BiVictriX Therapeutics plc

Annual Report and Accounts for the year ended 31 December 2021

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BiVictriX is a UK-based drug discovery and development company which is focused on leveraging clinical experience to develop a class of highly selective, next generation cancer therapeutics which exhibit superior potency, whilst eliminating treatment-related toxicities.

Derived from frontline clinical experience, BiVictriX is a rapidly emerging biotechnology company applying a novel approach to develop safer, more effective cancer therapies.

References to "BiVictriX", "the Company" or "the Group" refer to BiVictriX Therapeutics plc (formerly BiVictriX plc), a company incorporated in England & Wales with registered number 13470690 whose registered address is Mereside Alderley Park, Alderley Edge, Macclesfield, England, England, SK10 4TG and BiVictriX Limited (formerly BiVictriX Therapeutics Limited and BVX Limited), a company incorporated in England & Wales with registered number 10005270 whose registered address is Mereside Alderley Park, Alderley Edge, Macclesfield, England, England, SK10 4TG

Highlights and Progress in the Year and Post Period End

Operational

Successful IPO on AIM

Admission to trading on the London Stock Exchange's AIM Market on 11 August 2021

Raising £7.5 million (gross) to progress the development of the business

Good progress across the Company's pipeline of assets

September 2021, the announcement of the successful completion of two antibody discovery campaigns with IONTAS Limited to support the optimisation of BiVictriX's lead development programme, BVX001.

November 2021, the announcement of a collaboration with Abzena Limited to manufacture antibody drug conjugates to fast track the development of BiVictriX's pipeline of assets.

Strengthening the board, senior leadership team and facilities

High calibre Board of Directors assembled as part of the IPO process, and further strengthened post period end with the addition of Dr Michael Kauffman as an Independent Non-Executive Director

Important additions to the senior leadership team including the appointment of Dr Oliver Schon as Vice President of Product Development and CMC in inSeptember 2021 and Glyn Baker as Chief Financial Officer in January 2022

Expansion of internal scientific capabilities, including the occupation of new, fit-for-purpose office and laboratory space at Alderley Park.

Financial

- Successful Admission to AIM on 11 August 2021, raising £7.5 million (gross);
- Increased investment in R&D of £0.7 million (2020: £0.3 million)
- Loss after tax of £2.3 million (2020: £0.4 million)
- Closing cash of £6.1 million at 31 December 2021 (2020: £0.9 million) reflecting a capital efficient business model
- Debt free, following the conversion of £0.8 million of loan notes prior to Admission.

Post period end

February 2022, the announcement of a broadening of the Company's patent portfolio with the filing of four additional patent applications

February 2022, the announcement of the expansion of the Bi-Cygni® approach through the launch of two new programmes, extending the utility of the technology across multiple different cancer types.

Chairman's Statement

For the year ended 31 December 2021

I am delighted to deliver BiVictriX's Chairman's Statement marking our first set of Full Year Financial Results since the Company's initial public offering in August 2021.

I have known Tiffany Thorn, our CEO, since 2018 and over that time I have watched her passion for this company. Her belief in this business has been absolute and she has remained undeterred in her goal to create a meaningful and, I believe, important biotech company.

Over the past 12 months, we have been able to bring together an experienced Board, which combines the necessary scientific and clinical development know-how and network, to provide the management team and staff with the means to navigate towards ensuring the Company achieves its goals in line with our CEO's vision.

In my role as Chairman and, in order to lay the right foundations for this important emerging biotech company, recent key activities implemented by my Board now make it fit for purpose and include:

- **Scale up of team**: we are in the process of building a highly capable management and scientific team based in Alderley Park, Cheshire and good progress has been made with scale up of the team since the IPO
- **Robust cost base management**: we have put in place meaningful out-sourcing agreements ensuring that our fixed cost base remains tightly controlled and, as part of that, have established appropriate commercial arrangements with all advisors, including those supporting the Company with legal and IP frameworks
- **Data mining to support IP estate**: we are working externally with data-mining experts to interrogate large patient data sets, enabling the identification of further cancer-specific "fingerprints", and broadening our intellectual property protection.

Our Board believes that BiVictriX has a unique platform technology, which could potentially deliver novel anti-cancer agents with wide therapeutic windows - applicable to both solid and haematologic cancers. We have the potential to deliver very high response rates and tolerability in cancer patients as compared with current Antibody Drug Conjugates ("ADCs"). Also, there is the potential to expand into immuno-oncology with novel bispecifics, specifically targeting immunosuppressive leukocytes such as Myeloid-Derived Suppressor Cells ("MDSCs"). The key will be expanding our existing patent portfolio to enable several generations of anti-cancer molecules across multiple cancer types that currently constitute areas of high unmet medical need. This continues to be our focus working in the interests of patients and our shareholders.

We ended 2021 'fit for purpose' in that we are well financed to achieve our immediate goals and are focused on the key drivers of the business. We have big ambitions and intend to continue to work closely with our advisors and shareholders to create long-term value.

The Board believes that the data generated in the short-term will be significant and attract pharma and mid-sized biotech companies interested in commercial partnerships and/or licensing. Although at an early stage our unique approach has already attracted the attention of third parties who wish to explore future partnering opportunities with us. Our aim is to position BiVictriX as a highly attractive business in the sector, and to provide maximum returns to our Shareholders.

I am honoured to have been asked to chair the Board of the quoted company and I believe with the support of all our stakeholders, we can build a meaningful and exciting business operating with the appropriate culture, values and ethics and eventually having a positive impact upon patients' lives.

In conclusion, I would like to thank the former directors, all our current stakeholders and finally Tiffany and her team for their support and commitment.

I look forward to reporting our progress throughout 2022 and beyond.

Iain Ross
Non-Executive Chairman
4 March 2022

Chief Executive Officer's Review
For the year ended 31 December 2021

I am delighted to be delivering the Company's first Annual Report as CEO of BiVictriX Therapeutics plc, following our relatively recent IPO in August 2021. I founded BiVictriX in late 2016 through combining my experience of working within a clinical setting in the NHS together with my knowledge of the antibody therapeutic sector in oncology, to address one of the longest standing issues currently limiting the industry's ability to successfully combat cancer - the lack of true cancer selectivity. Since founding the Company, I have received much welcomed support from various groups of investors and private individuals, who have not only invested in the Company, but provided me with wise counsel, support and mentoring, for which I am extremely grateful.

What we do
BiVictriX is a UK-based drug discovery and development company which is focused on leveraging clinical experience to develop a class of highly selective, next generation cancer therapeutics which exhibit superior potency, whilst substantially reducing treatment-related toxicities by greatly improving specificity. Our lead programme, BVX001, is focused on Acute Myeloid leukaemia ("AML"), one of the most aggressive forms of blood cancer which still to this day, carries an incredibly poor prognosis.

How we do it
Through combining our proprietary library of newly identified cancer-specific "twin-antigen fingerprints" which are unique patterns of antigens that are expressed on the cancer, but which are largely absent from healthy cells; together with expert engineering insights, we can ensure our novel Bi-Cygni® therapeutics are "exquisitely cancer-selective". Our proprietary Bi-Cygni® technology platform has the potential to generate a pipeline of anti-cancer drugs across both solid and haematologic cancers with the widest therapeutic windows. Consequently, these drugs have the potential to reduce the development of life-threatening, treatment-limiting toxicities and enable clinicians to give much higher, more consistent, and more effective doses of therapy to patients to improve treatment outcomes, without significantly harming the patient in the process.

Since establishing operations in 2017, the Company has maintained its vision to combine our unique innovations in therapeutic design with established, clinically validated techniques and therapeutic modes of action. Applying advances in our understanding of precision targeting through the Bi-Cygni® platform to the established Antibody Drug Conjugate "ADC" concept, enables us to generate a broad pipeline of next generation therapeutics. My fellow directors and I believe that these therapeutics will have the potential to deliver very high response rates and longer-term tolerability over and above the *de facto* ADC design, while effectively reducing early developmental risk and time-to-market. This will enable, for the first time, the broader utilisation of this therapeutic class across a wider range of difficult-to-treat cancers, where these drugs currently remain too toxic.

What we have achieved since IPO
On 11 August 2021, the Company successfully listed on the AIM market of the London Stock Exchange, raising gross proceeds of £7.5 million to help finance our current lead development programme, BVX001,, together with supporting the expansion of our therapeutic pipeline. Since admission to trading, we have prioritised the utilisation of the net proceeds. I am pleased to report we have made considerable value-creating progress in line with our strategy, through strong delivery of our corporate goals set out in the AIM Admission Document. These include expanding our internal capabilities,

accelerating the lead optimisation of BVX001, expanding our early-stage pipeline with the addition of two further candidates, growing our IP portfolio, and building out the Board and leadership team. An explanation of our progress and key drivers follows below.

Corporate – building in-house capabilities

Since listing, we have successfully built a small, dedicated team of experienced scientific staff located within our newly established internal R&D premises, including fully operational office space and three individual laboratories in Alderley Park.

Being able to perform a wider range of developmental steps in-house, including small-scale ADC manufacture, protein engineering and laboratory testing of therapeutic leads in primary patient samples, has enabled us to increase our efficiency and improve our development timelines. Ultimately this will reduce the time-to-market and increase patent life and asset value. Further to this, maintaining key early-stage activities in-house will act to safeguard the team's unique know-how and specialist knowledge in the design of Bi-Cygni® therapeutics, and help us to position the Bi-Cygni® technology platform and our products for commercial partnerships.

Scientific / Pipeline / IP

We have continued to make good progress with optimising BVX001, and we are on course to meet key data milestones on time and on budget. In addition, post the period end, we announced the expansion to our therapeutic pipeline, together with the further strengthening of our broad patent portfolio, as detailed below.

- During the financial year, we established collaborations with academic groups including the University of Liverpool and Swansea University, both of which build on the know-how in the Company's novel Bi-Cygni® technology approach and intellectual property.
- In September 2021, we announced that IONTAS, a leading clinical research organisation offering phage display and next generation mammalian display antibody discovery services, had successfully identified novel human binders (antibody fragments) which target BiVictriX's proprietary cancer-specific "twin antigen fingerprints", as part of our collaboration with them. These binders cover a broad range of affinities accommodating species cross-reactivity. They will be further assessed in-house by the BiVictriX team through in vitro characterisation and testing to validate the efficacy and selectivity in human cell models and further optimise our lead programme, BVX001.
- In November 2021, we announced our collaboration with Abzena Limited (Cambridge, UK), a reputable CDMO in the ADC space, to manufacture antibody drug conjugates to fast track the development of our pipeline of assets
- In February 2022, we announced the expansion of our patent portfolio, with the filing of four additional UK applications to provide broad protection for the pipeline assets. We remain focused and committed on the further expansion of our existing patent portfolio to enable several generations of anti-cancer therapeutics across multiple high unmet-need cancer types to ensure we retain our position as a leader in this approach. The patent applications in the growing portfolio remain wholly owned by BiVictriX and, as such, are not subject to any licensing arrangements which will provide us with the ultimate control to flex optimal deal structures and licensing arrangements as we look to partner our assets in the future.
- In February 2022, we announced the expansion of the Group's therapeutic pipeline to include two additional assets, BVX002 & BVX003, moving into the early stages of development. BVX002 & BVX003 will be developed alongside our lead asset, BVX001, serving to demonstrate the broad applicability of the Bi-Cygni® platform across a wide range of haematological and solid tumour indications; and to further indicate the potential utility of the platform in novel

areas of immuno-oncology, specifically targeting immunosuppressive leukocytes, such as Myeloid Derived Suppressor Cells ("MDSCs").

