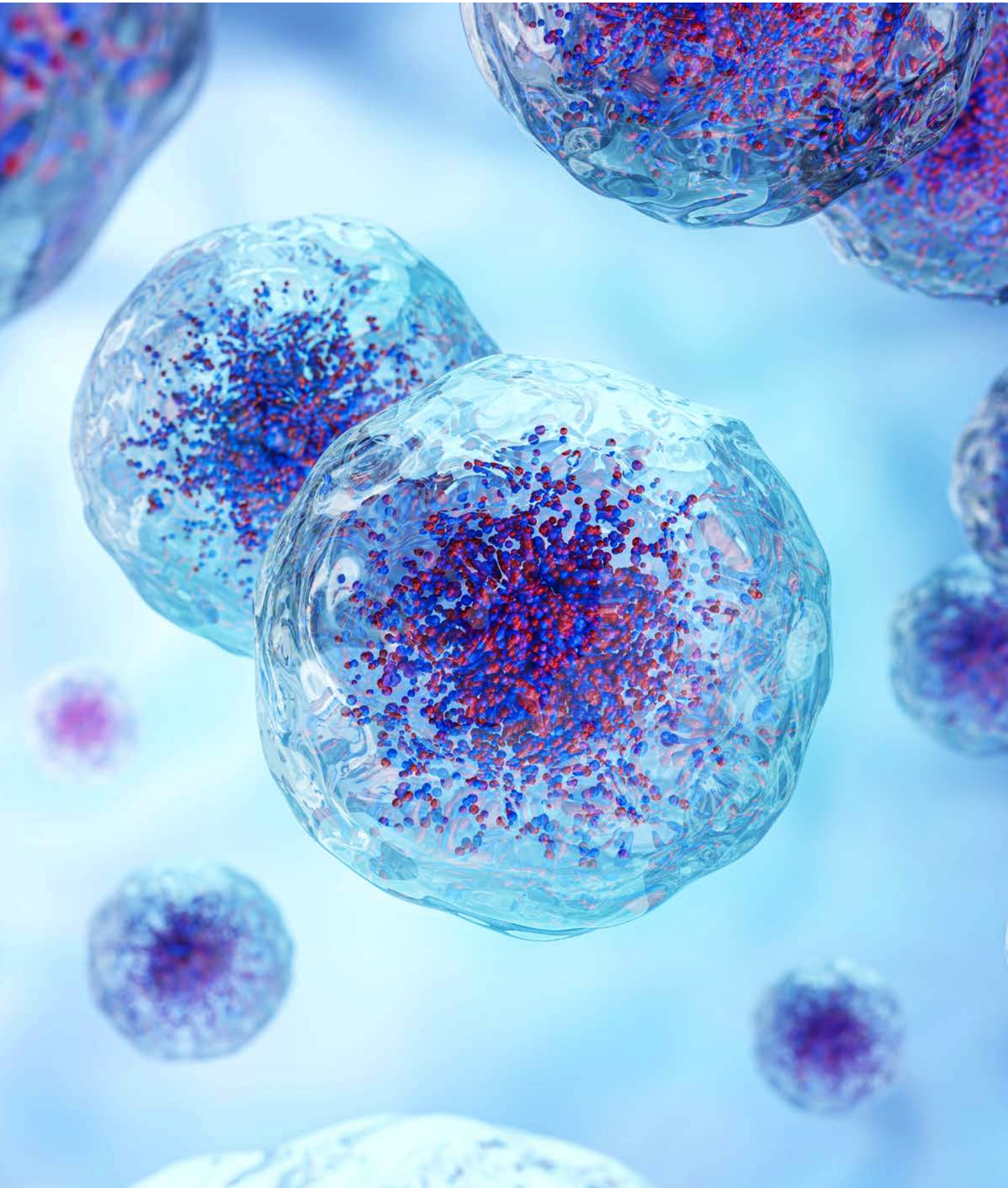
BiVictriX THERAPEUTICS

Annual Report and Accounts for the year ended 31 December 2023



BiVictriX Therapeutics plc

Our vision is to revolutionise cancer therapy for some of the most difficult to treat cancers.

BiVictriX is a UK-based drug discovery and development company applying an innovative, proprietary approach to develop a new class of highly selective, next generation cancer therapeutics, bispecific antibody drug conjugates (Bi-Cygni® ADCs), which exhibit superior potency, whilst eliminating treatment-related toxicities.

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

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

Highlights and Progress in the Year and Post Period End

Financial

£2.0 million
Investment in R&D
(2022: £2.1 million)

£2.5 million
Loss after tax
(2022: £2.5 million)

£3.3 million
Closing cash at 31 December 2023
(2022: £3.3 million)

£2.1 million
Successful fundraise with support from existing and new investors

Significant scientific and corporate progress made towards the first clinical study for BVX001 in Acute Myeloid Leukaemia (AML)

- Compelling data generated to demonstrate the potential and differentiation of the drug in the treatment of AML, including improved characterisation of BVX001's target patient population, clinical position and commercial opportunity
- Interim data from an established preclinical model delivered promising safety data for BVX001, highlighting our potential starting dose selection for first in human studies and the product's wide therapeutic window
- Positive INTERACT meeting with the FDA with strong regulatory alignment of our ongoing IND-enabling plans
- US Orphan drug designation granted by the FDA for BVX001 as a treatment for AML
- Successful fund raise of £2.1 million (gross proceeds), completed on 8th August 2023 at a subscription price of 13p/share
- Refinement of our CMC and first-in-human clinical planning for BVX001.
- Patents granted in the United States and Japan providing broad protection for BVX001 with patent protection being prosecuted in a further six jurisdictions
- Hosted an inaugural roundtable discussion with globally renowned independent experts in AML, informing our thinking regarding the data that we have generated to date, including our plans to develop a compelling clinical profile for the product
- Strengthening of our external scientific and clinical advisory network to include Dr Eric Rowinsky and Dr Tami Rashal, experts in the solid tumour and haematological fields respectively
- Two key appointments including Dr Michael Kauffman as Non-Executive Chairman and Dr Adrian Howd as Chief Financial Officer (CFO) and Chief Business Officer (CBO)

Accelerating the progression of the Company's pipeline portfolio

- Selection of a preclinical lead for BVX002
- Broadening of the IP portfolio to include protection for BVX002
- Additional Bi-Cygni® fingerprints identified across a further nine solid tumour indications

Progress was made across the R&D pipeline with initial development leads identified for solid tumour programmes BVX002 and BVX003.

BVX002, our lead solid tumour targeting product, was fast-tracked internally with a lead target indication of ovarian cancer identified based on strong preclinical data.

Expansion of our unique, state-of-the-art, Bi-Cygni® discovery engine to yield a comprehensive library of Bi-Cygni fingerprints across ten solid and haematological tumour types and strengthening of our IP portfolio

Chairman's Statement

For the year ended 31 December 2023

It is a pleasure to report on the Company's developments and progress in 2023, which was my first year as the Company's Chairman. Our science continues to deliver differentiated data and I look forward to meeting our objectives of becoming a clinical ADC company.

Michael Kauffman
Non-Executive Chairman

My first year as Chairman of BiVictriX has seen considerable progress on multiple fronts and I have enjoyed working with our CEO, Tiffany Thorn, the Senior Management Team and the Board to ensure we are well placed to make the best of what we have and achieve our goal of developing novel, differentiated bispecific ADCs.

During 2023, we generated promising preclinical safety and efficacy data for our lead product, BVX001. The data supports our view of a differentiated clinical profile which may offer distinct advantages for the treatment of AML, a disease with significant unmet medical need.

I have been working closely with the team to sharpen our clinical trial plan for BVX001, complete a robust preclinical data package and ensure we maximise our first-in-human study and position the product accordingly.

To that end, we were delighted to be granted an INTERACT meeting with the FDA after period end, and our initial regulatory interactions have been highly constructive and aligned with our strategic thinking.

In December 2023 we held an inaugural key opinion leader meeting with several world-renowned AML experts to appraise BVX001, which I chaired. We gained positive endorsement for our approach and data from which we will leverage, particularly as we move to the next phase of clinical trial planning and principal investigator contact.

Our technology platform continues to offer significant opportunities in the larger solid tumour space, and we accelerated our efforts in relation to BVX002 during 2023, with an initial therapeutic focus in the ovarian cancer setting. New target pairs are rapidly emerging from our R&D activities, and we look to broaden the applicability of our technology and further developing our pipeline of novel therapies during 2024.

We have achieved a lot whilst prudently managing our cost base in 2023, and I have worked with the team to ensure we focus on the generation of the optimal data sets to properly evaluate our assets and their path to the clinic.

The opportunity from our science is significant, and I am proud of the differentiation and progress we have made in 2023 and the trajectory of our business in this highly valuable therapeutic segment.

I would like to take this opportunity to thank my fellow Directors for their strategic input, governance and oversight during the year. The whole team at Alderley Park led by our CEO, Tiffany Thorn, have made much progress through their hard work and I thank them all.

Lastly, I wish to thank all of our shareholders for their loyal support of our vision and for enabling us to continue striving to develop new, game changing cancer therapeutics.

Michael Kauffman
Chairman

Q&A with our Non-Executive Chairman

Michael Kauffman

1. What is the key strength of BiVictriX?

Our ability to engineer more selective, yet highly potent, cancer therapies. Using our bispecific approach, we have been able to generate what we believe are exceptional preclinical data on human leukaemia and other cancers demonstrating cancer-cell specific killing with minimal effects on normal (non-cancerous) cells. These results augur well for clinical benefit. In cancer drug discovery and development, it is key to be able to provide differentiation that can lead to better therapies. I believe we have clinically relevant science at BiVictriX that bodes well for important efficacy and tolerability demonstration in clinical trials.

2. What is the outlook for the business?

I am very optimistic. We have generated exceptional preclinical data for our lead product BVX001 in human acute myeloid leukaemia (also relevant to human myelodysplastic syndromes). Furthermore, our sold tumour approaches are also accelerating with very encouraging emerging data. With only a few more preclinical experiments required, which we believe are 'low risk,' we intend to begin manufacturing Good Manufacturing Practices("GMP") drug material which will be used for clinical development. Thus, we are close to making the leap to being a clinical-stage ADC company with our first-in-class highly specific and potent drug candidate BVX001 in AML, a disease which will yield clinical data for that product quickly and efficiently. Externally, the interest in ADC, particularly those with unique/differentiated anti-cancer mechanisms is high, providing us with a good foundation on which to grow. Our outlook is really all about the quality of the data: the efficacy and selectivity, also called the "therapeutic window" which we build based on our novel technology.

3. What attracted you to the role of Chair at BiVictriX?

I believe that the elegance and simplicity of the science, though there are critical details for its implementation that we have overcome which represent high barriers to entry, and the approach to developing new therapies with improved efficacy and safety that can make a real difference for cancer patients is what attracted me to the role. Having begun in biotechnology in 1995 and with three novel approved anti-cancer agents to my name, I have a great deal of experience in identifying, developing, and leading the approvals of new cancer therapies and I believe we have the ability to do just that here at BiVictriX. In fact, BiVictriX is one of the most exciting opportunities I have been part of in my career and it is an honour to Chair the Board and work closely with the management team to drive our novel molecules into the clinic, creating value for patients, physicians and investors.

4. What impressed you most once you joined?

The preclinical data for BVX001. I know the AML space well and the preclinical data using human cell lines and tumour samples that we have generated to date is best-in-class and resonates well with Key Opinion Leaders ("KOLs"). We have made significant progress, and I am also delighted that we were able to secure an INTERACT (pre-IND submission) meeting with the FDA, a significant first step on our regulatory pathway.

5. What has your experience as Co-Founder and CEO of Karyopharm and in other roles allowed you to bring to the BVX Board?

From personal, direct and intimate experience, I know the journey from a scientific idea to a globally approved product and also from a small company to a larger company. I know how to obtain quality preclinical and clinical data as expeditiously as possible whilst operating within a lean cost base; small, driven, and highly focused teams are my strong preference. My career has also provided me with many contacts across the industry, academic and investment worlds, both in the US and Europe and I am actively working with the management team to leverage these relationships.

