.9 million from investors in our preferred shares financings and $160.6 million net proceeds from the sales of ADSs through our IPO after deducting underwriting discounts and commissions and other offering expenses. As of September 30, 2024, we had cash and cash equivalents of $86.1 million. In October 2024, the Company was paid £9,581,516 ($12.8 million using a rate of 1.33941 at September 30, 2024) from HMRC for its U.K. R&D tax credit for 2023.

We currently have no ongoing material financing commitments, such as lines of credit or guarantees, that are expected to affect our liquidity.

On September 19, 2024, we announced a strategic review and the discontinuation of our TIL-based cNeT program and closure of our Phase I/IIa CHIRON and THETIS clinical trials. Concurrently, we have engaged BofA Securities as a financial advisor in the process of exploring and reviewing strategic options. The process of exploring strategic options may include, but is not limited to, an acquisition, merger, reverse merger, business combination, asset sale, licensing, liquidation and return of capital to shareholders or other transactions. In connection with the strategic review, the Company is implementing an employee consultation process in line with UK legislation proposing a

workforce reduction and undertaking cost-cutting measures. We recorded a restructuring charge of $4.5 million in the third quarter of 2024. We may incur additional restructuring costs related to our workforce reduction and subject to our strategic review. See Note 14, "Restructuring", to our unaudited Condensed Consolidated Financial Statements for further detail.

Cash Flows

The following table summarizes our cash flows for each of the periods presented (in thousands):

	Nine Months Ended September 30,	
	2024	**2023**
Net cash used in operating activities	$ (49,075)	$ (34,260)
Net cash used in investing activities	(759)	(1,054)
Net cash provided by financing activities	9	9
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4,325	2,105
Net decrease in cash, cash equivalents and restricted cash	$ (45,500)	$ (33,200)

Net cash used in operating activities

During the nine months ended September 30, 2024, net cash used in operating activities was $49.1 million, primarily resulting from our net loss of $48.3 million, adjusted for non-cash share-based compensation of $3.9 million, depreciation and amortization of $3.6 million and non-cash write-offs of $1.2 million. Cash used in operating activities was also impacted by $9.4 million related to changes in components of working capital due to: (i) increased prepaid expenses and other current assets in conjunction with accrued UK R&D tax credits; (ii) decreased accounts payable for payment of vendors' invoices primarily in clinical operations and facilities; and (iii) increased accrued research and development expenses related to related to employee termination costs recorded in connection with our strategic review.

During the nine months ended September 30, 2023, net cash used in operating activities was $34.3 million, primarily resulting from our net loss of $51.0 million, adjusted for non-cash share-based compensation of $5.0 million, depreciation and amortization of $3.6 million and changes in right of use assets and operating lease liabilities of $0.2 million. Cash used in operating activities was also impacted by $8.3 million related to changes in components of working capital due to: (i) decreased prepaid expenses and other current assets in conjunction with the payment of the UK R&D tax credit in September 2023; and (ii) increased accounts payable for payment of vendors' invoices.

Net cash used in investing activities

During the nine months ended September 30, 2024 and 2023, net cash used in investing activities was $0.8 million and $1.1 million, respectively, primarily driven by purchases of property and equipment related to lab equipment and leasehold improvements.

Net cash used in financing activities

During each of the nine months ended September 30, 2024 and 2023, net cash provided by financing activities was less than $0.1 million and was related to the issuance of shares under our employee share purchase plan.

Funding Requirements

We expect our research and development expenses to decrease significantly given the discontinuation of our clinical trials and research activities and workforce reduction plan. Our anticipated operating expenses include contractually committed costs as well as non-contractually committed clinical trial costs for trials that are being closed. We will also continue to incur costs associated with operating as a public company, including certain compensation expenses, insurance expenses, general overhead costs, and we will also incur costs associated with our strategic review. We believe that that our current cash and cash equivalents will be sufficient to fund our currently

anticipated operating plan for at least the next 12 months. It is possible that the assumptions upon which we have based this estimate may prove to be wrong, and we could use our capital resources sooner than we presently expect.

On September 19, 2024, we announced a strategic review and the discontinuation of our TIL-based cNeT program and closure of our Phase I/IIa CHIRON and THETIS clinical trials. Although we are actively pursuing potential strategic options, there is no assurance that we will be able to successfully negotiate and consummate any transaction on a timely basis, or at all. Further, our expenses may exceed our current plans and expectations, which could require us to complete a transaction or wind-down our operations sooner than anticipated. If we are unable to successfully complete a strategic transaction on terms that are acceptable to our shareholders, we may be required to cease our operations altogether.

Emerging Growth Company and Smaller Reporting Company Status

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Therefore, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this extended transition period and, as a result, we may adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-public companies instead of the dates required for other public companies. However, the Company may choose to early adopt these standards.

In addition, as an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act; and
- an exemption from new or revised financial accounting standards until they would apply to private companies and from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation.

We may take advantage of these exemptions for up to the last day of the fiscal year ending after the fifth anniversary of our IPO or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the date that is the earliest of: (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) December 31, 2026, which is the last day of our fiscal year following the fifth anniversary of the date of the completion of our IPO; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We may choose to take advantage of some but not all of these exemptions.

Off-Balance Sheet arrangements

As of September 30, 2024, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, such as the use of unconsolidated subsidiaries, structured finance, special purpose entities or variable interest entities.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business, which are principally limited to interest rate fluctuations and foreign currency exchange rate fluctuations. We maintain significant amounts of cash and cash

equivalents that are in excess of federally insured limits in various currencies, placed with one or more financial institutions for varying periods according to expected liquidity requirements.

Interest rate sensitivity

As of September 30, 2024, we had cash and cash equivalents of $86.1 million. Our exposure to interest rate sensitivity is impacted by changes in the underlying U.K. and U.S. bank interest rates. Our surplus cash has been invested in interest-bearing savings accounts and money market funds from time to time. We have not entered into investments for trading or speculative purposes. Due to the conservative nature of our investment portfolio, which is predicated on capital preservation of investments with short-term maturities, we do not believe an immediate one percentage point change in interest rates would have a material effect on the fair market value of our portfolio, and therefore we do not expect our operating results or cash flows to be significantly affected by changes in market interest rates.

As of September 30, 2024, we had no debt outstanding and are therefore not subject to interest rate risk related to debt.

Foreign Currency Exchange Risk

We maintain our financial statements in our functional currency, which is pound sterling. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income (loss) for the respective periods. We recorded a foreign currency loss of $0.4 million for the nine months ended September 30, 2024 and a foreign currency loss of $0.4 million for the nine months ended September 30, 2023. With our functional currency being British Pounds Sterling, our results are exposed to fluctuations to this and the U.S. dollar. Exchange gains or losses arising from foreign currency transactions are included in other income (expense), net in the statement of comprehensive loss.

For financial reporting purposes, our financial statements have been presented in U.S. dollars, the reporting currency. The financial statements of entities are translated from their functional currency into the reporting currency as follows: assets and liabilities are translated at the exchange rates at the balance sheet dates, revenue and expenses are translated at the average exchange rates and shareholders' equity is translated based on historical exchange rates. Translation adjustments are not included in determining net loss but are included as a foreign exchange adjustment to other comprehensive loss, a component of shareholders' equity.

We do not currently engage in currency hedging activities in order to reduce our currency exposure, but we may begin to do so in the future. Instruments that may be used to hedge future risks may include foreign currency forward and swap contracts. These instruments may be used to selectively manage risks, but there can be no assurance that we will be fully protected against material foreign currency fluctuations.