Differentiated Approach in a Rapidly Expanding Market

The Antibody Drug-Conjugate "ADC" therapeutic concept is now considered one of the most validated next generation antibody-based therapeutic platforms in oncology and currently reflects one of the fastest growing markets across the sector. In the last three years alone, the market has seen a further eight approvals, bringing the total number of approved ADCs to twelve, with many further additions expected in 2022 and beyond.

The established ADC design combines the targeting nature of an antibody, with the killing power of an ultra-potent chemotherapy warhead. The warhead is stably linked to the antibody and is only released once the ADC recognises a cancer cell through binding to a specific target on the cell surface and is subsequently internalised into the cell.

ADCs have demonstrated good efficacy in the clinic in certain settings, however they remain highly toxic, limiting their utilisation to select sub-populations of younger, fitter patients. The Bi-Cygni® platform aims to build upon this existing and well-established therapeutic class by combining the ADC validated mode of action, with an innovative and highly differentiated targeting mechanism, delivering superior cancer selectivity with reduced toxicity. This is expected to enable higher response rates and better tolerability as compared with current ADCs.

Global Antibody Drug-Conjugate market valued at USD 4.3 billion in 2020 **Expected to grow at a Compound Annual Growth Rate (CAGR) of >23% to 2028** **Global Market anticipated to be worth USD 23.9 billion by 2028** ***Source: Grand View Research Inc***	**12 Antibody Drug-Conjugates approved** ***Source: https://www.ncbi.nlm.nih.gov/***	**Large pharma attracted to early stage Antibody Drug-Conjugate companies. VelosBio acquisition by Merck (NYSE: MRK) (MSD) for USD 2.75 billion in 2020** **Source: https://www.merck.com/news/merck-to-acquire-velosbio/**

The Bi-Cygni® Approach: Engineered to Target the Cancer, not the Patient	
Cancer remains a notoriously challenging disease to treat due to the inherent similarity that exists between cancer cells and other vital healthy cells within the body. Clinicians, for many decades now, have had to carefully balance the dose of the anti-cancer drugs they administer to a patient to attempt to treat the disease, without significantly harming	At BiVictriX, we aim to skew this balance in the patients' favour by revolutionising how we design anti-cancer therapeutics to ensure our next generation therapeutics have superior cancer-selectivity. Thus ensuring clinicians can deliver higher, more effective doses of therapy safely to patients.

the patient in the process, limiting the safe dose they can prescribe.	The Bi-Cygni® approach was derived from specialist clinical experience and combines the identification of a library of novel cancer-specific fingerprints, with expert engineering and design capabilities, to develop a differentiated therapeutic approach with superior cancer-specificity.

Personnel – senior management and scientific teams

- We appointed several high-quality key personnel that have bolstered both the management and scientific teams. This has been achieved in a highly competitive job market environment, demonstrating the attractiveness and interest in our science and business model.
- As we transitioned from a private entity to a publicly traded company, with support of my long-term mentor, Iain Ross, we brought together a high-calibre, experienced Board of Directors under Iain's chairmanship.
- Post the period end, the Board has been further strengthened with the announcement in January of the appointment of Dr Michael Kauffman who brings further experience in the life sciences industry, including expertise in preclinical research, clinical development, and regulatory strategy across both solid and haematological indications.
- In line with our objectives, we have brought together a high-calibre management team, which includes the recent appointment of several highly experienced, key personnel. They include Dr Oliver Schon as Vice President of Product Development & CMC, appointed in September 2021, and Glyn Baker as Chief Financial Officer, appointed in January 2022. The Senior Management Team has been brought together to ensure the expedient development of our therapeutic pipeline and continued focus on the financial realisation of the Company's assets in the longer-term.

Lead Programme: BVX001

BVX001, is a first-in-class, Bi-Cygni® ADC designed to target the cancer-specific twin antigen fingerprint, CD7 x CD33, found on approximately 30% of patients with Acute Myeloid Leukaemia "AML", and a selection of other haematological cancers.

AML represents one of the most aggressive forms of cancer and is often associated with a fulminant clinical course. The effectiveness of newly emerging treatments has been compromised by the onset of significant toxicities, resulting in life-threatening, treatment-related side effects and even death. It is predicted that nearly half of the entire AML patient population are excluded from receiving certain treatments based on their inability to withstand such toxicity. For this reason, AML remains a critical unmet medical need, associated with one of the lowest 5-year survival rates across all forms of cancer.

Our early preclinical data on this candidate is encouraging and provides initial evidence that the Bi-Cygni® therapeutic design is likely to offer many key advantages over competitive approaches. BVX001 is currently being optimised in-house, in conjunction with our clinical advisors. It is envisaged that the Group will select 1-2 final leads to take forward into multiple animal models of efficacy and safety in H2 2022, with nomination of a final preclinical candidate anticipated in H1

2023. The Group would then look to progress BVX001 through a preclinical development package, expected to take approximately 14-18 months, before seeking regulatory approval to enter the clinic.

Our business strategy

It is firmly my belief and that of the Board that the Bi-Cygni® approach can be applied to build a diverse pipeline of first-in-class therapeutics across the wide spectrum of different therapeutic modalities, addressing key unmet medical needs in the market. BiVictriX's ambition is to validate the Bi-Cygni® approach within a panel of difficult-to-treat cancer indications to demonstrate the wide applicability of the concept, propelling the Group forward as a global leader in the field.

We believe that the key value in BiVictriX comprises:

- The diverse anti-cancer therapeutic assets in development which lie within a high-growth area currently experiencing significant licensing and M&A activity
- The Company's broad, robust patent portfolio and know-how providing coverage across multiple cancer-specific antigen fingerprints and specialist knowledge in the design of Bi-Cygni® therapeutics
- The breadth of the Bi-Cygni® approach in treating a wide array of different cancer types and the potential to extend the approach to other therapeutic formats

To realise maximum value, we are committed to ensuring the focused, expedient development of the current therapeutic pipeline to reach key value inflection points, demonstrating the broad utility of the approach across multiple cancer types; while further strengthening the existing patent portfolio, safeguarding both current and future cancer-specific fingerprints.

In support of these two key activities and run in parallel to the progression of the lead asset, the internal R&D team are looking to establish a novel screening platform, increasing speed from discovery to lead generation and reducing development time for our pipeline. Alongside this, the team are working externally with data-mining experts to interrogate large patient data sets, enabling the identification of further cancer-specific fingerprints to broaden our intellectual property protection.

Our targeted commercial strategy

We are strongly focused on utilising our capital efficiently to reach key value inflection points across our therapeutic products and wider platform, which will enable us to target commercial partnerships, including licensing agreements.

We have identified discrete points in our development programmes including preclinical candidate nomination; IND approval of a development candidate and clinical proof of concept, as likely partnering opportunities. Whilst we have had some early interest in our platform, our aim is to achieve a balance between demonstrating commercial value of both our platform and our specific programmes, with an appropriate deal structure for the Company and our stakeholders.

Our lead therapeutic asset, BVX001, will be important in providing validation to the market for the wider Bi-Cygni® approach. We are looking to reach three key value inflection points on this candidate within the next 1-5 years, namely nominating a preclinical candidate, achieving IND approval and establishing early clinical proof of concept for the approach through an initial Phase I/II clinical trial. The Board believes that this data will attract third parties, including pharma and mid-sized biotech within the sector, who may be interested in partnerships and/or licensing opportunities, providing long-term revenue streams to BiVictriX. Whilst early stage, our differentiated approach has already attracted interest from a number of third parties potentially interested in future partnering opportunities.

Our immediate goals

Through our expanding pipeline, broad patent portfolio and internal know-how, the Company is well positioned to target multiple early-stage, preclinical partnerships opportunities on the wider pipeline.

To succeed at achieving these goals we are focused on delivering upon the following key milestones:

- Accelerate the lead optimisation of BVX001 to reach key preclinical milestones on early (non-GLP) efficacy and safety, enabling progression towards the clinic;
- Fast-track the development of two new candidates, BVX002 and BVX003 to reach early preclinical proof of concept;
- Consolidate the intellectual property landscape surrounding further potential cancer-specific "twin antigen fingerprints"; and
- Secure key collaborations with industry and academia to expand the Bi-Cygni® approach across other therapeutic platforms.

Expanding Pipeline & Platform Capabilities

BiVictriX possesses a proprietary library of cancer-specific "twin antigen fingerprints", which have the potential to address a wide range of different blood cancers and solid tumour indications. In February 2022, BiVictriX announced that two further development programmes had been selected to move into early development, alongside the lead asset, expanding upon the Group's current disease-focus and providing broader validation of the Bi-Cygni® approach across a wide range of different cancers.

In conjunction to our current development activities, the Group are also aiming to strengthen our existing scientific platform by establishing a novel mechanism for the identification of further cancer-specific twin antigen fingerprints across a wide array of cancers, utilising next-generation genetic sequencing data from cancer patients. This will aim to future proof the Group's development pipeline. Further to this, the Group's R&D team are also looking to establish a "modular screening method", which will enable the rapid identification of new leads, to further expedite the drug development pathway for future pipeline assets.

Financials

Management controls operate across the business to ensure that our financial resources are prioritised towards the further development of the Company's therapeutic programmes and platform to reach the key value points outlined above.

This focus was reflected in the R&D expenditure which increased to £0.7 million (2020: £0.3 million) in the year. Non-recurring costs of £0.4 million (2020: £ nil) were incurred as part of our successful admission to AIM in August 2021.

The gross proceeds of £7.5 million have strengthened the BiVictriX balance sheet and resulted in a closing cash balance of £6.1 million (2020: 0.9 million) at 31 December 2021.

The balance sheet was further strengthened with the conversion of £0.8 million shareholder loans into equity prior to Admission. On 31 December 2021, the Company was debt free.

Summary and outlook

We are fully committed to our business goals, our continued delivery against objectives and to prioritising the use of proceeds to create further significant value over the next 12 months and beyond.

Alongside our small-scale internal capabilities, we are aligned to our capital efficient business model to maximise potential returns for our shareholders. Accordingly, we will continue to outsource specialist advisory and service capabilities as and when required, including GMP manufacturing, clinical trial design/regulatory advice and pre-clinical safety studies, to experienced contract organisations. Our scientific team, of whom I am extremely proud, is focused on expediting the development of our existing pipeline and supporting the generation of key data to facilitate our expanding patent portfolio.

Finally, and on a personal note, I would like to thank our dedicated scientific team for their enthusiasm and hard work over the last twelve months, former and current directors for their guidance throughout the period and our valued shareholders for their continued support and investment in this business.

Tiffany Thorn
Chief Executive Officer
4 March 2022

Principal Risks and Uncertainties

Risk management process and risk appetite

The Group identifies, evaluates and manages the principal risks to the Group strategy in accordance with the corporate governance framework set out in the Corporate Governance Report. A bottom-up assessment of principal risks by the Senior Management Team is aggregated and validated to produce an overall assessment of those risks.