6. How do you see the ADC field progressing in the coming years and BiVictriX's opportunity to capitalise on this?

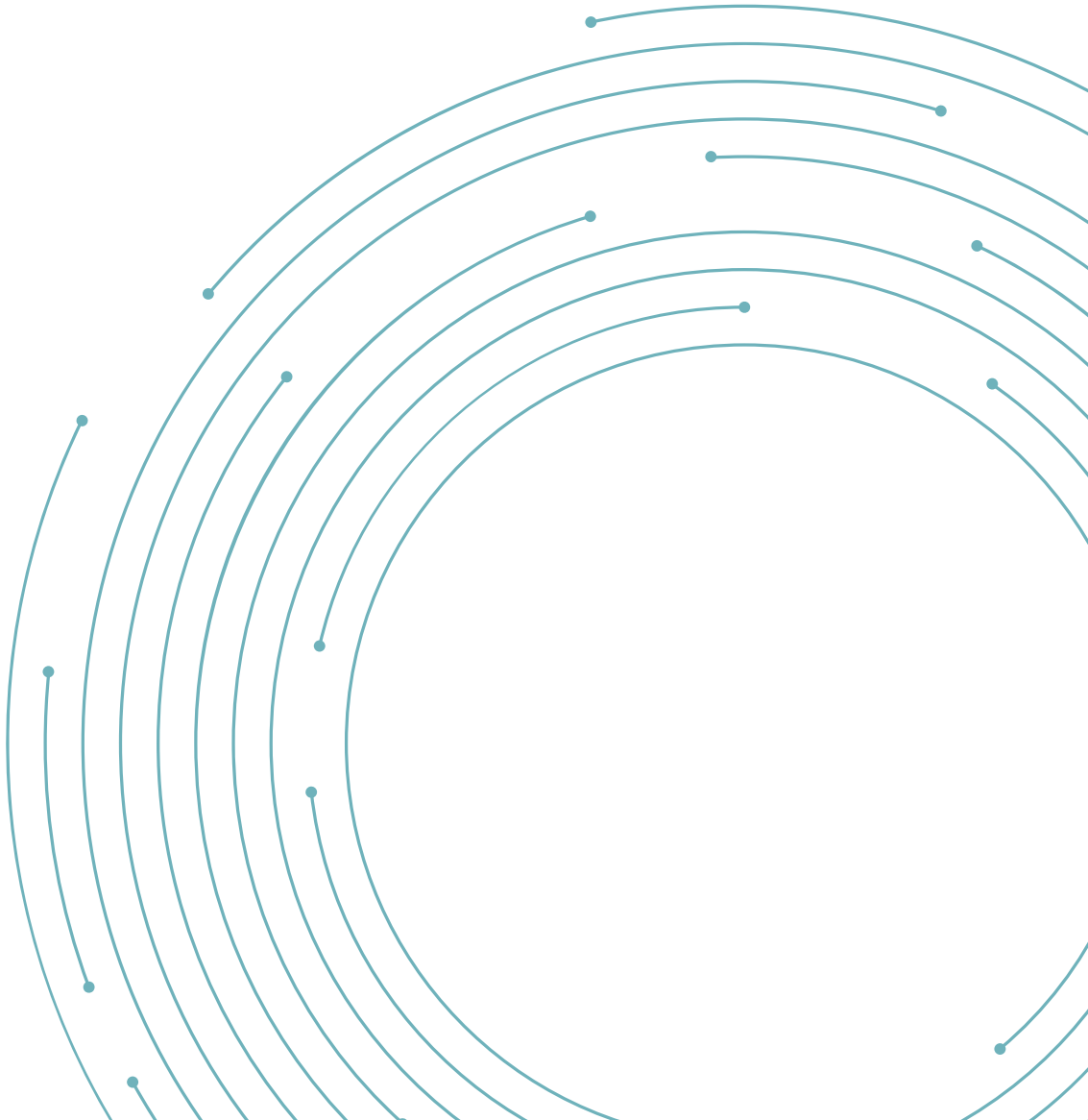
ADCs are here to stay. In fact, they are some of the most important anti-cancer agents that we currently have. The technological advances over the past ~5 years have addressed many of the limitations with earlier products. We have refined our methods of delivering payloads (i.e., cytotoxic molecules) and BiVictriX is bringing new ways to better target cancer cells, but not healthy cells. The BiVictriX approach can be thought of as moving from a targeted missile (earlier approaches) to a GPS-guided missile — delivering similar anti-cancer molecules but in a much more selective, and therefore better tolerated (and likely permitting prolonged treatment which leads to longer cancer control and presumably significantly extended survival). Based on this unique technology, we have numerous opportunities to work with other companies in the space across both discovery and development programmes.

7. What do you see as the most important objectives for BiVictriX?

Moving BVX001 into the clinic and demonstrating what the molecule can do — initially, in patients with previously treated AML and then, if our plans play out, in patients with newly diagnosed AML. Secondly, we need to broaden our solid tumour pipeline as the number of affected patients, and therefore the size of the potential markets, tend to be substantially larger than that of AML and related myelodysplastic syndrome.

Finally, we will seek to maximise the potential of our platform with collaborations with a small number of third parties, in order to validate our business and maximize the total value we can generate given the relatively small size of the Company, thereby driving value for all stakeholders.

Michael Kauffman
Non-Executive Chairman
31 May 2024



Chief Executive Officer's Review

For the year ended 31 December 2023

It is my privilege to present the Company's third Annual Report as CEO of BiVictriX Therapeutics plc. I am delighted to report the achievements we have made to advance our novel approach to develop more effective and safer anti-cancer therapeutics – targeting the cancer, not the patient. This would not be possible without the valued support of our talented staff and our shareholders, to whom I am thankful for their confidence and trust in BiVictriX.

Tiffany Thorn
Chief Executive Officer

The business

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

The Company utilises a first-in-class approach to generate a proprietary pipeline of Bi-Cygni® Antibody Drug Conjugate ("ADC") therapeutics which are designed to selectively target cancer-specific antigen pairs, or "Bi-Cygni® fingerprints", on tumour cells, which are largely absent from healthy cells. BiVictriX operates in the ADC space, which showed a very significant year of corporate activity in 2023, and I am pleased to report the Company has continued to make strong progress in line with our strategy.

There are over 180 ADCs in clinical development, but only 3 of these are bispecific ADCs that target twin antigens in a similar manner to BiVictriX. Global revenues of the 16 approved ADC therapies reached $9.7 billion[1] in 2023 and are forecasted to grow to $19.8bn by 20281. BiVictriX has established a growing proprietary library of cancer-specific Bi-Cygni® fingerprints, enabling the Company to target a diverse array of different cancer types.

Our lead programme, BVX001, is focused on Acute Myeloid Leukaemia ("AML"), one of the most aggressive forms of blood cancer with one of the poorest overall survival rates across all cancers. All currently approved AML therapies are associated with severely toxic side effects, including potentially fatal infections and sepsis, limiting their use to younger, fitter patients.

Bi-Cygni®: A first-in-class approach to treat cancer

Bi-Cygni® is a unique, proprietary platform which combines the discovery of novel, cancer-selective twin-antigen pairs or "fingerprints" (typically two different proteins), with bispecific antibody engineering insights; to create a new class of highly selective, next-generation anti-cancer therapeutics. Together with our proprietary library of these novel cancer-specific fingerprints, which are found to be aberrantly present on tumour cells, but largely absent from normal, healthy cells; we develop first-in-class bispecific therapeutics (Bi-Cygni® therapeutics) that are highly cancer-selective.

As our Bi-Cygni® therapeutics have high selectivity for cancer cells with reduced toxicity on normal cells, we have the potential to generate a pipeline of anti-cancer drugs across both solid and haematologic cancers with very wide therapeutic windows. Consequently, these drugs have the potential to reduce the development of treatment-limiting (and sometimes life-threatening) toxicities and enable clinicians to give patients higher, more effective doses of therapy over prolonged periods, to improve both depth and duration of anti-tumour responses with reduced likelihood of causing harm.

The Company has maintained its vision to combine innovation in therapeutic design with established, clinically validated, therapeutic modes of action. Applying advances in our understanding of precision targeting through the Bi-Cygni® platform to the established, highly potent ADC concept enables us to generate a broad pipeline of next generation ADC therapeutics which could deliver increased tumour cell kill while reducing effects on normal cells.

1 Roohi Mariam Peter, "M&As: what's up with the ADC buying spree?," Labiotech.eu, 20 November 2023, https://www.labiotech.eu/trends-news/antibody-drug-conjugates-investment-surge/

Thus, my fellow Directors and I believe that in the clinic, these therapeutics will have the potential to deliver very high response rates and longer-term tolerability over and above the standard 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 solid tumour and haematologic cancers.

Key achievements in 2023

Having continued to prioritise R&D progress, particularly BVX001 and successfully completed a £2.1 million (gross) fundraise in August 2023, we have made good progress in the period, which additionally included:

- Strengthened the BVX001 preclinical data package for AML with positive data from a toxicity evaluation study and from two in vivo efficacy studies in murine models
- Patents granted in the United States and Japan providing very broad protection for BVX001 with patent protection being prosecuted in a further six jurisdictions
- Two leadership appointments including Dr Michael Kauffman as Non-Executive Chairman and Dr Adrian Howd as Chief Financial Officer (CFO) and Chief Business Officer (CBO)
- Hosted inaugural roundtable discussion with globally renowned clinical experts in the ADC space to assist in shaping a route for BVX001 to patients

A more detailed description of our progress and key drivers follows below.

Board and Leadership Team

On 6 January 2023, we announced that Dr Michael Kauffman, M.D., Ph.D. was appointed as Non-Executive Chairman of BiVictriX. Dr Kauffman took over the role from Iain Ross, who continued as a Non-Executive Director at BiVictriX until 5 December 2023.

Dr Kauffman has taken over as Non-Executive Chairman at a crucial time for the Company, as we progress BVX001 towards first in human studies. Since his appointment to the Board of Directors in January 2022, Dr Kauffman has seen us rapidly progress BVX001 from an early-stage asset towards a clinical candidate.

Having been instrumental in the approval of several oncology therapeutics, including XPOVIO®, Kyprolis® and Velcade®, and bringing over twenty-five years of working across preclinical research, clinical development, regulatory strategy and commercialisation, Dr Kauffman is very well placed to draw from his experience as a seasoned cancer drug developer to support the business at this juncture.

I would like to personally thank Iain Ross for his commitment and support of the business. His mentorship, and his valued guidance were instrumental to taking the Company from a private entity to a publicly listed business and beyond, and I would like to wish him all the very best for the future.

On 3 October 2023, we appointed Adrian Howd as CFO and CBO. Adrian joined BiVictriX with over 20 years of strategic, financial and commercial experience in the biopharmaceutical industry, having held various financial roles, private and public executive management positions and board roles across the sector, including Chief Investment Officer and Chief Executive Officer at investment firm, Malin plc.

During his career, he has led multiple asset and corporate business development transactions, as well as numerous equity capital market fundraises totalling over €430 million in the UK and overseas, gained during his previous senior roles at Malin, Berenberg, ABN Amro, and Nomura.

Notably, Adrian led early investments in, and served on the Boards of Immunocore (a UK based company with an FDA approved bispecific cancer therapy, KIMMTRAK) and Kymab, two highly successful UK platform-based therapeutic companies, which both achieved multi $bn exits on NASDAQ and through M&A respectively.

These additions strengthen the BiVictriX team for the next phase of growth.

Internal R&D capabilities

In 2023, we dedicated significant operational and financial resources to R&D, having invested £2.0 million. This investment has enabled us to advance our lead asset BVX001 to IND-enabling studies and accelerate solid tumour focus with BVX002, advancing the Group's lead and pipeline programmes. Ultimately, this will reduce the time-to-market and increase patent life for each asset, as well as drive further value in the platform offering of the business.

Scientific progress

Over the last year, we have continued to execute our development plan for our lead asset, BVX001, marked by the achievement of several key preclinical milestones essential for progressing this molecule towards the clinic.

