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7 March 2022

BIVICTRIX THERAPEUTICS PLC

("BiVictriX" or "the Company" or "the Group")

Maiden full year results for the twelve months ended 31 December 2021

- *Successful Initial Public Offering ("IPO") on AIM raising £7.5 million (gross)*
- *Collaborations progressed with leading academic centres and IONTAS Limited*
- *Further strengthening of intellectual property portfolio*
- *Highly experienced Board and senior management appointed*
- *Expansion of therapeutic pipeline with two new assets: BVX002 and BVX003*

Alderley Park, 7 March 2022 BiVictriX Therapeutics plc (AIM: BVX), an emerging biotechnology company applying a novel approach to develop next generation cancer therapies using insights derived from frontline clinical experience, today announces its maiden audited full year results for the twelve months ended 31 December 2021.

Corporate Highlights including post period end events

- Completed an IPO on AIM on 11 August 2021 ("Admission").
- Successfully completed two antibody discovery campaigns with partner IONTAS Limited, in which novel antibody fragments that target BiVictriX's proprietary "twin cancer antigens" were identified to further optimise the Company's lead programme, BVX001.
- Established academic collaborations including with 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.
- Post period, the Company announced the expansion of its therapeutic pipeline with the addition of two assets entering the early stages of drug development: BVX002 and BVX003, demonstrating the broad utility of the Bi-Cygni® approach and potential expansion into novel areas in immuno-oncology.
- Expanded the Company's in-house R&D capabilities by establishing fully functioning office and laboratory facilities to support the expedient development of its therapeutic pipeline.
- Continued to strengthen the Company's growing patent portfolio in the UK and internationally with the filing of four new patents covering wholly-owned assets.
- Established an experienced Board of Directors, led by Chairman Iain Ross, and post period further strengthened its Board with the appointment of Dr Michael Kauffman as an additional Independent Non-Executive Director.
- Expanded the management team with the appointments of Dr Oliver Schon as VP of Product Development & CMC and Glyn Baker as Chief Financial Officer, appointed post period, to support development of key work programmes.

Financial Highlights

- Gross proceeds of £7.5 million in conjunction with the Admission.
- R&D investment of £0.711 million (FY 2020 £0.306 million).
- Cash and cash equivalents of £6.063 million at 31 December 2021 (FY 2020 £0.862 million).

Tiffany Thorn, Chief Executive of BiVictriX Therapeutics plc, commented; "It has been a period of significant advancement for the Company and I am pleased to report strong value-creating progress in the past 12 months. Following our listing on AIM, we have continued to develop our lead programme, BVX001, expanded our therapeutic pipeline, grown our internal capabilities, added to our growing IP portfolio and built out our Board and leadership team. Looking ahead, the Company is well positioned to continue to deliver against our objectives and create further value in 2022 and beyond."

-Ends-

For more information, please contact:

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About BiVictriX Therapeutics plc

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.

The Company utilises a first-in-class approach to generate a proprietary pipeline of Bi-Cygni® therapeutics which are designed to selectively target antigen co-expression fingerprints, or "twin antigens", on tumour cells, which are largely absent from healthy cells. Whereas this concept has been validated in a clinical diagnostic setting to support the diagnosis and monitoring of haematological cancers, it has not yet been widely used in a therapeutic setting.

BiVictriX has identified a diverse panel of novel cancer-specific "twin antigens", across a broad range of solid tumour and haematological cancer indications. The Company is using these novel "twin-antigens" to develop more effective and safer therapeutics to target cancers that are expected to constitute orphan indications and currently constitute areas of high unmet medical need.

Find out more about BiVictriX online at www.bivictrix.com

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.

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.

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.

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

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

		Group		Company	
	Notes	**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:

Iain Ross **Tiffany Thorn**
Chairman **Chief Executive Officer**
4 March 2022
BiVictriX Therapeutics plc
Registered number: 13470690

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 operatiing activities	**(1,785)**	(183)	**(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. In accordance with IFRS 9 'Financial Instruments', where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

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	Year ended 31 Dec 2020	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020

	Number	Number	**Number**	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 £'000	Year ended 31 Dec 2020 £'000
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	**678**	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
	£'000	£'000	**£'000**	£'000
Cost at 1 January	**–**	–	**–**	–
Acquisition during the year	**–**	–	**214**	-
Cost at 31 December	**–**	–	**214**	-
Carrying Value as at 31 December	**–**	–	**214**	-

	Group		Company	

Break down of carrying value of investment:

	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
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	As at	As at	As at
	31 Dec	31 Dec	**31 Dec**	31 Dec
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'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	Year ended	**Year ended**	Year ended
	31 Dec	31 Dec	**31 Dec**	31 Dec
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'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	-	1,632,660	-	1,632,660	11 August 2023	8 April 2031
0.200	-	2,449,000	-	2,449,000	11 August 2024	8 April 2031
0.250	-	876,334	-	876,344	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.