We evaluate each principal risk at least twice per year based on the probability of the risk crystalising and the potential impact on the Group level. We consider both the inherent risk (i.e., level of risk before internal controls) and the residual risk (i.e., the remaining risk after the effect of existing controls is considered). Based on that assessment, we then determine whether any further actions are required to reduce the risk to within the risk appetite approved by the Board.

The Board is responsible for the overall stewardship of our system of risk management. The Board has completed its assessment of the Group's principal and emerging risks and concludes that the current risk profile is within its tolerance range.

Below are our principal risks, a summary of key controls and mitigating factors:

Risk	Impact	Mitigation
The Company's operations are at an early stage of development	It might not be able to develop its proprietary technology or therapeutic programmes towards the clinic	Experienced board directors will support management to implement the Company's strategy, generate cash flow and access capital markets
Drug development programmes are at an early stage	Milestones may not be achieved or are delayed which could affect the timing of the Company's development and the delivery of its business strategy	Regular review of progress and effective decision making. Board expertise and experience support the management and project teams.
Attract and retain key management and employees in an increasingly competitive environment	The Company's ability to deliver on its business strategy	Attractive remuneration package including share options. Active board interaction with the team to communicate strategy and the benefits of driving forward an entrepreneurial, growth company.
The patent portfolio currently comprises seven patent families, which have not yet been granted	Negative impact on the Group's ability to protect its intellectual Property which underpins its commercial strategy	Patent filing strategy includes new applications to build a broad portfolio. IP strategy covers technology and products.
The Company may have insufficient cash resources to fund its ongoing activities and investment in Research & Development.	Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interest in certain work programmes or projects and miss commercial opportunities.	Cash resources carefully deployed to maximise timely R&D investment to achieve value enhancing milestones
Competitors may develop new products	Could reduce the commercial	Develop a focused product pipeline

Risk	Impact	Mitigation
	potential of the Company's pipeline	and closely monitor the commercial landscape. Adapt product plans if necessary to meet market changes.

Corporate Governance Report

As Chairman, it is my responsibility, working with my fellow Board colleagues, to ensure that good standards of corporate governance operate throughout the Group. As a Board we set and influence the Group's culture and conduct.

As directors we acknowledge the importance of high standards of corporate governance and the principles set out in the Corporate Governance Code for small and mid-sized companies issued by the QCA ("QCA Code"). The QCA Code has become a widely recognised benchmark for corporate governance of small and mid-sized companies, particularly AIM companies. It takes key elements of good governance and applies them in a manner which is workable for the different needs of growing companies. Accordingly, we have adopted and apply the QCA Code to the extent that is appropriate for a business of the Group's size and stage of development.

The Board comprises six Directors: one Executive Director (CEO Tiffany Thorn) and five non-executive Directors (including Non- Executive Chairman Iain Ross) and provides a blend of different experience and backgrounds. Robert Hawkins, Susan Lowther, Drummond Paris and Michael Kauffman are considered to be independent non-executive directors.

The directors have complementary experiences and backgrounds, different skills and knowledge of pharmaceutical drug development. This Board composition brings together a range of relevant experience to meet the Group's challenges and opportunities as a public company, knowledge of product development in the markets within which it operates, whilst ensuring that no individual (or a small group of individuals) can dominate the Board's decision making.

The Board meets regularly to review the Group's progress towards its strategic goals and to approve budgets, corporate actions and financial reporting. The Board is supported by committees which fulfil specific functions. Such committees include the Audit & Risk Committee and a Remuneration Committee with clear terms of reference that set out defined duties and responsibilities.

The Audit & Risk Committee and Remuneration Committee meet at least three times per year and otherwise as required. They are both chaired by independent Non-Executive Directors.

Separate committees may also be set up by the Board to consider specific issues.

Iain Ross

Chairman

4 March 2022

Corporate Governance Statement

The Board is responsible for the long-term success of the Group and agrees the business strategy, implementation plans and management of risk. It provides leadership and is responsible for the overall corporate governance of the Company. The directors are responsible for ensuring that the strategy, operations, financial reporting and management of risk are underpinned by processes which promote a culture of engagement, transparency and responsibility throughout the Group.

The Board believes that good corporate governance is an integral part of the future success of the Group. Accordingly, the directors have adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), to establish the governance in a manner appropriate for a company of its size. This section of the annual report includes information about how the ten guiding principles of the QCA Code have been adopted and are being applied by the Group.

Business Model and Strategy

The Directors believe the Bi-Cygni® approach can be applied to build a diverse pipeline of first-in-class therapeutics across the wider spectrum of immunotherapeutic platforms, addressing key unmet medical needs in the market. BiVictriX's ambition is to validate the B-Cygni® approach within a panel of difficult-to-treat cancer indications to demonstrate to the market the wide applicability of the concept, building the Company into a global leader in the field.

To succeed at achieving this vision, BiVictriX aims to achieve the following key milestones within the short to medium term:

- ***accelerate*** *the lead optimisation of BVX001 to reach key preclinical milestones on early (non-GLP) efficacy and safety;*
- ***initiate*** *the development of two new candidates, BVX002 and BVX003 to reach early preclinical proof of concept;*
- ***expand*** *the Company's internal early-stage development capabilities to support the further optimisation of the Bi-Cygni® approach and to enable better access to partnerships with larger pharmaceutical companies;*
- ***consolidate*** *the intellectual property landscape surrounding further potential cancer-specific "twin antigen" fingerprints; and*
- ***secure*** *key collaborations with industry and academia to expand the Bi-Cygni® approach across other therapeutic platforms*
- ***establish*** *over time consistent and growing revenue streams through licensing arrangements with industrial partners comprising upfront option and licensing payments, programme milestone payments and ultimately royalties on commercial sales.*

Board of directors

The Group is governed through its Board of directors, comprising the Chairman, Chief Executive Officer and four Non-Executive directors. The names of the current Directors together with their biographical details, skills, experience and other directorships are set out on pages 25 to 26.

The current directors served following the admission of the Company to the AIM market, a market operated by London Stock Exchange plc, on 11 August 2021, with the exception of Michael Kauffman who's appointment to the board was announced on 17 January 2022.

All directors are subject to election by the shareholders at the general meeting immediately following their appointment to the Board and at re-election intervals of not more than three years.

Skills and experience

The Company has put in place a board structure that provides a breadth and depth of skills and experience to deliver the business strategy of the Group for the benefit of shareholders over the medium to long-term.

The Board is supported by a senior management team, which will grow further in the short-term. Oliver Schon was appointed as VP of Product Development and CMC on 14 September 2021. Oliver is a recognised expert in antibody-based therapeutic development and manufacturing with over 18 years of drug discovery & development experience across both small Biotech and large Pharma. Glyn Baker was appointed Chief Financial Officer on 4 January 2022. Glyn has worked in the biotechnology industry for around 20 years, initially as a financial and IT consultant before moving to various senior finance management roles. The Group also intends to establish a Scientific Advisory Board in due course.

The directors believe that the Board has an appropriate balance of sector, financial, and public markets skills and experience and members bring a range of skills and capabilities to the Company. The Board members are kept up to date on a regular basis on key issues and developments pertaining to the Company as well as their responsibilities as members of the Board.

The Board will keep its corporate governance framework under review to ensure it remains appropriate for the size, stage, complexity and risk profile of the Company.

Independence

The Board believes that all Non-Executive Directors together with the Non-Executive Chairman bring an independent judgement to bear. No Non-Executive Director has been an employee of the Group, has had a material relationship with the Group, receives remuneration other than Directors fees and share options (save as disclosed), has close family ties with any of the Group's advisers, Directors or senior employees or holds cross-directorships.

The Board is aware of the other commitments of its directors and changes to these commitments must be reported to the Board. The Group has procedures in place to deal with conflicts of interest, the directors do not participate in any vote in which they have a conflict of interest and do not contribute to discussions involving such interests.

The Group has adopted a policies and procedure for dealing in the securities of the Group, which is appropriate for a company listed on AIM. All share purchases or sales, grant or exercise of share options are approved by the Board. They are disclosed via a RNS release which is published on the Company's website.

Professional development

On appointment each Director takes part in an induction programme in which they receive information about the Group and the role of the Board including matters reserved for its decision, the terms and reference of the Board and committees. They receive guidance about the responsibilities of AIM company's directors as set out in the AIM Rules for Companies and relevant aspects of the Market Abuse Regulation legislation.

The Directors can access independent professional advice at the Group's expense when it is considered necessary in order for them to carry out their responsibilities.

Evaluation of Board Performance

Internal evaluation of the Board and its individual Directors is seen as an important next step in the development of the Board. This will be undertaken on an annual basis and led by the Chairman in the form of peer appraisal, questionnaires and discussions to determine the effectiveness and performance in various areas as well as the Directors' continued independence and capacity. The criteria against which effectiveness is considered will be aligned to the strategy of the Company and management forecasts and budgets that are already in place.

Succession planning for the Board and senior management team will be undertaken by the board as a whole.

Understanding shareholder needs and expectations

The Board is committed to maintaining good communication and investor relations and having a constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. The Company's financial communications advisor provides Investor Relations services allowing all investors to have the opportunity to ask questions and provide feedback either by telephone or email.

Shareholders are invited to attend company investor presentations virtually and to submit questions to the management. Such events are organised periodically during the year. In addition, all shareholders are encouraged to attend the Company's annual general meeting and any other general meetings which are held during the year when possible.

The Company's website is used to communicate with shareholders and investors by providing access to current information about the Company. In addition, shareholder communications can be answered, where possible or appropriate, by the Directors, or the Company's Nominated Adviser and Brokers.

Stakeholder engagement

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its customers, stakeholders, suppliers and regulators.

The BiVictriX team are key to the business and regular meetings are held to ensure that all staff are aware of the direction of the business, key milestones and progress to date. Communication is frequent and includes engagement with the Directors on a one-to-one basis or as a group, including during board meeting days held at the Company offices.

The Group draws upon a range of different resources and relationships to drive the business forward. The focus on highly specific research and development, means that the team works collaboratively in internal and external academic groups. External relationships reflect an aim of building and maintaining a network of relationships with academia, key opinion leaders, clinicians, potential industry partners and regulators. These relationships are valued with processes and systems to ensure that there is appropriate oversight and engagement.

Managing risk and uncertainty

The Board have identified principal business risks which are included in the Strategic Report on pages 3 to 16.

The Board is responsible for establishing the system of internal control used by the Group and reviewing its effectiveness. This system is intended to understand and manage risk which could potentially impact the business. Equally to forecast and monitor expenditure including information used in decision making. Established controls include:

- Monthly management accounts issued to the Board
- Detailed board reports of progress against company goals and in R&D projects
- Annual budget and rolling forecasts reviewed and approved by the directors

- Authority limits approved by the Board, with matters reserved for the Board including approval of significant contracts and overall project expenditure
- Ongoing review of the IP strategy including status of IP applications and grants

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that appropriate internal controls and authorities are in place.

Culture and values
The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group which in turn will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board assessment of the culture within the Company at the present time is one where there is respect for all individuals, there is open dialogue within the Company and there is a commitment to maintain relationships with key stakeholders.

The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever they occur. The Company has adopted an anti-bribery and anti-corruption policy which provides guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences and applies to all persons working for the Company or on its behalf in any capacity, including employees at all levels, Directors, officers, consultants and agents.