Following the identification of a development lead for BVX001 in December 2022, the Company announced in January 2023 additional data to strengthen the preclinical data package for this asset in AML. This included positive in vivo results from a toxicity evaluation study for BVX001, conducted head-to-head with the approved clinical comparator gemtuzumab ozogamicin ("GO").

GO, marketed as Mylotarg™, is currently the only approved ADC for the treatment of AML. These data showed a highly favourable safety profile and reduced off-target effects across two doses of BVX001 versus the reported maximum tolerated dose of Mylotarg™ in a well validated toxicity model.

These results were bolstered by two further in vivo efficacy studies in murine models of AML. In June 2023, we announced the nomination of a clinical candidate for our lead BVX001 programme following results of a four-week study. In this study, the nominated clinical candidate demonstrated highly statistically significant tumour regressions of up to 93% at day 28 (p-value <0.001) when compared to the untreated negative control group, with seven of the nine animals treated reported as either completely tumour free or with non-measurable tumours, at the end of dosing. Importantly, no adverse effects, including weight loss, were reported with BVX001 in these studies even, at the higher doses tested.

Following the 28-day dosing period and efficacy assessment, the duration of survival post treatment was determined. In October 2023, we announced that BVX001 increased survival rates in this difficult-to-treat pre-clinical model of AML by 126% when compared to untreated control. The data here demonstrating that BVX001 provides clear survival benefits, even in this challenging AML setting.

This strong data was supported by a second study, in which the AML tumours were established at a much larger size relative to the first study (~650mm3 vs ~200mm3), prior to the initiation of BVX001 dosing. Of note, many anti-cancer agents perform less favourably in larger tumours due to reduced drug penetration, making any anti-tumour response more significant. In July 2023, we announced full results indicating that BVX001 retains its potent anti-tumour activity even in this more difficult setting, demonstrating highly statistically significant tumour regressions of 97% at day 28 (p-value <0.001), with five of the six animals treated reported as either completely tumour free or with non-measurable tumours at the end of dosing; all placebo treated animals had growing tumours. Again, there were no observed adverse effects with BVX001. Further preclinical studies will be progressed to support regulatory approvals to initiate human trials.

Together, these studies offer a strong preclinical data package, demonstrating the significant potential of BVX001 as an effective treatment for AML offering a much wider therapeutic window, supporting our plans to progress BVX001 into the clinic. Further, it provides validation of our wider Bi-Cygni® platform to improve cancer-specific targeting, reducing potentially harmful or fatal side effects across a broad range of cancer indications.

We have continued to broaden our patent portfolio with the addition of new filings to provide further robust protection for BVX001 and the wider platform, including BVX002 and our proprietary bispecific antibody format. We also received notice that our patent from the initial broad patent family, which provides wide protection for BVX001 at the antigen fingerprint level, has been granted in the United States and Japan.

The claims granted provide broad protection to prevent any third party from developing an antibody-based therapeutic which is linked to a cytotoxic payload and requires binding to CD33 and CD7, for use across any CD7+CD33+ haematological cancer type. Along these lines, in addition to AML, both CD33 and CD7 are expressed in a subset of patients with Myelodysplastic Syndromes and T-Cell Acute Lymphoblastic Leukaemia, as well as patients with other cancer types.

In addition to the aforementioned, the Company is pursuing prosecution for this patent family in a further six global jurisdictions. This will ultimately provide worldwide protection for the therapeutic asset, at the broadest level, across all relevant markets, with further patent grants anticipated within the coming months.

Good progress has also been made across our two discovery-stage, solid tumour programmes, BVX002 and BVX003. The Company is on track to nominate a clinical candidate for BVX002, the Company's second proprietary programme targeting high unmet in Ovarian Cancer, in the second half of this year, following the successful identification of a development lead earlier in the year. Mounting early-stage third-party interest in this asset is currently being explored by the Company.

Further to this, we have successfully taken our third programme, BVX003, which can target a range of solid tumour types, from initial pipeline discovery through to the identification of a therapeutic development lead. This programme is now available for partnership; enabling the core R&D team at BiVictriX to focus internally on progressing BVX001 and BVX002 towards the clinic.

Commercial strategy

The Board and our team believe the Bi-Cygni® platform can create a portfolio of first-in-class therapeutics for various solid and blood cancer types, providing a competitive edge over the current drugs under development and meeting critical market needs.

BiVictriX's goal is to prove the Bi-Cygni® method in a range of hard-to-treat cancer types, starting with BVX001 in AML, to show the broad potential of the concept, driving the Group as a world leader in the field.

We are dedicated to achieving maximum value by developing our therapeutic pipeline in a focused and effective manner, reaching key milestones that validate the wide applicability of our exclusive Bi-Cygni® method for treating various cancer types. We aim to do this while also ensuring we utilise our capital in the most efficient manner to reach the value-enhancing milestones that matter to our shareholders. For this reason, we have decided to dedicate our internal R&D focus on our two leading assets, BVX001 and BVX002, which together showcase the Company's technology platform across both solid and liquid tumour types, and which are already gaining traction with potential partners. The Company is looking to explore all options regarding early-stage collaborations which may support the progression of the pipeline towards key value-inflection points.

We believe that BVX001, as our most advanced asset, is critical in providing validation to the market for the wider Bi-Cygni® platform as a disruptive new approach in the oncology therapeutic sector. Based upon the promising data generated to date, our aim is to progress this asset to achieve full IND approval and establish early clinical proof of concept through an initial Phase I/II clinical trial, with the focus on attracting third party interest at key junctures within this development pathway, who may be interested in partnerships and/or licensing opportunities, providing long-term revenue streams to BiVictriX. To support this, our next immediate goal is to finalise our initial preclinical data package with a key readout on the safety of the therapeutic in a well-established model of toxicity, with final data expected by end H1 2024.

As we near completion of this major corporate milestone, we will continue to drive interest in the Company at relevant sector conferences, building upon our well-received presentations and active involvement at the Immuno-Oncology Summit Europe and PEGS Europe during the period.

I was also delighted by BiVictriX being included in the 2023 roundup of BusinessCloud's MedTech 50, an annual ranking of the most innovative medical technology creators in the UK. We have also increased our engagement with key consultants in the field to support our business development focus and to optimise our potential opportunities.

We have received interest in our platform, and our goal is to balance the commercial value of both our platform and our specific programmes, with suitable deal structures for the Company and our stakeholders.

Immediate goals

Through our expanding pipeline, broad patent portfolio and internal know-how, the Company is well positioned to progress our pipeline and build collaborative alliances.

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

- Generation of further preclinical data for BVX001 to complete the safety and efficacy data package
- Further engagement with the FDA and MHRA to finalise the regulatory pathway to the clinic
- Finalise the manufacturing strategy for BVX001
- Nomination of a clinical candidate for the BVX002 programme, targeting ovarian cancer, our first solid tumour programme
- Securing discovery and clinical development stage collaborations with industry partners to support and accelerate the progression of our lead assets to clinical proof of concept, regulatory approvals and commercialisation

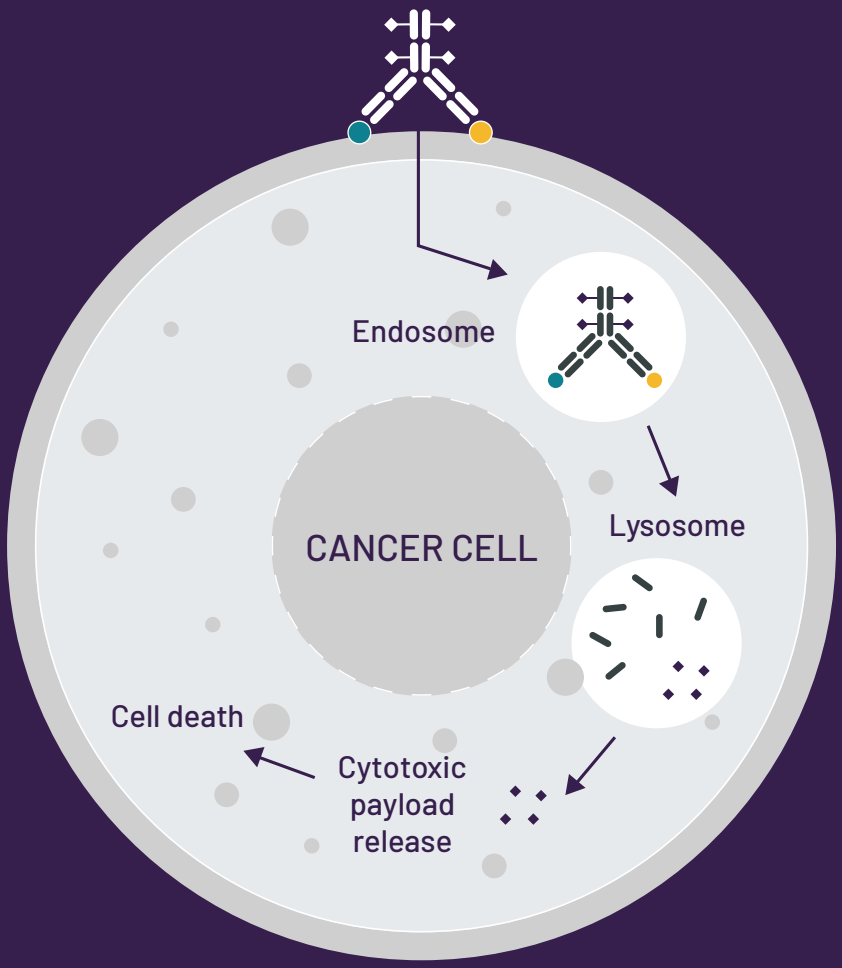
Financials

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

This focus was reflected in the R&D expenditure for the year of £2.0 million, broadly consistent with that reported in the prior year (2022: £2.1 million); together with a loss after tax of £2.5 million (2022: £2.5 million).

The Group ended the year with a cash balance of £3.3 million (2022: £3.3 million) following the successful fundraising in August 2023, raising £2.1 million (gross).

Bi-Cygni®: The Next Generation of Precision ADCs



Global Antibody Drug-Conjugate market valued at
US$9.7 billion in 2023

Forecasted global revenues of ADC therapies
$19.8bn in 2028

Number of ADC deals in 2023
76 deals

Source: Grand View Research Inc, 2023

16
16 Antibody Drug-Conjugates approved

Source: Fu, Z., et al. 2023

Continued into 2024:

Genmab announced a recent
$1.8bn ADC deal
with Profound Bio

Ipsen signed a
$900m contract
for Sutro Biopharma's ADC STRO-003

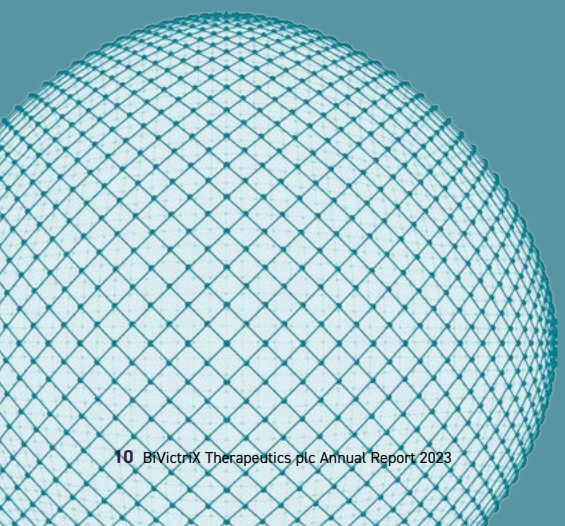
Bi-Cygni® Therapeutic Platform: Engineered to Target the Cancer, not the Patient

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 the patient in the process, limiting the safe dose they can prescribe.

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 Bi-Cygni® platform 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 bispecific therapeutic approach with superior cancer-specificity and potency.



Our Platform and Pipeline

BiVictriX uses a first-in-class approach to generate a proprietary pipeline of Bi-Cygni® Antibody Drug Conjugate ("ADC") therapeutics which selectively target cancer-specific antigen pairs, or "Bi-Cygni® fingerprints", on tumour cells, which are largely absent from healthy cells. BiVictriX has established a growing proprietary library of cancer-specific Bi-Cygni® fingerprints, enabling the Company to develop a number of novel therapies addressing both solid and haematological tumour types.