The Company has also adopted a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

Employees are at the heart of the Company's corporate culture. The team is relatively new, yet they are all aware that their work, commitment and enthusiasm can make a positive contribution to people's lives in the development of new treatments in areas of high unmet need. This is strong motivator and drive for change, which means that in a small, yet growing company the nascent culture reflects values of integrity, collaboration and mutual respect.

Governance structures and processes
The division of responsibilities is clearly defined. Ultimate authority for all aspects of the Company's activities rests with the Board with the respective responsibilities of the Non-Executive Chairman and Chief Executive Officer delegated by the Board.

The Chairman is responsible for the effectiveness and leadership of the Board, promoting a culture of openness and debate by facilitating the effective contribution of non-executive directors and ensuring constructive relations between the Executive and the Non-Executive Directors. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The primary contact with shareholders has been delegated by the Board to the Chairman.

The Chief Executive Officer is responsible for day-to-day business activities.

Non-executive directors are appointed not only to provide independent oversight and constructive challenge but to provide strategic advice and guidance. There is a rigorous and transparent procedure for the appointment of new Directors to the Board. The search for Board candidates will be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

The Audit & Risk Committee has delegated duties and responsibilities and written terms of reference. The committee is comprised solely of Non-Executive Directors. From time to time, other committees may be set up by the Board to consider specific issues when the need arises.

Audit & Risk Committee

The committee's role is to assist the Board with the discharge of its responsibilities in relation to internal and external financial reporting, audits and controls, including reviewing the Company's annual and half-yearly financial statements, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and the tendering process and reviewing the effectiveness of the Company's corporate governance, internal audit and controls, risk management, whistle-blowing and fraud-prevention systems.

The ultimate responsibility for reviewing and approving the Company's annual report and accounts and its half-year reports rests with the Board.

The Audit & Risk Committee is chaired by Susan Lowther with Drummond Paris and Robert Hawkins as members. The Board has satisfied itself that has recent and relevant financial experience, and that the committee as a whole has competence relevant to the sector in which the Company operates.

The Audit & Risk Committee will normally meet not less than three times in each financial year and at such other times as the chair of the committee requires. It will have unrestricted access to the Company's auditors. As a matter of course, the Chief Financial Officer and Chief Executive Officer will be invited to attend committee meetings.

Remuneration and Nominations Committee

The Company considers that, at this stage of its development, and given the current size of its board, it is not necessary to establish a nominations committee. This position will be reviewed on a regular basis by the Board.

A Remuneration Committee was established on 1 December 2022 and will normally meet not less than three times in each financial year and at such other times as the chair of the committee requires. Remuneration Committee meetings are chaired by Drummond Paris as Senior Independent Director. They are attended by all non-Executive directors. The Chief Executive Officer is invited to attend to discuss staff remuneration, option packages and bonus schemes, but does not participate in discussions about Executive Director remuneration.

Board meetings

The Board will meet at least eight times each year or any other time deemed necessary for the good management of the business. They meet at a location agreed between the Board members. Face to face meetings occur where practicable.

Audit and Remuneration Committee meetings occur at least three times each year with nomination committee meetings being held as required. The number of Board and Committee meetings attended by each of the Directors since Admission is as follows:

Number of meetings in the year	Full board	Audit Committee	Remuneration Committee
Tiffany Thorn	4	-	-
Iain Ross	4	-	1
Robert Hawkins	4	1	1
Susan Lowther	4	1	1
Drummond Paris	4	1	1
Michael Kauffman*		-	-

- *Appointed on 16th January 2022*

Environmental, Social and Governance

The Board recognises the importance of social, environmental and ethical matters. The Group's environmental footprint will be closely managed as the team move into dedicated Company facilities in the early part of the current financial year. Growth as a business will be matched by a dedication to behaving responsibly and introducing more formal processes to demonstrate a commitment to managing environmental obligations.

The Group is committed to the equal treatment of all employees and applicants regardless of their gender, marital status, sexual orientation, age, race, colour, nationality, ethnic origin, disability, or religious or philosophical beliefs. The Group's responsibilities as a company and the expectations of employees as representatives of the company are set out in the Company Handbook. This handbook is provided to all employees as part of their induction training and is regularly reviewed and updated.

The Health and Safety committee, organised by employee representatives, aims to maintain a safe and healthy working environment for employees and ensure, so far is as is reasonably practicable, that the Group is fulfilling its legal responsibilities.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in in accordance with International Financial Reporting Standards ('IFRS') as adopted by the UK, IFRIC interpretations and the Companies Act 2006 applicable to companies operating under IFRS. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the Group and parent Company and of the Group's profit or loss for that period. In preparing the Group and parent Company financial statements, the directors are required to:

(b) select suitable accounting policies and then apply them consistently;
(c) make judgements and accounting estimates that are reasonable and prudent;
(d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
(e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain transactions and disclose with reasonable accuracy the financial position of the Group and parent Company to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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

We confirm that to the best of our knowledge we consider the Annual report and Accounts for the year ended 31 December 2021, to be fair, balanced and provide information for shareholders to assess the Group's position and performance, business model and strategy.

Tiffany Thorn
Chief Executive Officer
4 March 2022

Iain G. Ross
Chairman
4 March 2022

Board of Directors

Iain Ross (Non-Executive Chairman, aged 68)

Iain Ross has over 40 years' experience in the international life sciences and technology sectors and has held significant roles in multi-national companies including Sandoz, Fisons, Hoffman La Roche, Reed Business Publishing and Celltech Group plc. He has completed multiple financing transactions, and has over 30 years of experience in cross-border management as a chairman and Chief Executive Officer. He has led and participated in eight Initial Public Offerings (IPOs) and has direct experience of M&A transactions in Europe, the USA and the Pacific Rim. Currently he is non-executive chairman of Silence Therapeutics plc (LSE & NASDAQ); ReNeuron Group plc (LSE); and Kazia Therapeutics Limited (ASX & NASDAQ). In addition, he advises a number of private companies in the biotechnology sector. He is a Biochemistry graduate of London University, a qualified Chartered Director, Fellow of the Institute of Directors and Fellow of Royal Holloway, London University.

Tiffany Thorn (*Chief Executive Officer*, aged 34).
Tiffany Thorn is the inventor of the Bi-Cgyni® platform and has led the company since its formation, meeting key project milestones and securing £9.8 million in investment to date. As a HCPC registered Clinical Immunologist, Ms Thorn has experience of diagnosing and treating haematological malignancies within a clinical setting in the NHS and was awarded the NHS England Chief Scientific Officer's 'Rising Star' Award for her commitment to the delivery of healthcare. Ms Thorn has a strong background in the Antibody Drug Conjugate sector as a previous member of the senior management team at CDMO specialist, ADC Biotechnology Ltd (now Sterling Pharma Solutions Ltd), gaining vital experience of key trends in this field.

Professor Robert Hawkins (*Independent Non-Executive Director*, aged 66).
Professor Robert Hawkins has over 30 years' experience of developing cancer biotherapeutics from both a clinical and laboratory perspective and has served on the scientific advisory boards of several biopharmaceutical companies. From 1998 to 2019, he was Cancer Research UK Professor at the University of Manchester/Christie Hospital, undertaking clinical and pre-clinical research in immuno-oncology including leading several novel trials and major EU grant consortia developing cell therapy. In 2019 he became Chief Executive Officer of Immetacyte Ltd ("Immetacyte"), a spinout cell therapy he founded and in 2020, Immetacyte was acquired by Instil Bio Inc ("Instil"), a US company for which he was a founding director. After several private funding rounds, Instil undertook a successful IPO (NASDAQ:TIL) in March 2021 and is developing its cell therapy products through operations in the UK and US. Robert graduated in Medicine from Cambridge University/University College, London and undertook a PhD in antibody engineering developing methods of phage antibody affinity maturation used in the development of several therapeutic antibodies including Humira®. He is currently Chief Strategy Advisor to Instil and Honorary Professor at University of Manchester.

Susan Lowther (*Independent Non-Executive Director*, aged 62).

Susan has been a member of executive boards since 1997 and a Fellow of the Chartered Institute of Management Accountants since 2003. Susan's life-sciences career started at Celltech Group plc and included Head of Finance at Lonza Biologics (previously Celltech Biologics). As part of the leadership team, she was responsible for finance, HR, IT and facilities functions in the US and UK. Susan is Chief Financial Officer of Arecor Therapeutics plc ("Arecor") which was admitted to trading on AIM on 3 June 2021. Susan joined Arecor from IXICO plc, an imaging contract research organisation where she defined the financing strategy and raised growth capital taking the company on a path to profitability. Previously, Susan was Chief Financial Officer at Novacyt S.A. where she oversaw the acquisition of Lab21 Limited, CFO at BioWisdom Limited, who were acquired by Instem Plc, and Finance Director of RiboTargets Limited, from start-up until its acquisition by Vernalis plc.

Drummond Paris (*Senior Independent Non-Executive Director*, aged 70).

Drummond Paris has over 40 years' experience in the pharmaceutical and life sector and has held senior positions in Novartis including as Country Head of the UK, Regional Director for Asia Pacific and Global Head of the Transplantation and Immunology Division when he was a member of the Novartis global pharma executive board.

Drummond subsequently spent 8 years as President of Kowa Research and Kowa Pharmaceuticals Europe Ltd, two divisions of a Japanese family-owned business where he led the establishment of clinical research, regulatory and marketing capabilities within Europe and developed the successful strategy which resulted in the Company's profitable first product launch in Europe.

In the SME biotech/diagnostic sector, Drummond has been chairman of Karus Therapeutics Ltd, a small-molecule pharma research business; Sirigen the high-sensitivity, fluorescent dye business, and more recently The Electrospinning Business Limited and in each case, he led the successful development and investment funding of these businesses.

Dr Michael Kauffman *(Independent Non-Executive Director, aged 61)*
Dr. Kauffman has over 20 years of experience in the life sciences industry, including expertise in preclinical research, clinical development and regulatory strategy. In addition to BiVictriX, he is a board member for Karyopharm Therapeutics, Verastem Oncology, Adicet Bio and Kezar Life Sciences.

Most recently, Dr. Kauffman served as the co-founder and chief executive officer of Karyopharm, where he guided the Company's transition from a discovery stage biotechnology company to a commercial stage organization; he currently serves as Senior Medical Advisor and Board member.

Prior to joining Karyopharm, Dr. Kauffman was Chief Medical Officer of Onyx Pharmaceuticals Inc., which acquired Proteolix Inc where he was a Board member and Chief Medical Officer. Previously, Dr. Kauffman was President and Chief Executive officer of EPIX Pharmaceuticals, Inc. (previously Predix Pharmaceuticals, Inc.). Prior to that, he was the leader of the Velcade® development programme at Millennium Pharmaceuticals, and has also held a number of senior positions at Millennium Predictive Medicine and Biogen.

Dr. Kauffman received his M.D. and Ph.D. from Johns Hopkins Medical School, trained at Beth Israel and Massachusetts General Hospitals in Boston and is board certified in Internal Medicine.

Report to the Shareholder's on Directors' Remuneration

Directors' Remuneration Report

This report sets out the remuneration policy operated by the Company in respect of the Executive and Non-Executive Directors. The remuneration policy is the responsibility of the Board and remuneration meetings are chaired by Drummond Paris, Senior Independent Director.

No Director is involved in discussions relating to their own remuneration.

Remuneration policy
The Remuneration Committee has set a policy that aims to align remuneration, which attracts and retains the best talent, with shareholders' interests, driving the future growth and development of the Group.

The remuneration of the Executive Director and Non-Executive Directors during the year ended 31 December 2021 is set out below.

Basic annual salary
The base salary is reviewed annually. The Remuneration Committee consider several factors including the current position and development of the Group, individual contribution and market salaries for comparable organisations.

Discretionary annual bonus
The Group operates a discretionary performance related bonus scheme for all employees. The Executive Director participates in this bonus scheme. A bonus award reflects the achievement of defined Group targets and milestones and the achievement of personal performance objectives.

The Non-Executive Directors believe that a discretionary annual bonus is an appropriate incentive to achieve the Group's targets and objectives. It represents an important performance related compensation award to the Executive Director and employees.

The performance related bonus is awarded in respect of achievements within each financial year.

Discretionary share option schemes
Share options are granted in accordance with the Group's approved share option scheme. Details of grants made under the scheme are provided in note 14 of the financial statements. Details of share option grants made to Directors are shown in the table on page 29.

Other benefits
The Group operates a workplace pension scheme for the Executive Director and employees.

The Remuneration Committee plans to consider other health insurances so that the benefits provided to the Executive Director and employees remain competitive.

Executive Director's service agreement and remuneration
The service agreement of the Executive Director may be terminated by either party giving notice to the other:

	Date of contract	Notice period

Tiffany Thorn	4 August 2021	6 months

Tiffany Thorn was appointed Chief Executive Officer and Executive Director on 4th August 2021. Her four years prior employment with BiVictriX Limited counts towards her continuous service with the Company.

Tiffany Thorn is paid £150,000 p.a. and participates in the discretionary annual performance bonus and share option schemes. She qualifies for employee benefits including the Group pension and life insurance schemes.

Non-Executive Directors' service contracts and remuneration
Non-Executive Directors receive a fixed fee. Participation in the Group share option scheme is at the discretion of the Remuneration Committee.

Iain Ross was appointed as Non-Executive Chairman of the Company on 11 August 2021. The appointment is for an initial term of three years (subject to re-election by Shareholders as required by the Articles). The appointment can be terminated prior to the end of this three-year period by the Company or Iain Ross giving three months' prior written notice of termination to the other.

Ian Ross is paid a director's fee of £50,000 p.a. for his services as Non-Executive Chairman.

Susan Lowther was appointed as a Non- Executive Director of the Company on 11 August 2021. The appointment is for an initial term of three years (subject to re-election by Shareholders as required by the Articles). The appointment can be terminated prior to the end of this three-year period by the Company or Susan Lowther giving three months' prior written notice of termination to the other.

Susan Lowther is paid a fee of £35,000 p.a. for her services as non-executive director and an additional fee of £4,000 p.a. for her appointment as Chair of the Audit & Risk committee.

Robert Hawkins was appointed as a Non- Executive Director of the Company on 11 August 2021. The appointment is for an initial term of three years (subject to re-election by Shareholders as required by the Articles). The appointment can be terminated prior to the end of this three-year period by the Company or Robert Hawkins giving three months' prior written notice of termination to the other.

Robert Hawkins is paid a fee of £35,000 p.a. for his services as non-executive director.

Drummond Paris was appointed as a Non-Executive Director of the Company on 11 August 2021. The appointment is for an initial term of three years (subject to re-election by Shareholders as required by the Articles). The appointment can be terminated prior to the end of this three-year period by the Company or Drummond Paris giving three months' prior written notice of termination to the other.

Drummond Paris is paid a fee of £35,000 p.a. for his services as non-executive director.

Michael Kauffman was appointed as a Non-Executive Director of the Company on 16 January 2022. The appointment is for an initial term of three years (subject to re-election by Shareholders as required by the Articles). The appointment can be terminated prior to the end of this three-year period by the Company or Michael Kauffman giving three months' prior written notice of termination to the other.

Michael Kauffman is paid a fee of £35,000 p.a. for his services as non-executive director.

Directors' remuneration

The Directors received the following remuneration during the year:

	Salary £	Bonus £	Pension contributions £	Total remuneration Year ended 31 December 2021 £	Salary £	Bonus £	Pension contributions £	Total remuneration Year ended 31 December 2020 £
Executive								
Tiffany Thorn	103,833	50,000	7,042	160,875	65,833	0	854	66,687
Non-Executive								
Iain Ross	20,833			20,833				
Susan Lowther	16,250			16,250				
Robert Hawkins	14,583			14,583				
Drummond Paris	14,583			14,583				

No compensation for loss of office was paid.

Directors' shareholdings

Directors' interests in the shares of the Group, including family and beneficial interests, at 31 December 2021 were:

	31 December 2021 Number	31 December 2021 %	31 December 2020 Number	31 December 2020 %
Tiffany Thorn *	1,632,500	2.5%	0	0
Iain Ross	300,000	0.5%	0	0
Susan Lowther	72,727	0.1%		
Robert Hawkins	225,000	0.3%		
Drummond Paris	75,000	0.1%	0	0

* Simon Thorn, Acceleris Capital Limited and Acceleris Limited held 217,686 (0.3%) shares.

Directors' share options

Directors' interests in share options to acquire ordinary shares of 1 pence in the Group as at 31 December 2021 were:

	Number of options granted in the period under the replacement share option scheme for Directors previously employed by BiVictriX Limited		Number of options granted under the new scheme for Directors of the Group
Exercise Price	**£0.117**	**£0.20**	**£0.20**
Tiffany Thorn	365,295	1,658,205	3,673,500
Iain Ross	0	0	2,040,850

Drummond Paris
Senior Independent Director
4 March 2022

Directors' Report

The directors present their report and the financial statements and independent auditor's report for the Group and parent company for the year ended 31 December 2021.

The Corporate Governance statement on pages 18 to 23 and the governance section on pages 18 to 33 form part of this report.

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

Executive
Tiffany Thorn (appointed on 22 June 2021)

Non-Executive
Iain Ross (appointed on 11 August 2021)
Norman Molyneux (appointed on 22 June 2021 and resigned on 11 August 2021)
Robert Hawkins (appointed 11 August 2021)
Susan Lowther (appointed 11 August 2021)
Drummond Paris (appointed on 11 August 2021)
Michael Kauffman (appointed on 16 January 2022)

Secretary
Simon Wallwork (appointed 22 June 2021)

Directors' biographies are set out on pages 25 to 26.

No director had an interest in any contract that was significant to the Group's business during the year.

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

Principal activities
Details of the Group's current and future trading are included in the Strategic Report on pages 3 to 16.

Business review
The Strategic Report on pages 3 to 16 is a review of the business and the Group's trading for the year ended 31 December 2021. It is also sets out an outlook of future development and principal risks or uncertainties. The Strategic Report is part of this Directors' Report.

Financial results and dividend
The Group's loss after tax for the year was £2.3 million (2020: loss £0.4 million). The Directors do not recommend the payment of a dividend (2020: £nil)

Financial instruments
Information regarding financial instruments can be found in note 16 of the Consolidated Financial Statements.

Directors' remuneration and interests
Details of the directors' remuneration and interests in the share capital of the Group are included in the Directors' Remuneration report on pages 27 to 30.

Research and development
The principal activity of the Group is research and development through the identification, assessment and validation of drug targets ahead of commercial partnerships.
This is reflected in the increase in Research and development expenditure of £0.7 million (2020: £0.3 million) in the year. Further details are set out in the Strategic Report.

Donations
No charitable or political donations were made in the year (2020: Nil)

Information provided to the independent auditor
The directors at the date of approval of this Annual Report confirm that:

(i) So far as each director is aware, there is no relevant audit information of which the Group's Independent Auditor is unaware, and
(ii) Each director has taken all steps that they ought to have taken as a director, to make themselves aware of any relevant audit information and to establish that the independent auditor is aware of such information.

Strategic report
The Company has chosen in accordance with the Companies Act 2006, section 414C (11) to set out in the Company's strategic report on pages 3 to 16, information required to be contained in the Directors' Report by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7, where not already disclosed in the Directors' Report.

Post balance sheet events
Page 6 and note 22 of the Consolidated Financial Statements refers.

Independent auditor
Crowe UK LLP have expressed their willingness to continue in office as independent auditor. An Ordinary resolution to reappoint Crowe UK LLP and to authorise the directors to agree the audit fee will be proposed at the forthcoming Annual General Meeting ('AGM').

AGM notice
The AGM of the Company will be held on 31 March 2022. The notice convening the AGM which will confirm details of the AGM format, together with an explanation of the resolutions to be proposed at the meeting, is included in the Notice of Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

DocuSigned by:
Iain Ross
E080B7B9FDD54ED...
Iain Ross
Chairman
4 March 2022

DocuSigned by:
Tiffany Thorn
276B462383B1424...
Tiffany Thorn
Chief Executive Officer
4 March 2022

BiVictriX Therapeutics plc
Mereside Alderley Park
Alderley Edge
Macclesfield
England
SK10 4TG

Company registration number: 13470690

Independent Auditors Report

Independent Auditor's Report to the Members of BiVictriX Therapeutics Plc.

Opinion

We have audited the financial statements of BiVictriX Therapeutics Plc (the "parent company") and its subsidiary (the "group") for the period ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is International Accounting Standards as adopted by the UK. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's assessment of going concern and the underlying financial projections which support that assessment;
- testing to ensure the mathematical accuracy of the model presented;
- reviewing the assumptions used about future cash flows and timings;
- challenging the basis of management's estimates and assumptions in relation to cash flows for the business and available cost mitigations;

- confirming the existence of cash balances which will be relied on;
- considering a range of sensitivities to assess reasonably likely changes to key inputs; and
- reviewing the appropriateness of the disclosures in the financial statements.

Based on the audit work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

- £65,000 is the group level of materiality determined for the financial statements as a whole, this has been determined based on approximately 5% of the normalised consolidated result for the period, arrived at by adding back IPO expenses and non-recurring finance costs. As the Group is constituted with a view to making profits we determined that a trading based metric was the most appropriate to use for determining materiality.
- £48,000 is the group level of performance materiality. Performance materiality is used to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.
- £3,250 is the group level of triviality agreed with the Audit Committee. Errors above this threshold are reported to the Audit Committee, errors below this threshold would also be reported to the Audit Committee if, in our opinion as auditor, disclosure was required on qualitative grounds.

The parent company materiality was assessed as £10,000.