Whilst there are over 180 ADCs in clinical development, only 3 of these are bispecific ADCs that target twin antigens in a similar manner to BiVictriX.

Lead Programme: BVX001

Our lead programme, BVX001, is focused on Acute Myeloid Leukaemia ("AML"), an aggressive form of blood cancer with one of the poorest overall survival rates across all cancers. All currently approved AML therapies are associated with severely toxic side effects, including potentially fatal infections and sepsis, limiting their use to younger, fitter patients.

BVX001 is a first-in-class, Bi Cygni® ADC designed to target the cancer-specific Bi Cygni® fingerprint, CD7 x CD33, found on the cancer cells of c.30% of AML patients and in subpopulations of cancer cells from patients with other haematological cancers.

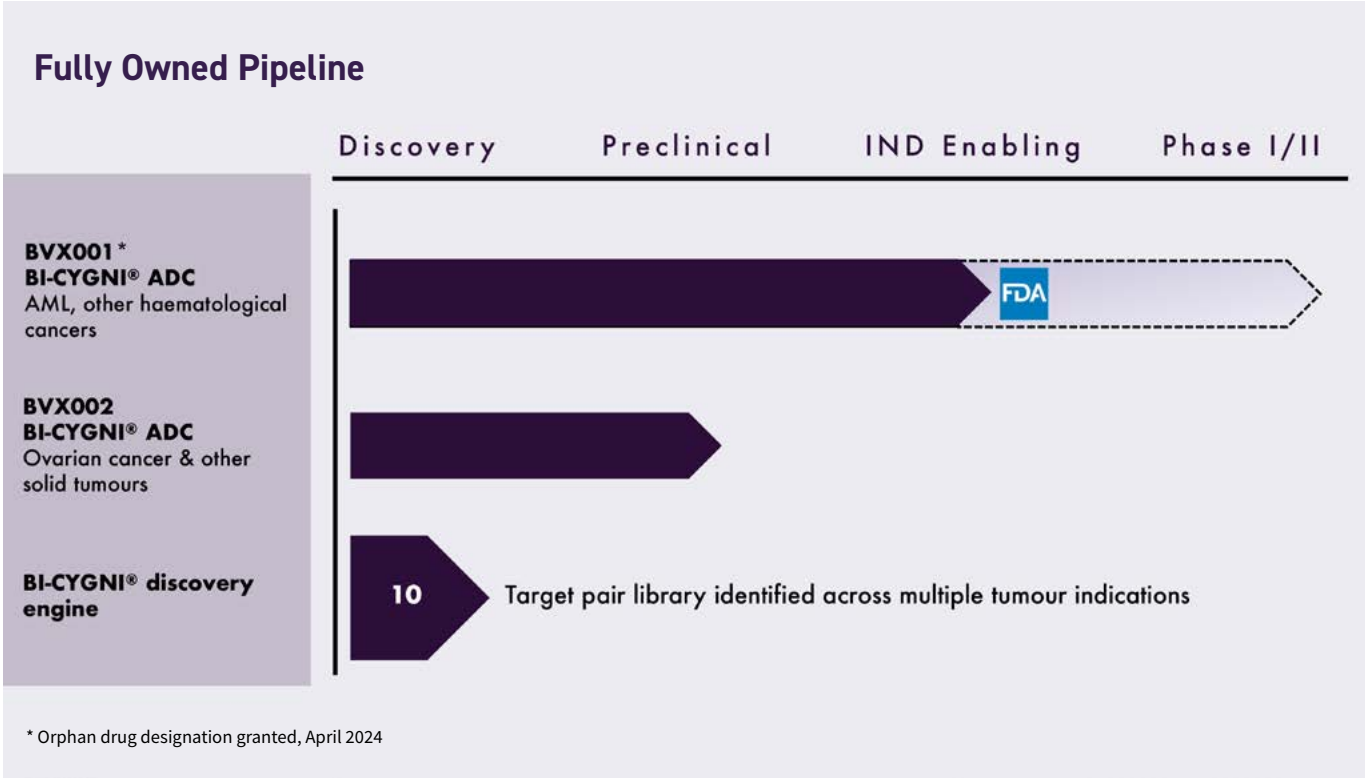
AML represents one of the most aggressive forms of cancer, associated with one of the lowest 5-year survival rates across all forms of cancer, and the effectiveness of new therapies is often curtailed by the onset of significant toxicities, resulting in life-threatening, treatment-related side effects and even death.

Currently c.50% of all AML patients are excluded from receiving intensive combination chemotherapy treatments (often followed by allogeneic stem cell transplantation), as they are deemed unable to withstand the toxicity.

Amongst patients who do receive this intensive therapy, ~30% are cured, with the remaining relapsing and requiring effective therapies. For the other ~50% of patients who cannot receive intensive treatment, the disease is almost always fatal within 2-4 years.

Preclinical data reported for BVX001 in 2023 and 2024 has been very encouraging, across both efficacy and safety assessments and supports a pathway towards clinical studies.

We continue to appraise strategic options around third-party alliances and to support manufacturing and clinical development activities and the eventual commercialisation of the asset.



Summary and outlook

I am extremely encouraged by the progress we have made during and after the period, including the striking progression of our lead therapeutic programme towards the clinic, together with the development of our solid tumour assets and further strengthening of our broad IP portfolio.

As we draw closer to reaching key inflection points during 2024, our focus will be on increasing the visibility of the Company and demonstrating the clear value proposition to third parties.

I remain fully committed to our business goals, our continued delivery against objectives and to prioritising our capital allocation to create further significant value and multiple potential opportunities for financial return to our valued shareholders.

Finally, and on a personal note, I would like to thank our exceptional scientific and corporate team for their enthusiasm, commitment, and hard work over the past twelve months, without which our progress to date would not have been possible, the Board for their guidance throughout the period and of course, our shareholders for their continued support and investment in our business.

Tiffany Thorn,
Chief Executive Officer of BiVictriX Therapeutics plc
31 May 2024

Principal Risks and Uncertainties

Risk management process and risk profile

The management team works to monitor and identify key current and emerging risks to the business. The probability and impact of these risks is constantly assessed and we consider on going actions to mitigate their impact in accordance with our governance framework set out in the Corporate Governance Report.

Management review and assess the inherent or fundamental risk (risk before internal controls) and the residual risk (risk after the effect of existing controls is considered). The Board appraises and offers guidance on management's assessment of risks, and determines further actions to be taken by the management team to manage those risks.

Overall risk management processes are the responsibility of the Board and the Board considers that the Group's risk profile is within its tolerance range.

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

Risk	Impact	Mitigation	Change in year
The Company's operations remain at a relatively early stage in the discovery of novel therapeutics.	Further development of our proprietary technology or therapeutic programmes towards the clinic may not be possible due to emerging scientific data.	The Board has experience in appraising the evolution of drug discovery programmes and the interpretation of scientific data. There was no change in the year as projects are still in the pre-clinical stage.	⟺
Drug development programmes are at an early stage	Key scientific milestones may not be achieved, or be delayed, which could affect the timing of the Company's growth plans and the overall delivery of business strategy	The Board is involved in regular detailed reviews of the Company's scientific and technological progress and subsequent decision making. Board experience in the sector supports the management and project teams in their decision making and planning. Whilst significant progress was made with BVX001 during 2023, the lead product remains in pre-clinical development.	⟺
Attract and retain key management and employees in an increasingly competitive environment	The Company's ability to deliver on its business strategy in a timely and effective manner is dependent upon the timely achievement of key scientific milestones and corporate progression to support this growth. These functions require strong leadership and teamwork in a fast-paced, growing organisation	The Board seeks to provide attractive remuneration packages, including share options to secure and retain key staff. Active Board interaction with the entire organisation provides guidance, encouragement and enables the staff to drive the strategy forward.	⟺

Risk	Impact	Mitigation	Change in year
The patent portfolio currently comprises patent families, which have not yet been granted	Possible negative impact on the Group's ability to protect its Intellectual Property which underpins its future commercial strategy	The Company seek to protect and strengthen its patent portfolio. New applications are made to support the broader portfolio across technology and product development. Patents offering protection to BVX001 were granted in key commercial jurisdictions in 2023	↓
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 curtail its ability to progress certain programmes, changing business development and commercial opportunities.	Cash resources are carefully deployed to align R&D investment to the generation of key datasets which reflect value enhancing milestones. The capital raise in the year and ongoing prudent allocation of resources, enabled the Company to continue to invest in R&D and end the financial year with a cash balance of £3.3m, unchanged from the prior year.	↔
Competitors may develop new similar products	The Company operates from a unique position in a large and competitive market. New data from other products in development could reduce the commercial potential of the Company's emerging pipeline	A constant focus on the development of a focused and differentiated product pipeline which can address unmet clinical needs. The Company closely monitors the surrounding and evolving commercial landscape and rapidly adapts product plans if necessary to meet changing market dynamics.	↑
High UK and worldwide inflation	Higher charges from external partners on the cost of developing our lead programmes and R&D activities. Challenges in holding onto and attracting high quality staff in a competitive staffing	Careful cost control and focus on expenditure to progress the lead programme, BVX001. Regular review of remuneration policies to ensure we remain competitive with companies of a similar size and stage.	↑
Foreign exchange risk	Volatility around the costs of foreign sourced supplies and scientific consultancy.	Regular review of the use of suppliers and consultants paid in other currencies.	↔

CORPORATE GOVERNANCE

Corporate Governance Report

As Chairman during the period, I have worked with the Board to set and uphold high standards of corporate governance at BiVictriX.

As Directors, we recognise and believe in the value and importance of corporate governance and apply a governance framework which reflects the Corporate Governance Code for small and mid-sized companies issued by the Quoted Companies Alliance ("The QCA Code").

The QCA Code is based upon ten broad principles and related disclosures. Our corporate governance report provides an explanation of how we meet such principles at BiVictriX.

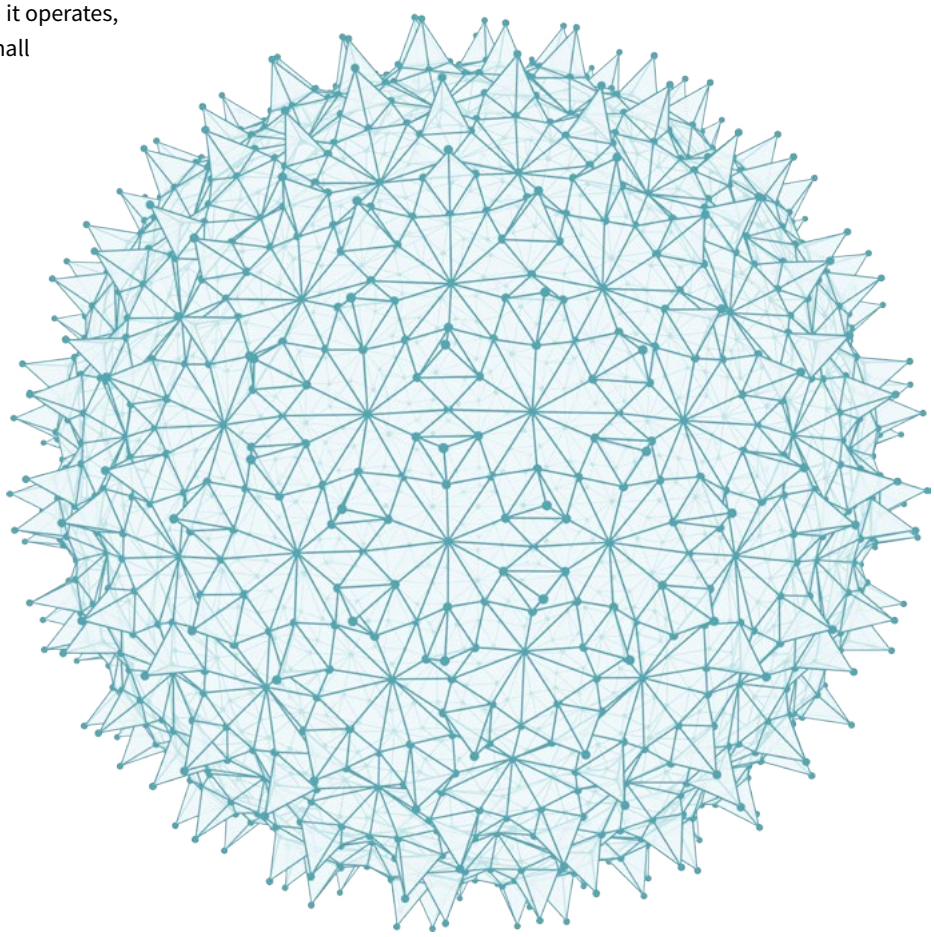
Our corporate governance framework includes leadership and effectiveness, remuneration and the controls used to manage the business. We believe that this framework is appropriate and proportionate to the stage, size, complexity and growth dynamics of our business.

The composition of our Board brings together significant sector relevant experience, across fundamental science, translational drug development, financial and corporate strategy and business development to meet the Group's challenges and opportunities as a public company. The Board has significant knowledge and experience of pharmaceutical product discovery and 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 monitor and review the Group's progress towards its strategic goals and to appraise scientific data, approve budgets, corporate actions and financial reporting.

Our overall approach to business processes and practices reflects how we conduct activities at BiVictriX and, importantly, how we interact with our wide-ranging and growing stakeholder base.

Michael Kauffman
Chairman
31 May 2024



Corporate Governance Statement

The Board is responsible for the long-term success of the Group and sets and monitors its business strategy, its implementation and the management of Group risk.

It provides strategic 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 always underpinned by adequate processes that ensure 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 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® platform can be used to build a diverse pipeline of first-in-class products addressing key unmet medical needs as differentiated therapeutics.

BiVictriX aims to validate the Bi-Cygni® platform within a range of difficult-to-treat haematological and solid cancer indications to demonstrate the applicability of the technology, building the Company into a global leader in the field.

To succeed, BiVictriX aims to continue to progress our lead asset BVX001 through IND-enabling studies, define an optimal pathway to clinical studies and manufacturing and to secure appropriate third-party alliances to accelerate the path to commercial sales. BiVictriX will seek to further develop its emerging solid tumour pipeline across numerous cancer types and further consolidate and grow our proprietary IP position.

Board of Directors

The Group is governed through its Board of Directors, comprising the Chairman, Chief Executive Officer and three Non-Executive Directors. The names of the current Directors together with their individual biographical details, relevant skills and experience and other Directorships are set out on pages 22 to 23.

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 the necessary skills and experience to deliver the business strategy of the Group for the benefit of shareholders over the medium to long-term.

The Directors believe that the Board has an appropriate balance of scientific, clinical, financial, and public markets skills and experience within the biotechnology sector it operates in. Board members bring a broad range of complementary skills and capabilities to the Company.

The Board are kept up to date by management on a regular basis on the key issues and developments pertaining to the Company as well as their responsibilities as members of the Board. Aside from formal Board meetings, interaction with management includes the participation in ad hoc presentations by management regarding emerging scientific data and corporate activities, as well as regular contact at both the individual and group level.

Annually, the Board reviews the corporate governance framework to ensure it remains appropriate for the size, stage, complexity, risk profile and growth dynamic of the Company and the markets within which it operates.

Whilst day-to-day management of the Group is delegated to the Senior Management Team, certain matters are specifically reserved for decision by the Board and are documented in a written schedule which is reviewed annually.

Independence

The Board believes that all Non-Executive Directors together with the Non-Executive Chairman bring an independent judgement to bear upon Board decisions.

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 policies and procedures 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 and disclosed via a RNS release which is also 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 and 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 for them to carry out their professional duties.

Evaluation of Board Performance

Annually, an internal evaluation of the Board and its individual Directors is 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 is aligned to current and emerging business strategy.

Succession planning for the Board and Senior Management Team is considering annually and led by the Chairman and CEO for Board consideration and input.

Understanding shareholder needs and expectations

The Board maintains a high level of communication and investor relations and is committed to ensuring there is always a constructive dialogue with shareholders. Institutional shareholders and analysts can 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.

Shareholders are invited to attend company investor presentations which 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.

The Company's website is used to communicate with shareholders and investors by providing access to current information about the Company. In addition, direct shareholder communications are answered by the Chief Executive Officer, the Chief Financial Officer, the Chairman, 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 is key to the business and regular staff meetings are held to ensure that all are aware of the overall direction of the business, its key business priorities and corporate milestones and relevant progress to date.

Whole company 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 best drive the business forward. The focus on highly specific research and development, means that the team works collaboratively with both internal and external academic groups.

The Group has recently engaged with two external Scientific and Clinical Advisors to accelerate and refine the strategic goals for BVX001 and the solid tumour pipeline.

External relationships reflect our overall aim of building and maintaining a network of relationships with academia, key opinion leaders, clinicians, potential industry partners and regulators. These relationships are highly valued and key to our future success. We provide processes and systems to ensure that there is appropriate oversight and engagement with third parties.

Managing risk and uncertainty

The Board have identified principal business risks which are included in the Strategic Report on pages 1 to 13.

The Board is responsible for establishing, implementing and monitoring the internal controls used by the Group and regularly reviewing their effectiveness. This system is intended to define, measure and manage risks which could potentially impact our business, including key information used in corporate decision making. Established processes and controls include:

- Detailed and regular reports to the Board of progress being made against company goals and key R&D projects
- Regular reports of tracking to annual budget and rolling forecasts are reviewed and approved by the Directors.
- Authority limits are set and approved by the Board, with matters reserved for the Board including approval of significant contracts, overall project expenditure and the control of disclosure of certain confidential corporate information.
- Ongoing review of the current IP strategy including status of IP applications and grants.

In addition to its other roles and responsibilities, the Audit & Risk 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 may impact corporate culture which in turn could impact the performance of the Group.

The Board is aware that the tone and culture set by the Board greatly impacts all aspects of the Company as a whole and the way that employees behave. The importance of sound ethical values, integrity and transparency is crucial to the ability of the Company to successfully achieve its corporate objectives.

The culture within the Company includes respect for all individuals, an open dialogue within the Company, and an ongoing commitment to maintain and improve relationships with key stakeholders as required to fulfil corporate objectives.

Employees are at the heart of the Company's corporate culture. They are aware that their work, commitment and enthusiasm towards the development of novel treatments in areas of high unmet need, could make a positive contribution to people's lives. This is a strong motivator and drive for change, and our culture reflects core values of integrity, collaboration and mutual respect towards this goal.

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

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, to provide and maintain a culture of engagement, including appropriate challenge to enable the effective contribution of Non-Executive Directors and constructive, regular interaction between the Executive and the Non-Executive Directors.

The Chief Executive Officer and Chairman ensure that the Board receives accurate, timely, detailed and clear information.

Non-Executive Directors are appointed to provide independent oversight and constructive challenge to the Board and Senior Management Team and to provide strategic advice and guidance. There is a transparent procedure for the appointment of new Directors to the Board. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

The Audit & Risk and Remuneration Committees have delegated duties and responsibilities and written terms of reference. These committees are 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.

Consideration is given annually to ensure that the Board's skillsets reflect and are aligned with the trajectory and growth of the business. At this stage of its development, and given the current size of its Board, it is not necessary to establish a Nominations Committee. This is also reviewed on a regular basis by the Board.

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.

This includes reviewing the Company's annual and half-yearly financial statements, reviewing and approving 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 any tendering process.

The Committee reviews the effectiveness of the Company's corporate governance, internal audit and controls, risk management, whistleblowing 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 the Audit & Risk Committee members have clear recent and relevant financial experience, including key knowledge of the sector in which the Company operates.

The Audit & Risk Committee normally meets not less than three times in each financial year and at such other times as the Chair of the Committee requires. It has unrestricted access to the Company's auditors and the Chief Financial Officer and Chief Executive Officer attend the committee meetings by invitation.

Remuneration Committee

The Remuneration Committee is responsible for executive and individual Director remuneration. This includes agreeing with the Board the framework for remuneration of the Executive Director and Senior Management Team.

The Committee is responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses and share options. No Director is involved in any decision as to their own remuneration.

The Remuneration Committee normally meets not less than three times in each financial year and at such other times as the Chair of the Committee requires.

Membership of the Remuneration Committee comprises Robert Hawkins, Susan Lowther and Drummond Paris. The Committee is chaired by Drummond Paris.

The Chief Executive Officer is invited to attend to discuss staff remuneration, option packages and bonus schemes as the Committee requires, but does not participate in discussions about Executive Director remuneration.

Board meetings

The Board meets at least eight times each year or any other number of times deemed necessary for the good management of the business.

Board meetings are typically held at the Company's premises or at a location agreed between the Board members.

The number of Board and Committee meetings attended by each of the Directors in the financial year are as follows:

Number of meetings in the year	Board	Audit & Risk Committee	Remuneration Committee
Tiffany Thorn	8	–	–
Iain Ross*	6	2	–
Robert Hawkins	8	3	2
Susan Lowther	8	3	3
Drummond Paris	8	3	3
Michael Kauffman	8		

* Iain Ross resigned from the Board on 5th December 2023

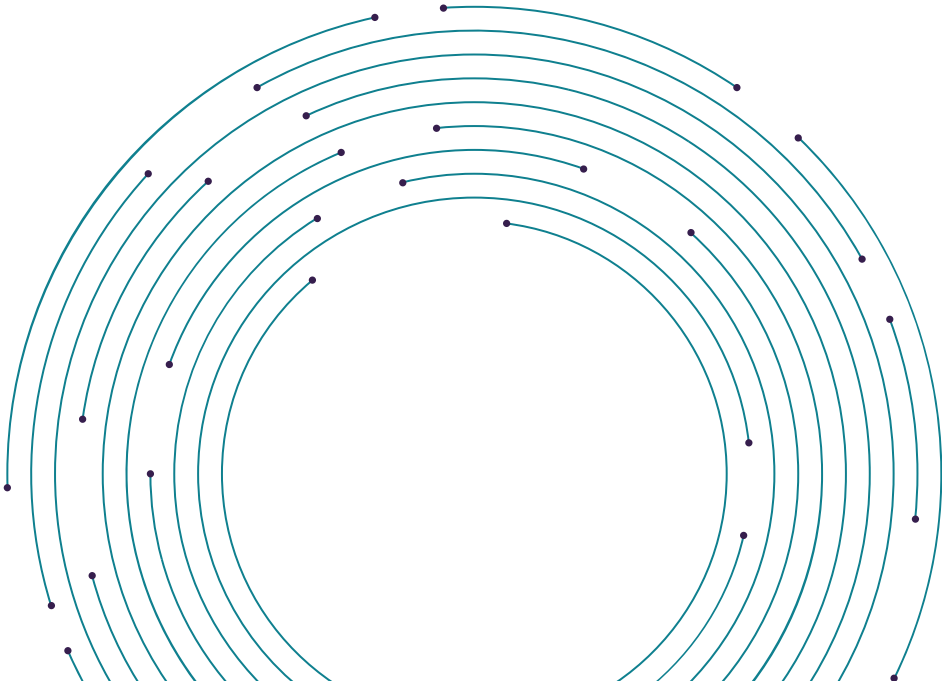
Environmental, Social and Governance

The Board recognises the importance of social, environmental and ethical matters. The Company seeks to act responsibly and working practices and processes which underpin our commitment to managing environmental obligations and in place. The Company actively seeks to recycle relevant waste as much as possible and seeks to minimise waste disposal on an ongoing basis.

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 Annual Report, the Directors' remuneration report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted International Financial Reporting Standards ('IFRS') in conformity with the requirements of the Companies Act 2006 and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law including FRS101 "Reduced Disclosure Framework". 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 their profit or loss for that period. In preparing the Group and Parent Company financial statements, the Directors are required to:

(a) select suitable accounting policies and apply them consistently.

(b) make judgements and accounting estimates that are reasonable, relevant, reliable, and prudent.

(c) state whether applicable accounting standards in accordance with UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

(d) 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 at any time the financial position of the Company to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and Article 4 of the IAS Regulation.

The Directors are also 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. They are responsible 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 confirm that:

- So far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of such information.