Overview of the scope of our audit

There are two components in the group, the parent company and the subsidiary undertaking, BiVictriX Limited. We audited both of them.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Share based payments` *Note 14* BiVictriX has options and warrants in issue. Options and warrants may not be correctly recorded at fair value and accounted for in accordance with the documentation	We obtained management's valuation calculations in relation to the instruments and considered the appropriateness of the methodology adopted in estimating fair value and reperformed the valuation calculations We carried out testing to ensure that the allocation of charges over vesting periods is in accordance with the terms of grant We ensured the disclosure of share-based payments in the financial statements is in accordance with relevant standards, has been accurately prepared and that the disclosure information agrees to underlying accounting records.
Accounting for IPO costs *Note 3* Total IPO related costs of £0.8m have been accounted for with £0.4m set against equity and £0.4m charged to profit and loss account. The allocation of these cost may not be in accordance with IAS 32 paras 37 – 39, IAS 1 and the Companies Act 2006	We vouched IPO costs to supporting documentation We obtained management's analysis of the apportionment, and basis of apportionment of costs and considered whether it is reasonable in accordance with IAS 32 We ensured that costs allocated to share premium account comply with the requirements of the Companies Act 2006 in relation to share premium We ensured the relevant amounts are correctly disclosed in accordance with IAS32 and IAS1

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
-

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK which is the only significant jurisdiction in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Stephen Bullock

Stephen Bullock
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

4 March 2022

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	**Year Ended 31 Dec 2021 £'000**	Year Ended 31 Dec 2020 £'000
Operating expenses			
Research and development costs	3	**(711)**	(306)
Administration expenses	3	**(567)**	(211)
Share based compensation	14	**(224)**	(4)
Other income	21	**-**	31
Total operating expenses before non-recurring costs		**(1,502)**	(490)
Non-recurring costs	3	**(389)**	-
Operating loss		**(1,891)**	(490)
Finance costs		**(641)**	(19)
Loss on ordinary activities before taxation		**(2,532)**	(509)
Taxation	6	**192**	84
Loss and total comprehensive expenses attributable to equity holders of the parent for the year		**(2,340)**	(425)
Loss per share attributable to equity holders of the parent (pence)	7		
Basic loss per share (pence)		**(6.02)**	(1.89)
Diluted loss per share (pence)		**(6.02)**	(1.89)

Consolidated and Company Statements of Financial Position

as at 31 December 2021

	Notes	Group		Company	
		As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000	**As at 31 Dec 2021 £'000**	As at 31 Dec 2020 £'000
Assets					
Non-current assets					
Property, plant and equipment	8	**339**	63	—	—
Investment in subsidiary undertakings	9	—	—	**214**	—
Amounts receivable from subsidiaries		-	-	**2,906**	-
Total non-current assets		339	63	3,120	—
Current assets					
Trade and other receivables	10	**287**	60	**11**	—
Current tax receivable		**192**	83	-	—
Cash and cash equivalents	11	**6,063**	862	**5,500**	—
Total current assets		**6,542**	1,005	**5,511**	—
Total assets		**6,881**	1,068	**8,631**	—
Liabilities and equity					
Current liabilities					
Trade and other payables	12	**308**	330	**2**	—
Lease liabilities	15	**71**	-	-	-
Total current liabilities		**379**	330	**2**	—
Non-current Liabilities		**175**	671	—	—
Total Liabilities		**554**	1,001	**2**	—
Equity					
Ordinary shares	13	**661**	1	**661**	—
Share premium	13	**12,052**	1,428	**8,002**	—
Share based compensation	13	**224**	10	**224**	—
Warrant reserve	13	**73**	—	**73**	—
Merger reserve	13	**(2,834)**	—	—	—
Fair value reserve	13	—	147	—	—
Retained (deficit)/profit	13	**(3,849)**	(1,519)	**(331)**	—
Total equity attributable to equity holders of the parent		**6,327**	67	**8,629**	—
Total liabilities and equity		**6,881**	1,068	**8,631**	—

No Statement of Comprehensive Income is presented in these financial statements for the Parent Company as provided by Section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the Parent Company was £331k (2020: £nil).

The financial statements on pages 40 to 66 were approved by the Board of Directors and authorised for issue on 4 March 2022 and were signed on its behalf by:

DocuSigned by:
Iain Ross
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Iain Ross
Chairman

4 March 2022

BiVictriX Therapeutics plc
Registered number: 13470690

DocuSigned by:
Tiffany Thorn
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Tiffany Thorn
Chief Executive Officer

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Ordinary shares £'000	Share Premium £'000	Merger reserve £'000	Share based compensation £'000	Warrant reserve £'000s	Fair Value Reserve £'000	Retained deficit £'000	Total £'000
Balance at 31 December 2019	1	1,267	—	6	—	—	(1,094)	180
Total comprehensive expense for the period	—	—	—	—	—	—	(425)	(425)
Transactions with owners					—			
Share issue	—	179	—	—	—	—	—	179
Expense of share issue		(18)	—		—	—	—	(18)
Share based compensation – share options	—	—	—	4	—	—	—	4
Net change in Fair value	—	—	—	—	—	147	—	147
Total transactions with owners	—	161	—	4	—	147	—	312
Balance at 31 December 2020	1	1,428	—	10	—	147	(1,519)	67
Total comprehensive expense for the period	—	—	—	—	—	—	(2,340)	(2,340)
Transactions with owners					—			
Acquisition of BiVictriX Limited	212	2,622	(2,834)	—	—	—	—	—
Share issue - convertible loan notes	73	1,387	—	—	—	(147)	—	1,313
Share issue - cash	375	7,125	—	—	—	—	—	7,500
Expense of share issue	—	(437)	—	—	—	—	—	(437)
Share based compensation – share options	—	—	—	224	—	—	—	224
Issue of warrants	—	(73)	—	—	73	—	—	—
Share based compensation – lapsed options	—	—	—	(10)	—	—	10	—
Total transactions with owners	660	10,624	(2,834)	214	73	(147)	10	8,600
Balance at 31 December 2021	661	12,052	(2,834)	224	73	—	(3,849)	6,327

Company Statement of Changes in Equity

for the year ended 31 December 2021

	Attributable to equity holders of the parent						
	Ordinary shares £'000	Share premium £'000	Share based compensation £'000	Warrant reserve £'000s	Fair Value Reserve £'000	Retained deficit £'000	Total £'000
Balance at 31 December 2020	–	–	-	-	–	–	–
Total comprehensive expense for the period	–	–	-	-	–	(331)	(331)
Transactions with owners							
Share issue - acquisition of BiVictriX	213	–	-	-	–	–	213
Share issue - convertible loan notes	73	1,387	-	-	–	–	1,460
Share issue – cash	375	7,125	-	-	–	–	7,500
Expense of share issue	–	(437)	–	-	–	–	(437)
Share based compensation – share	–	–	224	-	–	–	224
Share based compensation – warrant	–	(73)	–	73	–	–	–
Total transactions with owners	**661**	**8,002**	**224**	73	–	–	**8,960**
Balance at 31 December 2021	**661**	**8,002**	**224**	73	–	**(331)**	**8,629**

Consolidated and Company Statements of Cash Flows

for the year ended 31 December 2021

	Group		Company	
	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000	**Year ended 31 Dec 2021 £'000**	Year ended 31 Dec 2020 £'000
Cash flows from operating activities				
Loss before taxation	**(2,532)**	(509)	**(331)**	–
Depreciation and amortisation	**46**	1	**–**	–
Share based compensation	**224**	4	**224**	–
Finance costs	**641**	19	**-**	-
	(1,621)	(485)	**(107)**	–
Changes in working capital				
(Increase)/decrease in trade and other receivables	**(227)**	(41)	**(1,457)**	–
Increase/(decrease) in trade and other payables	**(21)**	244	**1**	–
Cash used in operations	**(248)**	203	**(1,456)**	
Taxation received	**84**	118	**–**	–
Net cash used in operating activities	**(1,785)**	(166)	**(1,563)**	–
Cash flows (used in)/generated from investing activities				
Acquisition of tangible fixed assets	**(46)**	(63)	**–**	–
Net cash (used in)/generated from investing activities	**(46)**	(63)	**–**	–
Cash flows from financing activities				
Proceeds from issue of convertible loan	-	800	-	–
Proceeds from issue of shares	**7,500**	179	**7,500**	–
Issue costs	**(437)**	(17)	**(437)**	–
Repayment of lease liabilities	(31)	-	-	-
Net cash generated from financing activities	**7,032**	962	**7,063**	–
Movements in cash and cash equivalents in the period	**5,201**	733	**5,500**	–
Cash and cash equivalents at start of period	**862**	129	**–**	–
Cash and cash equivalents at end of period	**6,063**	862	**5,500**	–

Notes to the Financial Statements

1. General Information
BiVictriX Therapeutics plc ('the Company') is a public limited company incorporated in England and Wales and was admitted to trading on the AIM market of the London Stock Exchange under the symbol "BVX" on 11 August 2021. The address of its registered office is Mereside, Alderley Park, Alderley Edge, Macclesfield, England, SK10 4TG and the registered company number is 13470690. The principal activity of the Company is research and experimental development on biotechnology.

2. Significant Accounting Policies and Basis of Preparation

Basis of preparation
The consolidated financial statements have been prepared in accordance with United Kingdom International Financial Reporting Standards ('IFRS') as adopted by the UK, IFRIC interpretations and the Companies Act 2006 applicable to companies operating under IFRS. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

The financial statements are presented in Sterling (£) and rounded to the nearest £000. This is the predominant functional currency of the Group and is the currency of the primary economic environment in which it operates. Foreign transactions are accounted in accordance with the policies set out below.

Basis of consolidation
The financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and, has the ability to use its power to affect its returns. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Going concern
As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on Risk Management and Internal Control and Related Financial and Business Reporting". The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

Whilst the impact of Covid-19 has been substantially globally, the impact of the Group is not considered to be material since the forecasts were not dependent on trading income but focused on controlled, considered spend to meet its development and commercial objectives.

The forecasts contain certain assumptions about the performance of the business including the growth model and the cost model.

The directors are aware of the risks and uncertainties facing the business but the assumptions used are the Directors' best estimate of the future development of the business.

After considering the forecasts and risks, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

At 31 December 2021, the Group had cash and cash equivalents, including short-term investments and cash on deposit, of £6,063,000.

The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the current level of activities.

Standards, interpretations and amendments to published standards not yet effective

The Directors have considered those standards and interpretations, which have not been applied in these financial statements but which are relevant to the group's operations, that are in issue but not yet effective and do not consider that they will have a material effect on the future results of the Group.

Currencies

Functional and presentational currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The presentational currency is also the functional currency.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Office equipment – 25% straight line
Plant and equipment – 16% straight line
Furniture, fixtures and fittings – 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Comprehensive Income.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Research and development expenditure
Development costs and expenditure on pure and applied research are charged to the profit and loss account in the year in which they are incurred. Expenditure incurred on the development of internally generated products will be capitalised from when Phase 3 trials are completed and regulatory approval is obtained.

Income tax
The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current income tax
Current tax, including R&D tax credits which have the characteristics of income tax, is based on taxable income for the period and any adjustment to tax from previous periods. Taxable income differs from net income in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods or that are never taxable or deductible. The calculation uses the latest tax rates for the period that have been enacted or substantively enacted by the dates of the Consolidated Statement of Financial Position.

(b) Deferred tax
Deferred tax is calculated at the latest tax rates that have been substantially enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets are not recognised due to uncertainty concerning crystallisation.

Payroll expense and related contributions

Wages, salaries, payroll tax, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered.

Pension costs
The Group makes contributions to the private pension schemes of Directors and employees. Contributions are recognised in the periods to which they relate.

Share-based compensation
The Group issues share based payments to certain employees and Directors and warrants have been issued to certain suppliers. Equity- settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, along with a corresponding increase in equity.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of any revision is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity reserves.

The fair value of share options and warrants are determined using a Black-Scholes model, taking into consideration the best estimate of the expected life of the option or warrant and the estimated number of shares that will eventually vest.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of operating segments.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8.

The results and assets for this segment can be determined by reference to the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

Group reorganisation accounting
The Company acquired its 100% interest in BiVictriX Limited ('BiVictriX') by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group but they are a continuance of those of BiVictriX. Therefore the assets and liabilities of BiVictriX have been recognised and measured in these consolidated financial statements at their pre combination carrying values by applying the principles of merger accounting. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and BiVictriX. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation.