The Directors are responsible for preparing the annual report in accordance with applicable law and 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 2023, 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
31 May 2024

Michael Kauffman
Chairman
31 May 2024

Board of Directors

Dr. Michael Kauffman

Non-Executive Chairman,
aged 60

Dr Michael Kauffman joined the BiVictriX Board in 2022 and was appointed as Non-Executive Chairman in January 2023. He has over 25 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 Verastem Oncology, Adicet Bio and Kezar Life Sciences.

Dr Kauffman previously served as 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 organisation with the global approvals of XPOVIO®, and latterly served as Senior Medical Advisor. Dr Kauffman was previous Chief Medical Officer of Onyx Pharmaceuticals Inc. where he led the development and approval of Kyprolis® and was previously President and Chief Executive Officer of EPIX Pharmaceuticals, Inc. (previously Predix Pharmaceuticals, Inc.).

Dr Kauffman 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.

Tiffany Thorn

Chief Executive Officer,
aged 36

Tiffany Thorn is the Founder of BiVictriX Therapeutics plc and the inventor of the Bi-Cygni® approach, a novel concept which originated from her previous experience as a clinician supporting the diagnosis of haematological malignancies. Ms Thorn has led BiVictriX since its formation in 2016 and has a strong background in the ADC sector, having held senior management positions at ADC-sector specialist, ADCBio Ltd (now Sterling Pharma Solutions), coupled with direct clinical experience from the NHS. Ms Thorn trained and qualified as a HCPC-registered Clinical Immunologist at Manchester Royal Infirmary and Preston Royal Hospital, UK and during this time was awarded "NHS England's Chief Scientific Officer's Rising Star Award" for her commitment to facilitating better healthcare by strengthening the links between the UK's healthcare sector and the biotech industry.

Ms Thorn graduated with a First-Class Honours Degree in Biochemistry with Biomedicine from Lancaster University and obtained an MSc in Clinical Immunology from the University of Manchester.

Dr. Robert Hawkins

Independent Non-Executive Director,
aged 68

Robert Hawkins brings over 30 years of experience in medical oncology and the development and utilisation of advanced therapies in the oncology sector. He is the scientific founder of Instil Bio (NASDAQ: TIL), which raised $368m during an IPO onto NASDAQ in March 2021 and is currently Head of Research and Development leading clinical and research teams in LA and Manchester.

Dr Hawkins was a founding consultant of Cambridge Antibody Technology, which was acquired by AstraZeneca in 2006, and was a founding consultant of Oxford Biomedica plc. He was formerly a Cancer Research UK Professor at the University of Manchester where he led the development of cell and gene therapy including leading several major EU consortia. As a practicing Oncologist at the Christie Hospital in the UK he had leading roles in multiple practice changing trials in the treatment of kidney cancer. Over his career, Dr Hawkins has had multiple scientific/clinical advisory board positions within big pharma and biotech companies.

Dr Hawkins received his MB BS from University College, London and was awarded an MRC training fellowship to work with Sir Gregory Winter at the Laboratory of Molecular Biology in Cambridge, from where he obtained a Ph.D. in antibody engineering. He trained in Medical Oncology at the Royal Marsden Hospital, London and Addenbrookes Hospital, Cambridge.

Susan Lowther

Independent Non-Executive Director, aged 64

Susan Lowther brings over 30 years of experience in senior financial leadership roles across a broad range of public and private life science companies. She is Chief Financial Officer and Company Secretary of Arecor Therapeutics plc which is listed on the London Stock Exchange's AIM market.

Susan's previous Chief Financial Officer roles include IXICO plc, Novacyt SA, BioWisdom and Lab21 Group.

Drummond Paris

Senior Independent Non-Executive Director, aged 72

Drummond Paris brings over 40 years of experience in senior management roles in the pharmaceutical and life sciences industries. Mr Paris previously spent eight years as President of Kowa Research and Kowa Pharmaceuticals Europe Ltd and held several leadership positions in Novartis at country, regional and global levels.

Mr Paris was previously the Non-Executive Chairman of Karus Therapeutics Ltd, Electrospinning Company Ltd and Sirigen (now part of Becton Dickinson).

Remuneration Committee Report

Directors' Remuneration Report

This report sets out the remuneration policy operated by the Company in respect of the Senior Management Team, Executive Director and Non-Executive Directors.

In setting and reviewing remuneration policy the Committee considers the following key principles:

- Remuneration which is set at a competitive level relative to the Group's peers.
- Attract, develop and retain high calibre employees with relevant skills to execute the business strategy and promote long term success.

The remuneration of the Executive Director and Non-Executive Directors during the year ended 31 December 2023 is set out below.

Key matters considered in the year

The Committee considered and approved amendments to the Company's Enterprise Management Incentive (EMI) Share Option Plan, adopted in August 2021, (the "Share Option Plan").

Such amendments were in respect of the vesting and exercise of share options and unapproved share options. The changes to the Share Option Plan apply to options granted after 1 January 2024.

Following Iain Ross's decision to step away from the Board, the Committee considered the options which had been granted to him in August 2021 at the Company's Admission to AIM. The Committee exercised its discretion and decided that Iain Ross was a Good Leaver and accordingly would be able to exercise his share options for a three-month period post his resignation on 5th December 2023. At the end of the three-month period the options would lapse.

Executive Director remuneration

The Executive Director is not involved in decisions setting their remuneration.

Base salary

The purpose of the base salary is to ensure that the Group can recruit and retain high-calibre executives. The Remuneration Committee sets the annual base salary by considering several factors including market rates, benchmarking with peer companies as well as the Director's experience, responsibilities and performance.

Discretionary performance related pay

The purpose of the annual bonus is to incentivise employees to deliver the key business objectives in a given the year, to support the long-term growth for the benefit of the Group and its shareholders.

The Executive Director and Senior Management Team participate in this bonus scheme. A bonus award reflects the achievement of both defined corporate Group targets and milestones and the achievement of personal performance objectives.

Targets for the Executive Director are set each year by the Committee. Performance criteria include scientific, financial, and commercial targets of the Group, underpinned by clear and measurable objectives which are monitored throughout the year.

All bonus payments are discretionary and decided by the Committee. The Committee has overriding authority to ensure that total bonus payments reflect its view of corporate performance in the year.

The performance related bonus for the Executive Director is capped at 50% of base salary.

Benefits

The Group operates a defined contribution pension scheme and Group life insurance for all employees.

Share option schemes

Share options are granted in accordance with the Group's All Employee Share Option scheme (AESOP) and are approved by the Committee. Share options will normally be exercisable until the tenth anniversary of the date of grant. Ordinary shares acquired on the issue of an option granted under the AESOP are not subject to a holding period.

Non-Employee Share Option Plan

In the year, the Board of Directors approved the adoption of a new share option plan for non-employees of the Company, based upon the rules of the amended Share Option Plan (the "Non-Employee Share Option Plan"). The Non-Employee Share Option Plan was adopted to enable the Company to grant options to non-employees, including Non-Executive Directors, and enable the Share Option Plan to remain as an employee share scheme under section 1166 Companies Act 2006.

Executive Director's service agreement and remuneration

The service agreement of the Executive Director was effective from 4 August 2021 and may be terminated by either party giving 6 months prior notice.

The Executive Director's current salary is £182,000 p.a. They participate in the discretionary performance related bonus and share option schemes. The Executive Director also receives employee benefits including the Group pension and life insurance schemes.

Non-Executive Directors' remuneration

The aim of remuneration paid to Non-Executive Directors is to ensure that the Group can attract experienced and skilled executives who are able to advise and challenge so that the management team and employees can establish and deliver the business objectives.

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

Directors' remuneration

	Salary £	Bonus £	Pension contributions £	Total remuneration Year ended 31 December 2023 £	Salary £	Bonus £	Pension contributions £	Total remuneration Year ended 31 December 2022 £
Executive								
Tiffany Thorn	175,000	39,375	12,000	226,375	150,000	35,000	7,500	192,500
Non-Executive								
Iain Ross*	41,237			41,237	50,000			50,000
Susan Lowther	39,000			39,000	39,000			39,000
Robert Hawkins	35,000			35,000	35,000			35,000
Drummond Paris	35,000			35,000	35,000			35,000
Michael Kauffman	50,000			50,000	31,322			31,322

* Iain Ross resigned from the Board on 5th December 2023. No compensation for loss of office was paid.

Directors' shareholdings

Directors' interests in the shares of the Group, including family and beneficial interests, were:

	31 December 2023 Number of shares	31 December 2023 %	31 December 2022 Number of shares	31 December 2022 %
Tiffany Thorn *	1,632,500	2.0%	1,632,500	2.5%
Iain Ross**	505,000	0.6%	505,000	0.8%
Michael Kauffman	175,000	0.2%	75,000	0.1%
Susan Lowther	72,727	0.1%	72,727	0.1%
Robert Hawkins	325,000	0.4%	225,000	0.3%
Drummond Paris	151,924	0.2%	75,000	0.1%

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

** Iain Ross resigned from the Board on 5th December 2023

Directors' share options

Directors' interests in share options to acquire ordinary shares of 1 pence in the Group were:

	Number of options granted under the replacement share option scheme for Directors previously employed by BiVictriX Limited		Number of options granted under the 2021 scheme	Total options held at 31 December 2023	Total options held at 31 December 2022
Exercise price	£0.117	£0.20	£0.20		
Tiffany Thorn	365,295	1,658,205	3,673,500	5,697,000	5,697,000
Iain Ross	0	0	2,040,850	2,040,850	2,040,850

Drummond Paris
Remuneration Committee Chairman

31 May 2024

Audit & Risk Committee Report

I am pleased to present this report for the financial year ended 31 December 2023.

Business risks which were managed in the year included the macroeconomic environment, challenging markets together with uncertainties that are part of developing innovative new treatments. In the year a specific risk of funding investment in Research & Development, was addressed by a successful capital raise of £2.1 million on 08 August 2023.

Role and responsibilities

The Audit & Risk Committee provides oversight of the Group's financial reporting, internal controls and risk management framework. Members of the Committee have recent, relevant financial experience and are independent.

- Responsibilities and terms of reference include:
- Review of the Group's financial statements, before submission to the Board for approval
- Oversight of processes, procedures and systems which identify, assess and manage business risk
- Assess internal controls including whether there is a requirement for an internal audit function
- Ensure the adequacy and security of the Company's processes and procedures for whistleblowing arrangements, detecting potential fraud or bribery
- Consider and make recommendations to the Board in respect of the appointment of the Group's external auditor and be satisfied with their independence, objectivity and effectiveness
- Review and approve audit fees and non-audit services

The Committee's terms of reference are available on the Company's website.

Schedule of meetings and attendance

Audit & Risk Committee meetings are aligned to the Company's financial reporting calendar and Board meeting schedule. There were three scheduled meetings in the year which were attended by all members.

After each Committee meeting the Chair reported to the Board on key matters, including recommendations from the Committee to approve the full year and interim financial statements.

The Chief Financial Officer and Chief Executive Officer attend meetings by invitation to report on key matters and assist the Committee in the fulfilment of its oversight responsibilities.

Non-audit services

Crowe UK LLP provided agreed upon procedures and processes as part of the preparation of the unaudited interim results to 30 June 2023.

Matters reviewed by the Committee

In the year the Committee considered the following:

- Audit planning and scope of the financial audit for the year period ended 31 December 2023
  - Review of share-based payment charges
  - Review of the going concern analysis
  - Review of the tax computations and R&D tax credit claim
- Review of the Unaudited interim results for the six months ended to 30 June 2023
- Audit planning and scope of the financial audit for the year ended 31 December 2023
  - Approval of the proposed audit plan and fees
- Review of the financial authorities used by the Group, including approving the authorisation levels and limits for operating and capital expenditure.

Key judgements and estimates

The Committee reviewed and provided comments on the unaudited interim statements and the audited financial statements. In doing so they considered key judgements and estimates used in the preparation of the accounts.

Going concern

The Committee considered the cash flow forecasts and going concern review prepared by management including the financial statements and disclosures. In reviewing the key judgements applied, the Committee considered the analysis and views of the external auditor.

The Committee are satisfied that the judgements made in the preparation of the financial statements are appropriate.

Assessing business risk and internal controls

During the financial year the Committee monitored the effectiveness of the Group's internal controls including the need for an internal audit function. The Committee decided that the internal controls and risk management framework are appropriate for the relative size and complexity of the Group's activities which are performed at a single site. This was discussed with the Board and it was agreed that the requirement for an internal audit function will be monitored and reviewed.

External auditors

The Committee has reviewed the statutory auditor's performance and independence, which included inputs from other Board members, the Executive Director and members of the management team. We are content that Crowe UK LLP are independent. Audit fees were carefully reviewed to ensure that they remain in line with market rates for the Company's relative size and complexity.

Susan Lowther

Chair of Audit & Risk Committee

31 May 2024

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 2023.

The Corporate Governance statement on pages 17 to 24 forms 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

Non-Executive

Robert Hawkins

Susan Lowther

Drummond Paris

Michael Kauffman (appointed as Chairman 6th January 2023)

Iain Ross (resigned as Chairman on 6th January 2023, assumed role of Non-Executive Director on 6th January 2023, resigned from the Board on 5th December 2023)

Secretary

Alison Halsall (appointed 13th October 2023). Directors' biographies are set out on pages 22 to 23.

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 1 to 13.

Business review

The Strategic Report on pages 1 to 13 is a review of the business and the Group's trading for the year ended 31 December 2023. It 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 £2.5 million (2022: loss £2.5 million). The Directors do not recommend the payment of a dividend (2022: £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 24 to 26.

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 Research and development expenditure of £2.0 million (2022: £2.1million) in the year.

Donations

No charitable or political donations were made in the year (2022: 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 2 to 14, 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

Note 20 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 in due course. 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:

Tiffany Thorn

Chief Executive Officer
31 May 2024

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

Company registration number: 13470690

Independent Auditors 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 year ended 31 December 2023, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2023;
- the consolidated and company statements of financial position as at 31 December 2023;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. 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 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 2023 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- 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 as applied to listed entities, 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 Directors' assessment of the Group's 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 balance 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 sections of this report.

Overview of our audit approach

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.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £140,000 (2022: £140,000), based on approximately 5% of the consolidated loss at the planning stage and we did not consider it necessary to revise it. Materiality for the Parent Company financial statements was set at £10,000 (2022: £10,000)

We use a different level of materiality ('performance materiality') 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. This is set at £98,000 (2022 £98,000) for the group and £7,000 (2022: £7,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit & Risk Committee to report to it all identified errors in excess of £7,000 (2022: £7,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

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 the components and the consolidation of the two components.

Key Audit Matters

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.

We identified going concern as the only key audit matter. This is dealt with in 'Conclusions relating to going concern' above.

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 contained within the annual report. 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 this gives rise to a material misstatement in the financial statements themselves. 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 matter 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 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 where 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 the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on pages 25 to 26, 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 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 is available 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.

Stephen Bullock
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
31 May 2024

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Operating expenses			
Research and Development	3	(2,047)	(2,110)
General and Administration	3	(904)	(738)
Share based compensation	14	(74)	(127)
Total operating expenses before non-recurring costs		**(3,025)**	**(2,975)**
Operating loss		**(3,025)**	**(2,975)**
Finance income/(cost)		22	4
Loss on ordinary activities before taxation		**(3,003)**	**(2,971)**
Taxation	6	458	474
Loss and total comprehensive expenses attributable to equity holders of the parent for the year		**(2,545)**	**(2,497)**
Loss per share attributable to equity holders of the parent (pence)	7		
Basic loss per share (pence)		(3.50)	(3.78)
Diluted loss per share (pence)		**(3.50)**	**(3.78)**

Consolidated and Company Statements of Financial Position

as at 31 December 2023

	Notes	Group		Company	
		As at 31 December 2023 £'000	As at 31 December 2022 £'000	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Assets					
Non-current assets					
Property, plant and equipment	8	476	571	–	–
Investment in subsidiary undertakings	9	–	–	7,040	5,387
Total non-current assets		**476**	**571**	**7,040**	**5,387**
Current assets					
Trade and other receivables	10	144	224	48	74
Current tax receivable		396	454	–	–
Cash and cash equivalents	11	3,279	3,287	3,126	3,002
Total current assets		**3,819**	**3,965**	**3,174**	**3,076**
Total assets		**4,295**	**4,536**	**10,214**	**8,463**
Liabilities and equity					
Current liabilities					
Trade and other payables	12	496	284	74	43
Lease liabilities	15	128	107	–	–
Total current liabilities		**624**	**391**	**74**	**43**
Non-current liabilities		**134**	**188**	**–**	**–**
Total liabilities		**758**	**579**	**74**	**43**
Equity					
Ordinary shares	13	825	661	825	661
Share premium	13	13,939	12,052	9,889	8,002
Share based compensation	13	425	351	425	351
Warrant reserve	13	73	73	73	73
Merger reserve	13	(2,834)	(2,834)	–	–
Retained losses	13	(8,891)	(6,346)	(1,072)	(667)
Total equity attributable to equity holders of the parent		**3,537**	**3,957**	**10,140**	**8,420**
Total liabilities and equity		**4,295**	**4,536**	**10,214**	**8,463**

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 £0.4 million (2022: £0.3 million).

The financial statements on pages 35 to 56 were approved by the Board of Directors and authorised for issue on 31 May 2024 and were signed on its behalf by:

Tiffany Thorn
Chief Executive Officer

31 May 2024
BiVictriX Therapeutics plc
Registered number: 13470690

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Ordinary shares £'000	Share premium £'000	Merger Reserve £'000	Share Based Compensation £'000	Warrant Reserve £'000	Retained deficit £'000	Total £'000
Balance at 31 December 2021	**661**	**12,052**	**(2,834)**	**224**	**73**	**(3,849)**	**6,327**
Total comprehensive expense for the period	–	–	–	–	–	(2,497)	(2,497)
Transactions with owners							
Share based compensation – share options	–	–	–	127	–	–	127
Total transactions with owners	**–**	**–**	**–**	**127**	**–**	**–**	**127**
Balance at 31 December 2022	**661**	**12,052**	**(2,834)**	**351**	**73**	**(6,346)**	**3,957**
Total comprehensive expense for the period	–	–	–	–	–	(2,545)	(2,545)
Transactions with owners							
Share issue – cash	164	1,969	–	–	–	–	2,133
Expense of share issue	–	(82)	–	–	–	–	(82)
Share based compensation – share options	–	–	–	74	–	–	74
Total transactions with owners	**164**	**1,887**	**–**	**74**	**–**	**–**	**2,125**
Balance at 31 December 2023	**825**	**13,939**	**(2,834)**	**425**	**73**	**(8,891)**	**3,537**

Company Statement of Changes in Equity

For the year ended 31 December 2023

	Ordinary shares £'000	Share premium £'000	Share Based Compensation £'000	Warrant Reserve £'000	Retained deficit £'000	Total £'000
Balance at 31 December 2021	**661**	**8,002**	**224**	**73**	**(331)**	**8,629**
Total comprehensive expense for the period	–	–	–	–	(336)	(336)
Transactions with owners						
Share based compensation – share options	–	–	127	–	–	127
Total transactions with owners	**–**	**–**	**127**	**–**	**–**	**127**
Balance at 31 December 2022	**661**	**8,002**	**351**	**73**	**(667)**	**8,420**
Total comprehensive expense for the period	–	–	–	–	(405)	(405)
Transactions with owners						
Share issue – cash	164	1,969	–	–	–	2,133
Expense of share issue	–	(82)	–	–	–	(82)
Share based compensation – share options	–	–	74	–	–	74
Total transactions with owners	**–**	**–**	**74**	**–**	**–**	**2,125**
Balance at 31 December 2023	**825**	**9,889**	**425**	**73**	**(1,072)**	**10,140**

Consolidated and Company Statements of Cash Flows

For the year ended 31 December 2023

	Group		Company	
	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities				
Loss before taxation	(3,003)	(2,971)	(405)	(336)
Depreciation and amortisation	165	151	–	–
Share based compensation	74	127	74	127
Asset write off	3	–	–	–
Finance costs	(8)	(4)	–	–
	(2,769)	(2,697)	(331)	(209)
Changes in working capital				
(Increase)/decrease in trade and other receivables	80	63	26	(63)
Increase/(decrease) in trade and other payables	213	25	31	41
Cash used in operations	293	88	57	(22)
Taxation received	516	212	–	–
Net cash used in operating activities	**(1,960)**	**(2,397)**	**(274)**	**(231)**
Cash flows (used in)/generated from investing activities				
Acquisition of tangible fixed assets	(5)	(389)	–	–
Disposal of tangible fixed assets	–	10	–	–
Interest received	22	–	–	–
Loans to subsidiary	–	–	(1,653)	(2,267)
Net cash (used in)/generated from investing activities	**17**	**(379)**	**(1,653)**	**(2,267)**
Cash flows from financing activities				
Proceeds from issue of shares	2,133	–	2,133	–
Issue costs	(82)	–	(82)	–
Repayment of lease liabilities	(116)	–	–	–
Net cash generated from financing activities	**1,935**	**–**	**2,051**	**–**
Movements in cash and cash equivalents in the period	**(8)**	**(2,776)**	**124**	**(2,498)**
Cash and cash equivalents at start of period	3,287	6,063	3,002	5,500
Cash and cash equivalents at end of period	**3,279**	**3,287**	**3,126**	**3,002**

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 of pharmaceutical products.

2. Significant Accounting Policies and Basis of Preparation

Basis of preparation

Information in this preliminary announcement does not constitute statutory accounts of the Group within the meaning of section 434 of the Companies Act 2006. The annual financial information presented in this preliminary announcement is based on, and is consistent with, the accounting policies as disclosed in the Group's annual financial statements for the year ended 31 December 2022 and the Group's audited financial statements for the year ended 31 December 2023. Those financial statements will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The independent auditors' report on those financial statements is unqualified and does not contain any statement under section 498 (2) or 498 (3) of the Companies Act 2006.

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 reporting 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

In considering the Group's financial commitments and forecasts, the Board have followed the guidelines published by the Financial Reporting Council entitled ''Guidance on Risk Management and Internal Control and Related Financial and Business Reporting''.

In the normal course of business, the Directors regularly review rolling cash flow forecasts. The review of financial forecasts and cash flows looking at least 12 months from the approval of these financial statements includes levers and controls which could be applied, if necessary.

The Board has considered ongoing international conflicts and the impact that they may have on worldwide supplies; together with foreign exchange risk and the reducing inflationary outlook. These risks are closely monitored as part of controlled, defined expenditure to meet business objectives.

Operational cashflows focus on planned research and development activities to advance the Group's lead and pipeline programmes. The timing and quantum of this expenditure is under the control and direction of management with oversight provided by the Board.

After considering cash flow forecasts and associated risks, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

At 31 December 2023, the Group had cash and cash equivalents of £3.3 million.

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 reported performance, position or disclosure 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).

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 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.

Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred. Development costs are charged to profit and loss account unless it can be demonstrated that the costs represent an intangible asset which meets all of the criteria for capitalisation set out in para 57 of IAS38.

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.

Investment in subsidiaries

Investment in subsidiaries is shown in the Company Statement of Financial Position 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.

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 during the reporting period.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

The following are the significant judgements and estimates used in applying the accounting policies of the Company.

Estimation uncertainty

Receivables from the subsidiary, being amounts due from BiVictriX Limited advanced to support the Group's research expenditure, will be recoverable from future commercial revenues or capital receipts in the subsidiary, which are not certain to arise. As at 31 December 2023 the receivable balance from the subsidiary was £7.0 million (2022: £5.4 million).

Treatment of research and development expenditure

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred. Development costs are charged to profit and loss account unless it can be demonstrated that the costs represent an intangible asset which meets all the criteria for capitalisation set out in para 57 of IAS38. As BiVictriX's lead programme is in the early stages of clinical development, all costs are expenses to the income statement.

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. In particular, amounts claimed for R&D tax credits may not be receivable. The balance recoverable is only confirmed at the point the claim is approved by the tax authority. The calculation is consistent with prior periods where claims have been approved and external tax advisors review the submission. Where the 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. As at 31 December 2023 the expected R&D tax credits claimable for the period was £0.4 million (2022: £0.5 million).