The difference between consideration given and net assets of BiVictriX at the date of acquisition is included in a merger reserve. The comparatives included are for BiVictriX prior to the group reorganisation.

The Company was incorporated on 22 June 2021. The value of the acquisition of BiVictriX Limited in the financial statements of the Company has been determined by applying sections 610, 612 and 615 of the Companies Act 2006 as they relate to merger relief. These sections of the Companies Act 2006 are applicable to corporate investments where more than 90% of the acquired entity is represented by a share for share exchange. In these circumstances FRS 102 allows the investment to be carried in the Company's balance sheet at the nominal value of the shares issued, without recognising any associated share premium. The Company statement of changes in equity covers a period from 22 June to 31 December and the Company cash flow statement is for the period 22 June 2021 to 31 June 2021

Investment in subsidiaries
Investment in subsidiaries are shown in the Company balance sheet at cost and are reviewed annually for impairment.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables
Trade and other receivables that do not contain a significant financing component are initially recognised at fair value and subsequently held at amortised cost less provision for impairment. Provisions for impairment are based on an expected credit loss model as required by IFRS 9.

Cash, cash equivalents and short-term investments
Cash and cash equivalents consist of cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables
Trade and other payables are not interest-bearing and are stated at nominal value.

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Financial risk management

Financial risk factors
The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close co-operation with key staff.

(a) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as competitor pricing, interest rates, foreign exchange rates (see Note 16).

(b) Credit risk
Credit risk is the financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents, and receivables

balances.

(c) Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of the Group's liquidity, and cash and cash equivalents based on expected cash flow.

Capital risk management
The Group has been funded by equity. The components of shareholders' equity are:
(a) The share capital and share premium account arising on the issue of shares.
(b) Merger reserve, which was created as a result of the acquisition by the Company of the entire issued share capital of BiVictriX Limited on 9 August 2021.
(c) The share based compensation reserve results from the Group's grant of equity-settled share options to selected employees and Directors.
(d) The retained deficit reflecting comprehensive loss to date.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements. Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

Fair value estimation
The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values because of the short term nature of such assets and the effect of discounting liabilities is negligible.

Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, the Directors make estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty
Receivables from the subsidiary represents interest free amounts advanced to Group companies with no fixed repayment dates, being amounts due from BiVictriX Therapeutics plc advanced to support the Group's research expenditure.

Taxation
In recognising income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of income tax assets and liabilities will be recorded in the period in which such a determination is made. The carrying values of current tax are disclosed separately in the statement of financial position

Share based payment charge
Historically the Group issued a number of share options to certain employees. A Black-Scholes model was used to calculate the appropriate charge for these periods. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the

calculation of the charge. The total charge recognised in the year to 31 December 2021 was £224k (year to 31 December 2020: £4k).

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities, representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the leases (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less and lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the remainder of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The Group's lease liabilities are included in interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line bases over the lease term.

Extension and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

3. Operating Loss

An analysis of the Group's operating loss has been arrived at after charging/(crediting):

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Research and development expenses:		
Other research and development	**306**	189
Staff costs – Note 5	**349**	98
Depreciation of property, plant and equipment	**46**	1
Operating lease cost – land and buildings	**10**	18
General and Administrative:		
Staff costs – Note 5	**329**	69
Administration expenses	**238**	142
Share based compensation	**224**	4
Other income	**-**	(31)
Non-recurring costs	**389**	-
Total operating expenses	**1,891**	490

The Group has one reportable segment, namely the development of pharmaceutical products all within the United Kingdom.

Non-recurring costs represent the cost of the Company's admission to AIM not recognised in share premium.

4. Auditor's Remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Fees payable to the Group's auditors for the audit of:		
the consolidated and Company annual accounts	**33**	5
the subsidiary's annual accounts	**-**	-
Total audit fees	**33**	5
Audit related services	4	-
Total audit related fees	**4**	-
Other services	**-**	-
Total non-audit fees	**4**	-

5. Employees and Directors

The average monthly number of persons (including Executive Directors) employed by the Group was:

	Group		Company	
	Year ended 31 Dec 2021 Number	Year ended 31 Dec 2020 Number	**Year ended 31 Dec 2021 Number**	Year ended 31 Dec 2020 Number
Directors	**1**	1	**1**	1
Scientists and administration staff	**5**	3	**3**	3
Average total persons employed	**6**	4	**4**	4

As at 31 December 2021 the Group had 7 employees (31 December 2020: 4).

Staff costs in respect of these employees were:

	Group	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Salaries and other short-term employee benefits	**395**	143
Employer's National Insurance	**44**	11
Pension contributions	**16**	9
Options vesting under share option schemes	**224**	4
Total remuneration including vesting of share options	**679**	167

The Group makes contributions to a pension scheme on behalf of the Director and employees.

The total remuneration of the highest paid Director excluding share based payments was £181,000 (31 December 2020: £93,000).

The Directors have the authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of the Group and they therefore comprise key management personnel as defined by IAS 24.

Aggregate emoluments of the Directors of BiVictrix Therapeutics Plc:

	Group	
	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Aggregate emoluments of Directors:		
Salaries and other short-term employee benefits	**205**	80
Employer's National Insurance	**28**	10
Pension contributions	**7**	4
Options vesting under share option schemes	**224**	4
Total remuneration including vesting of share options	**464**	97

Directors' emoluments include amounts payable to third parties as described in Note 17.

6. Taxation

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Current tax		
Current period – UK corporation tax	-	-
R&D tax credit	**193**	84
Adjustments in respect of prior periods	-	-
Net tax credit	**193**	84

The tax credit for each period can be reconciled to the loss per Consolidated Statement of Comprehensive Income as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Loss on ordinary activities before taxation	**(2,532)**	(509)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 19% (2020 19%)	**(481)**	(97)
Effects of:		
Losses not recognised	**481**	97

R&D tax credit	**(192)**	(84)
Tax credit for the year	**(192)**	(84)

The Group has a deferred tax liability being accelerated capital allowances, for which the tax, measured at a standard rate of 19% in all periods is 31 December 2021 £18,000 (2020: £12,000). This has not been recognised as it is covered by accumulated tax losses in all periods.

The Group has a deferred tax asset for share-based payments, for which the tax, measured at a standard rate of 19% in all periods is 31 December 2021 £45,000 (2020: £2,000). No deferred tax assets have been recognised due to the uncertainty of the availability of future profits.

At 31 December 2021 the Group had UK carried forward tax losses of approximately £2,521,000 (2020: £793,000) for which no deferred tax asset has been recognised.

7. Loss per Share

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the year.

For diluted loss per share, the loss for the year attributable to equity holders and the weighted average number of ordinary shares outstanding during the year is adjusted to assume conversion of all dilutive potential ordinary shares.

As at 31 December 2021, the Group had 8,614,184 (2020: Nil) share options, warrants and subscriptions outstanding which are potentially dilutive.

The calculation of the Group's basic and diluted loss per share is based on the following data:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Loss for the year attributable to equity holders for basic loss and adjusted for the effects of dilution	**(2,340)**	(425)

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Weighted average number of ordinary shares for basic loss per share	**38,865,782**	22,509,414
Effects of dilution: Share options	-	-
Weighted average number of ordinary shares adjusted for the effects of dilution	**38,865,782**	22,509,414

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Loss per share – basic and diluted	**(6.02)**	(1.89)

The loss and the weighted average number of ordinary shares for the years ended 31 December 2021 and 2020 used for calculating the diluted loss per share are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive under the terms of International Accounting Standard ('IAS') No 33.

8. Property, Plant and Equipment

	Office equipment, fixtures and fittings £'000s	Building improvements £'000s	Plant and machinery £'000s	Right of Use Asset £'000s	Total £'000s
Cost					
At 31 December 2019	2	-	-		2
Additions	1	2	61		64
Disposals					
At 31 December 2020	3	2	61		66
Additions	9	1	36	275	321
Disposals					
At 31 December 2021	12	3	97	275	387
Accumulated Depreciation					
At 31 December 2019	1				1
Provided during the year			1		1
Disposals					
At 31 December 2020	1	-	1		2
Provided during the year	1	1	15	29	46
Disposals					
At 31 December 2021	2	1	16	29	48
Net Book Value					
At 31 December 2020	1	2	60	-	63
At 31 December 2021	10	2	81	246	339

Depreciation is charged to operating expenses.

9. Investment in Subsidiary Undertakings

The consolidated financial statements of the Group at 31 December 2021 include:

Name of subsidiary	Class of share	Place of incorporation	Principle activities	Proportion of ownership interest	Proportion of voting rights held
BiVictriX Limited	Ordinary	United Kingdom	Research and development	100%	100%

	Group		Company	
	2021	2020	**2021**	2020
Cost at 1 January	-	-	-	-
Acquisition during the year	-	-	214	-
Cost at 31 December	-	-	214	-
Carrying Value as at 31 December	-	-	214	-

Break down of carrying value of investment:

	Group		Company	
	2021	2020	**2021**	2020
BiVictriX Limited	-	-	214	-

Investments are tested for impairment at the balance sheet date. The recoverable amount of the investment in BiVictriX Limited at 31 December 2021 was assessed on the basis of value in use. As this exceeded carrying value no impairment loss was recognised.

The key assumptions used for the value in use calculation in 2021 were as follows:

	%
Discount rate	**13.8**

The Directors have made significant estimates on the future revenues based around a typical partnering with a large FMCG or Pharma partner. Assumptions have been made based upon on the size of the potential market as well as the expected royalty % across the lifetime of the patent.

The Directors have performed a sensitivity analysis to assess the impact of downside risk of the key assumptions underpinning the projected results of the Group. The projection used is sensitive to the projected royalty assumptions that have been applied.

10. Trade and Other Receivables

	Group		Company	
	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000	**As at 31 Dec 2021 £'000**	As at 31 Dec 2020 £'000
Amounts receivable within one year				
Other taxation and social security	**68**	53	**6**	–
Prepayments	**219**	7	**5**	–
Trade and other receivables	**287**	60	**11**	–

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. In addition, an expected credit losses model is used which broadens the information that an entity is required to consider when determining its expectations of impairment. Under this model, expectations from future events are taken into account which could result in the earlier recognition of impairments. Details on the Group's credit risk management policies are shown in Note 16. The Group does not hold any collateral as security for its trade and other receivables.

Amounts due to the Company from subsidiary undertakings are not considered to be receivable within one year – see note 17.

11. Cash, Cash Equivalents and Short-Term Investments

	Group		Company	
	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000	**Year ended 31 Dec 2021 £'000**	Year ended 31 Dec 2020 £'000
Cash at bank and in hand	**6,063**	862	5,500	-

12. Trade and Other Payables

	Group		Company	
	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000	**Year ended 31 Dec 2021 £'000**	Year ended 31 Dec 2020 £'000
Amounts falling due within one year				
Trade payables	**69**	263	**2**	–
Other taxation and social security	**65**	12	-	-
Accrued expenses	**174**	55	-	-
Trade and other payables	**308**	330	**2**	-

Trade and other payables principally consist of amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 to 45 day terms. The Directors consider that the carrying value of trade and other payables approximates to their fair value. All trade and other payables are denominated in Sterling. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

The fair value of trade and other payables approximates to their current book values.