3. Operating Loss

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

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Research and development:		
Other research and development	1,058	1,237
Staff costs (see note 5)	824	722
Depreciation of property, plant and equipment	165	151
General and Administrative:		
Staff costs (see note 5)	320	314
Administration expenses	584	424
Share based compensation	74	127
Total operating expenses	**3025**	**2,975**

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

4. Auditor's Remuneration

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

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Fees payable to the Group's auditors for the audit of:		
the annual accounts	43	38
Total audit fees	**43**	**38**
Audit related services	4	4
Total audit related fees	**47**	**42**
Other services	–	–
Total non-audit fees	**–**	**–**

5. Employees and Directors

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

	Group		Company	
	Year ended 31 Dec 2023 Number	Year ended 31 Dec 2022 Number	Year ended 31 Dec 2023 Number	Year ended 31 Dec 2022 Number
Directors	5	6	5	6
Scientists and administration staff	12	10	–	–
Average total persons employed	**17**	**16**	**5**	**6**

At 31 December 2023 the Group had 17 employees (31 December 2022: 16).

Staff costs in respect of these employees were:

	Group	
	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Salaries and other short-term employee benefits	967	899
Employer's National Insurance	106	102
Pension contributions	71	35
Options vesting under share option schemes	86	127
Total remuneration including vesting of share options	**1,230**	**1,163**

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

The total remuneration of the highest paid Director excluding share-based payments was £226,375 (31 December 2022: £212,950).

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 2023 £'000	Year ended 31 Dec 2022 £'000
Salaries and other short-term employee benefits	415	375
Employer's National Insurance	44	38
Pension contributions	12	8
Options vesting under share option schemes	62	106
Total remuneration including vesting of share options	**533**	**527**

6. Taxation

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Current tax		
Research and development income tax credit receivable	396	454
Adjustments in respect of prior periods	62	20
Net tax credit	458	474
Deferred income tax		
Deferred tax asset from share based payments	88	–
Deferred tax liability from accelerated capital allowances	(88)	66
Net deferred taxes	**–**	**66**

The Group has a deferred tax liability being accelerated capital allowances, for which the tax, measured at a standard rate of 25% (2022: 19%) in all periods is 31 December 2023 £87,501 (2022: £262).

The Group has a deferred tax asset for share-based payments, for which the tax, measured at a standard rate of 25% in all periods is 31 December 2023 £87,501 (2022: £66,000). No deferred tax assets have been recognised due to the uncertainty of the availability of future profits.

At 31 December 2023 the Group had UK carried forward tax losses of £5.1 million (2022: £3.7 million). A deferred tax asset has been recognised in respect of these losses to the extent of the accelerated capital allowances within the group. No deferred tax asset has been recognised in respect of the carried forward losses over and above the group's deferred tax liabilities due to the uncertainty of the availability of future profits.

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

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Loss on ordinary activities before taxation	(3,003)	(2,971)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 23.52% (2022 19%)	(706)	(566)
Effects of:		
Fixed asset differences	–	(15)
Expenses not deductible for tax purposes	20	59
Additional deduction for R&D expenditure	(316)	(336)
Surrender of tax losses for R&D tax credit refund	642	596
Movement in deferred tax not recognised	411	262
Adjustment to tax charge in respect of previous periods	(62)	(20)
Remeasurement of deferred tax for changes in tax rates	(33)	–
Timing differences not recognised in the computation	(18)	
R&D tax credit	(396)	(454)
Tax credit for the year	**(458)**	**(474)**

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 2023, the Group had 8,744,184 (2022: 8,734,184) share options outstanding.

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

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Loss for the year attributable to equity holders for basic loss and adjusted for the effects of dilution	(2,545)	(2,497)

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Weighted average number of ordinary shares for basic loss per share	**72,645,075**	**66,115,171**
Effects of dilution: Share options	–	–
Weighted average number of ordinary shares adjusted for the effects of dilution	**72,645,075**	**66,115,171**

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Loss per share – basic and diluted	(3.50)	(3.78)

The loss and the weighted average number of ordinary shares for the years ended 31 December 2023 and 2022 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	Motor Vehicles £'000s	Right of Use Asset £'000s	Total £'000s
Cost						
At 31 December 2022	17	5	319	4	423	768
Adjustment to opening balance	–	–	2	–	(162)	(160)
Additions	2	–	3	–	160	165
Disposals	–	–	–	(4)	–	(4)
At 31 December 2023	**19**	**5**	**324**	**–**	**421**	**769**
Accumulated Depreciation						
At 31 December 2022	6	2	58	–	131	197
Adjustment to opening balance	–	–	–	–	(69)	(69)
Provided during the year	4	1	55	–	105	165
Disposals	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2023	**10**	**3**	**113**	**–**	**167**	**293**
Net Book Value						
At 31 December 2022	**11**	**3**	**261**	**4**	**292**	**571**
At 31 December 2023	**9**	**2**	**211**	**–**	**254**	**476**

Depreciation is charged to operating expenses.

	Office equipment, fixtures and fittings £'000s	Building improvements £'000s	Plant and machinery £'000s	Motor Vehicles £'000s	Right of Use Asset £'000s	Total £'000s
Cost						
At 31 December 2021	12	3	97	–	275	387
Additions	5	2	229	4	148	388
Disposals	–	–	(7)	–	–	(7)
At 31 December 2022	**17**	**5**	**319**	**4**	**423**	**768**
Accumulated Depreciation						
At 31 December 2021	2	1	16	–	29	48
Provided during the year	4	1	43	–	102	150
Disposals	–	–	(1)	–	–	(1)
At 31 December 2022	**6**	**2**	**58**	**–**	**131**	**197**
Net Book Value						
At 31 December 2021	10	2	81	–	246	339
At 31 December 2022	**11**	**3**	**261**	**4**	**292**	**571**

9. Investment in Subsidiary Undertakings

The consolidated financial statements of the Group at 31 December 2023 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%

	Company	
	2023 £'000	2022 £'000
Cost at 1 January	214	214
Acquisitions during the year	–	–
Cost at 31 December	**214**	**214**
Carrying Value as at 31 December	**214**	**214**

	Company	
Break down of carrying value of investment:	2023 £'000	2022 £'000
BiVictriX Limited – equity	214	214
BiVictriX Limited – loan	6,826	5,173
	7,040	**5,387**

Investments are tested for impairment at the reporting date. No impairment loss was recognised.

10. Trade and Other Receivables

	Group		Company	
	As at 31 Dec 2023 £'000	As at 31 Dec 2022 £'000	As at 31 Dec 2023 £'000	As at 31 Dec 2022 £'000
Amounts receivable within one year				
Other taxation and social security	58	111	11	32
Prepayments	86	113	37	42
Trade and other receivables	**144**	**224**	**48**	**74**

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 considered 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 notes 17 and 18.

11. Cash, Cash Equivalents and Short-Term Investments

	Group		Company	
	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Cash in bank and in hand	**3,279**	**3,287**	**3,126**	**3,002**

12. Trade and Other Payables

	Group		Company	
	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Amounts falling due within one year				
Trade payables	209	112	8	–
Other taxation and social security	42	40	–	–
Accrued expenses	245	132	66	43
Trade and other payables	**496**	**284**	**74**	**43**

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 because 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 2022	66,115,171	661	12,052	12,713
Prior period adjustment	30	–	–	–
Issued of share capital	16,410,887	164	1,969	2,133
Expenses of share issue	–	–	(82)	(82)
At 31 December 2023	**82,526,088**	**825**	**13,939**	**14,764**

The prior period adjustment relates to 30 shares which were incorrectly omitted from the prior year balance.

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 2023 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.

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 are granted options to subscribe for shares in the Group in accordance with the rules of the Company's 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.

As at 31 December 2023, the Group operated one share option scheme. Options are currently granted for £nil consideration and are exercisable at a price determined on the date of the grant.

At 31 December 2023 the Company had 8,744,184 (2022: 8,734,184) unissued ordinary shares of 1p under the Company's share option schemes, details of which are as follows:

Exercise price	At 1 Jan 2023	Granted	Lapsed	At 31 Dec 2023	Date from which exercisable	Expiry date
0.150	–	33,333	10,000	23,333	10 May 2024	10 May 2033
0.150	–	33,333	10,000	23,333	10 May 2025	10 May 2033
0.150	–	33,334	10,000	23,334	10 May 2026	10 May 2033
0.250	156,056	–	10,000	146,056	13 Dec 2022	13 Dec 2032
0.250	156,056	–	10,000	146,056	13 Dec 2023	13 Dec 2032
0.250	156,056	–	10,000	146,056	13 Dec 2024	13 Dec 2032
0.250	10,000	–	10,000	–	3 May 2023	3 May 2032
0.250	10,000	–	10,000	–	3 May 2024	3 May 2032
0.250	10,000	–	10,000	–	3 May 2025	3 May 2032

As at 31 December 2023, the share option scheme movements was as follows:

	As at 31 Dec 2023		As at 31 Dec 2022	
	Number	Weighted average exercise price Pence	Number	Weighted average exercise price Pence
Outstanding at start of the year	8,734,184	20.16	8,614,184	2016
Granted	100,000	15.00	120,000	20.17
Lapsed	(90,000)	20.07	–	–
Outstanding at end of year	**8,744,184**	**20.11**	**8,734,184**	**20.16**
Exercisable at end of year	**4,522,500**	**20.10**	**4,900,677**	**19.54**

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	100,000
Grant date	10 May 2023
Expiry date	10 May 2033
Vesting period	One third each year from grant
Share price (pence)	15.0p
Exercise price (pence)	15.0p
Expected volatility	48.00%
Risk free rate	3.46%
Fair value of options granted	£3,002

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 2023 can be found in note 8.

Lease liabilities

	As at 31 Dec 2023 £'000	As at 31 Dec 2022 £'000
Current	128	107
Non-current	134	188
	262	295
Future minimum lease payments are as follows:		
Not later than one year	128	107
Later than one year and not later than 5 years	134	188
Total gross payments	262	295
Impact of finance expenses	–	–
Carrying amount of liability	**262**	**295**

Adjustments have been made to reflect the recalculation of prior period cost and accumulated depreciation of Right of Use assets (see note 8) and to reduce the opening balance on lease liabilities accordingly.

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 Dec 2023 £'000	As at 31 Dec 2022 £'000
Depreciation charge	(105)	(103)
Interest on lease liabilities	(14)	(12)
Rental payments with lease term less than 12 months	–	–
	(119)	**(115)**

Amounts recognised in the statement of cash flows

	As at 31 Dec 2023 £'000	As at 31 Dec 2022 £'000
Principal elements of lease payments	(102)	(75)
Interest on lease liabilities	(14)	–
Rental payments with lease term less than 12 months	–	–
	(116)	**(75)**

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 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 liabilities by category:

	Group		Company	
	Year ended 31 Dec 2023 Financial assets at amortised cost £'000	Year ended 31 Dec 2022 Financial assets at amortised Cost £'000	Year ended 31 Dec 2023 Financial assets at amortised cost £'000	Year ended 31 Dec 2022 Financial assets at amortised cost £'000
Trade payables	209	112	8	–
Other creditors and accruals	287	172	66	43
	496	**284**	**74**	**43**

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

Credit risk

The Group considers which organisations it uses for banking in order to minimise credit risk. The Group holds cash with one large bank 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 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 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 £164,000 (2022: £16,000).

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.

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

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.

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 Dec 2023 £'000	Year to 31 Dec 2022 £'000
HAD Consulting (Michael Kauffman)		
Consultancy fees	2	–

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. Balance outstanding, at the 31 December 2023 was £6.8 million (31 December 2022: £5.2 million).

19. Contingent Liabilities

The Group has no contingent liabilities at 31 December 2023 (2022: nil).

20. Post balance sheet events

There were no adjusting or significant non-adjusting events between 31 December 2023 and the approval of the financial statements.

21. Ultimate Controlling Party

There is no ultimate controlling party of the Group.

Directors and Professional Advisers

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- Tiffany Thorn
- Professor Robert Hawkins
- Susan Lowther
- Drummond Paris

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Alison Halsall

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