13. Issued Capital and Reserves
Ordinary shares

	Company			
Ordinary shares of 1p each:	Number	Share Capital £'000	Share Premium £'000	Total £'000
At 31 December 2020	–	–	–	–
Issued of share capital	66,115,171	661	12,504	13,165
Expenses of share issue	–	–	(452)	(452)
At 31 December 2021	**66,115,171**	**661**	**12,052**	**12,713**

On 28 July 2021 21,317,040 ordinary shares of 1p were issued in exchange for equity in BiVictriX Limited. These shares were issued at a price of 20 pence per share.

On 10 August 2021 7,298,161 ordinary shares of 1p were issued at a price of 11.7 pence per share, in exchange for the conversion of loan notes held in BiVictriX Limited.

On 11 August 2021 37,499,970 ordinary shares of 1p were issued at a price of 20 pence on admission to AIM. Fees of £436,985 have been deducted from share premium.

Other reserves
The share premium reserve represents the difference between the net proceeds of equity issues and the nominal share capital of the shares issued.

The merger reserve at 31 December 2021 arose from the acquisition of BiVictriX Limited on 9 August

2021, which is accounted for using the merger method of accounting.

The share-based compensation reserve reflects the cumulative expense for outstanding share based instruments.

The fair value reserve reflects the fair value of the equity component of the convertible loan notes (see note 20)

Reserves classified as retained deficit represent accumulated losses. None of the reserves are distributable.

14. Share-based Payments

Certain Directors and employees of the Group hold options to subscribe for shares in the Group under share option schemes. The number of shares subject to options, the periods in which they were granted and the period in which they may be exercised are given below.

The Group operates one share option scheme (2020: nil), in addition share options have been granted under standalone unapproved share option agreements. Options are currently granted for £nil consideration and are exercisable at a price determined on the date of the grant.

At 31 December 2021 the Company had 8,614,184 (2020: nil) unissued ordinary shares of 1p under the Company's share option schemes, details of which are as follows:

Movements on share options during the year were as follows:

Exercise price	At 1 Jan 2021	Granted	Lapsed/ Cancelled	At 31 Dec 2021	Date from which exercisable	Expiry date
0.117	-	365,295	-	365,295	11 August 2021	8 April 2031
0.200	-	3,290,875	-	3,290,875	11 August 2021	8 April 2031
0.200	-	1,632,680	-	1,632,680	11 August 2023	8 April 2031
0.200	-	2,449,000	-	2,449,000	11 August 2024	8 April 2031
0.250	-	876,334	-	876,334	13 December 2024	13 December 2031
	-	**8,614,184**	**-**	**8,614,184**		

As at 31 December 2021, the share option scheme movements was as follows:

	As at 31 Dec 2021		As at 31 Dec 2020	
	Number	**Weighted average exercise price Pence**	Number	Weighted average exercise price Pence
Outstanding at start of the year	-	-	-	-
Granted	**8,614,184**	**20.16**	-	-
Lapsed/cancelled	-	-	-	-

Outstanding at end of year	**8,614,184**	**20.16**	-	-
Exercisable at end of year	**3,656,170**	**19.17**	-	-

All previously outstanding options in BiVictriX Limited which were not exercised or exchanged on listing have lapsed.

The fair values of share options granted during the period were calculated using the Black Scholes option pricing model. The inputs into the model for awards granted were as follows:

Options issued	365,295	3,290,875	1,632,680	2,449,000	876,334
Grant date	8 April 2021	8 April 2021	8 April 2021	8 April 2021	13 Dec 2021
Expiry date	8 April 2031	8 April 2031	8 April 2031	8 April 2031	13 Dec 2031
Vesting period	Immediately	On admission	Over 2 years from admission	Over 3 years from admission	Over 3 years from grant
Share price (pence)	11.74p	20.0p	20.0p	20.0p	25.0p
Exercise price (pence)	11.74p	20.0p	20.0p	20.0p	25.0p
Expected volatility	56.5%	56.5%	56.5%	56.5%	56.5%
Risk free rate	0.41%	0.41%	0.41%	0.41%	0.41%

In the absence of historic volatility data available at the grant date the expected volatility of 56.5% has been estimated based on comparable companies listed on AIM.

15. Lease liabilities

Amounts recognised in the statement of financial position

Right-of-use assets
Details of the Right-of-use assets held at 31 December 2021 can be found in note 8.

Lease liabilities

	As at 31 December 2021 £000	As at 31 December 2020 £000
Current	71	-
Non-current	175	-
	246	-
Future minimum lease payments are as follows:		
Not later than one year	71	-
Later than one year and not later than 5 years	175	-
Total gross payments	246	-
Impact of finance expenses	-	-
Carrying amount of liability	246	-

Lease liabilities have been recognised on the incremental borrowing rate for Land and Buildings and Office Equipment.

Amounts recognised in the statement of comprehensive income

	As at 31 December 2021 £000	As at 31 December 2020 £000
Depreciation charge	(29)	-
Interest of lease liabilities	(2)	-
Rental payments with lease term less than 12 months	-	-
	(31)	-

Amounts recognised in the statement of cash flows

	As at 31 December 2021 £000	As at 31 December 2020 £000
Principal elements of lease payments	(1)	-
Interest of lease liabilities	-	-
Rental payments with lease term less than 12 months	(1)	-
	(2)	-

16. Financial Risk Management

The main risks arising from the Group's financial instruments are cash flow and liquidity and credit risk. The Group's financial instruments comprise cash and various items such as trade receivables and trade payables, which arise directly from its operations.

Cash flow and liquidity risk

Management monitors the level of cash on a regular basis to ensure that the Group has sufficient funds to meet its commitments where due. The table below analyses the Group and Company's financial assets and liabilities by category:

	Group		Company	
	Year ended 31 Dec 2021 Financial assets at amortised cost £'000	Year ended 31 Dec 2020 Financial assets at amortised Cost £'000	**Year ended 31 Dec 2021 Financial assets at amortised cost £'000**	Year ended 31 Dec 2020 Financial assets at amortised cost £'000
Assets as per statement of financial position				
Other receivables	**287**	60	**2,304**	-
Cash and cash equivalents	**6,063**	862	**5,500**	-
	6,350	922	**7,804**	-

	Group	Company

	Year ended 31 Dec 2021 Financial assets at amortised cost £'000	Year ended 31 Dec 2020 Financial assets at amortised Cost £'000	**Year ended 31 Dec 2021 Financial assets at amortised cost £'000**	Year ended 31 Dec 2020 Financial assets at amortised cost £'000
Trade payables	**69**	263	**1**	–
Other creditors and accruals	**239**	67	**-**	-
	308	330	**1**	-

All liabilities are due within 30 days except for lease liabilities which are dealt with in note 15.

Credit risk

The Group gives careful consideration to which organisations it uses for banking in order to minimise credit risk. The Group holds cash with two large banks in the UK. The amounts of cash held at the reporting date can be seen in the financial assets table above. All of the cash and equivalents were denominated in UK Sterling.

The carrying amount of financial assets recorded in the Consolidated Statement of Financial Position, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

No allowance has been made for impairment losses. In the Directors' opinion, there has been no impairment of financial assets during the period.

An allowance for impairment is made where there is an identified credit loss which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Directors consider the above measures to be sufficient to control the credit risk exposure. No collateral is held by the Group as security in relation to its financial assets.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates solely to the Group's use of suppliers operating overseas, primarily denominated in Euros and US Dollars. The Group's use of foreign suppliers is minimal and as such exposure to foreign currency changes is not material.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the year end were £1,000 (2020: nil).

At present the Group does not make use of financial instruments to minimise any foreign exchange gains or losses so any fluctuations in foreign exchange movements may have a material adverse impact on the results from operating activities.

Fair value of financial assets and liabilities

There is no material difference between the fair value and the carrying values of the financial instruments because of the short maturity period of these financial instruments and their intrinsic size and risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's financial assets are cash and cash equivalents and trade and other receivables. The carrying value of these assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's policy is to minimise the risks associated with cash and cash equivalents by placing these deposits with institutions with a recognised high credit rating.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. An allowance for impairment is made where there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Group continually reviews customer credit limits based on market conditions and historical experience.

Capital risk management

The Group considers capital to be shareholders' equity as shown in the consolidated statement of financial position, as the Group is primarily funded by equity finance. The Group is not yet in a position to pay a dividend.

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and for other stakeholders. In order to maintain or adjust the capital structure the Group may return capital to shareholders and issue new shares.

17. Related Party Transactions

Group

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management compensation is disclosed in Note 5 of the consolidated financial statements. Directors' emoluments are disclosed in the Remuneration Committee Report.

18. Transactions with shareholders

The following transactions with shareholders and companies controlled by directors or former directors of Bivictrix were recorded, excluding VAT, during the year:

	Year to 31 December 2021 £000	**Year to 31 December 2020 £000**
Acceleris (David Youngman/Norman Molyneux)	129	28
Non-Executive Director fees, funding support fees and expenses		
Gladstone Consultancy Partnership (Iain Ross)	39	-
Consultancy fees		
Acceleris (David Youngman/Norman Molyneux)	-	5
Gladstone Consultancy Partnership (Iain Ross)	-	-

Company

The Company is responsible for financing and setting Group strategy. The Company's subsidiary carried out the Group's research and development strategy including the management of the Group's intellectual property. The Company provides funding to its subsidiary in the form of a loan. This loan is classified as non-current to reflect the likely repayment schedule of the loan. Interest is accrued at a rate of 4.5% per annum which is considered to be a market rate. Balance outstanding, including accrued interest, at the 31 December 2021 was £2,906,000 (31 December 2020: nil)

19. Contingent Liabilities

The Group has no contingent liabilities at 31 December 2021 (2020: nil).

20. Convertible loan notes

	Year to 31 December 2021 £000	Year to 31 December 2020 £000
Net proceeds from issue of convertible notes	-	800
Accrued interest	-	18
Equity component	-	(147)
Carrying value	-	671

In 2020 BiVictriX Limited entered into a Convertible Loan Agreement ('CLA') with the Future Fund, Development Bank of Wales and Alderley Park Ventures. The CLA had 36 months term with interest payable of 8% p.a Loan note holders had the right to receive repayment in full and a 100% redemption premium or convert to equity at 20% to the prevailing share price or the previous roundprice, whichever was the lower..

On 10 August 2021, the loan note holders elected to convert the CLA and accrued interest.All loan notes were converted to ordinary shares at a price of 11.7 pence per share. The discount against the Admission price of 20.0 pence per share has been recognised in the statement of comprehensive income.

21. Other income

Other income consists of grant income in relation to the Coronavirus Job Retention Scheme. The income has been recognised in the period to which the underlying furloughed staff costs relate to. Claims totalling nil have been received in the year to 31 December 2021 (2020: £31,000).

22. Events after the Reporting Date

In February 2022, the Company announced a broadening of its patent portfolio with the filing of four additional patent applications.

In February 2022, the Company announced the expansion of the Bi-Cygni® approach through the launch of two new programmes, extending the utility of the technology across multiple different cancer types.

23. Ultimate Controlling Party

There is no ultimate controlling party of the Group.

Directors and Professional Advisers

Directors
- Iain Ross
- Tiffany Thorn
- Professor Robert Hawkins
- Susan Lowther
- Drummond Paris
- Dr Michael Kauffman

Secretary
Simon Wallwork

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