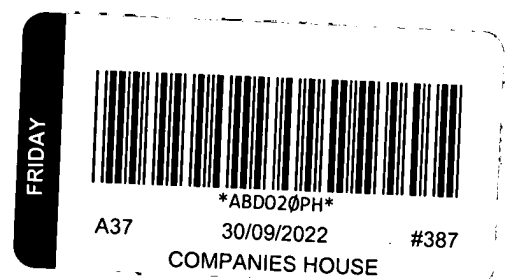


BIVICTRIX LIMITED

Directors' report and financial statements

For the year ended 31 December 2021

Company registration number: 10005270



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BIVICTRIX LIMITED

Company Information

Directors:

Susan Lowther
Tiffany Thorn

Registered office:

Mereside Alderley Park
Alderley Edge
Macclesfield
SK10 4TG

Company number:

10005270

BIVICTRIX LIMITED

Directors Report

The directors of BiVictrix Limited ('BiVictrix' or 'the Company') present the financial statements for the year ended 31 December 2021.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

PRINCIPAL ACTIVITY

The Company is the principal trading subsidiary of BiVictriX Therapeutics plc, a company listed on the AIM exchange under the ticker 'BVX'.

The principal activity in the year under review was that of a research and development company.

DIRECTORS

Tiffany Thorn
Jonathan Green (resigned 14 May 2021)
Norman Molyneux (resigned 10 August 2021)
Patrick Molyneux (resigned 10 August 2021)
Susan Lowther (appointed 7 October 2021)

Principal risks and uncertainties

The key risks facing the Company are its reliance on key management together with an inherent uncertainty in performing research and development to develop pharmaceutical products.

ON BEHALF OF THE BOARD:



Tiffany Thorn
Director

Date: 29th September 2022

BIVICTRIX LIMITED

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, including Section 1A.

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 state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

On behalf of the Board



Tiffany Thorn

Director

Date: 29th September 2022

BIVICTRIX LIMITED**Statement of comprehensive income
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Research and development		711,175	-
General & Administrative		849,082	516,793
		(1,560,257)	(516,793)
Other operating income		-	31,073
OPERATING LOSS	4	(1,560,257)	(485,720)
Interest receivable and similar income		-	1
Finance costs		641,375	18,920
LOSS BEFORE TAXATION		(2,201,632)	(504,639)
Tax on loss		(193,216)	(83,584)
LOSS FOR THE FINANCIAL YEAR		(2,008,416)	(421,055)

BIVICTRIX LIMITED**Statement of financial position
at 31 December 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	5	93,229	63,006
CURRENT ASSETS			
Debtors	6	469,460	142,474
Cash at bank		562,614	861,574
		1,032,074	1,004,048
CREDITORS			
Amounts falling due within one year	7	3,214,622	329,699
NET CURRENT (LIABILITIES)/ASSETS		723,749	674,349
TOTAL ASSETS LESS CURRENT LIABILITIES		816,978	737,355
CREDITORS			
Amounts falling due after more than one year	8	2,906,297	818,258
NET LIABILITIES		(2,089,319)	(80,903)
CAPITAL AND RESERVES			
Called up share capital		1,076	1,076
Share premium		1,428,074	1,428,074
Retained earnings		(3,518,469)	(1,510,053)
		(2,089,319)	(80,903)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BIVICTRIX LIMITED

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29th September 2022 and were signed on its behalf by:



.....
Tiffany Thorn
Director

29th September 2022

The notes on pages 9 to 12 form part of these financial statements

**Notes to the financial statements
for the year ended 31 December 2021**

1. STATUTORY INFORMATION

BiVictriX Limited (the 'Company') is a private limited company with its registered office in Mereside Alderley Park Alderley Edge Macclesfield, SK10 4TG.

The Company is incorporated and domiciled in accordance with the laws of England and Wales with a registration number of 10005270

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Plant and machinery - 4 - 7 years
Fixtures and fittings - 25% on cost
Computer equipment - 33% on cost

Tangible fixed assets are stated at cost less depreciation and any impairment.

Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the accruing amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Basic financial instruments that are payable or receivable within one year, typically trade creditors and debtors, are measured initially and subsequently at the undiscounted amount of the cash or other consideration that is expected to be paid or received less impairment losses for bad and doubtful debts.

Financial assets and liabilities payable after one year are initially measured at fair value and are measured subsequently at amortised cost using the effective interest rate method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BIVICTRIX LIMITED

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is expensed as it is incurred..

Payroll expense and related contributions

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

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions are recognised in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 8 (2020 - 3).

4. OPERATING LOSS

The operating loss is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	16,362	1,005

BIVICTRIX LIMITED

5. TANGIBLE ASSETS

	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
COST				
At 1 January 2021	60,646	1,662	3,002	65,310
Additions	36,143	1,431	9,011	46,585
At 31 December 2021	96,789	3,093	12,013	111,895
DEPRECIATION				
At 1 January 2021	588	35	1,681	2,304
Charge for year	14,937	478	947	16,362
At 31 December 2021	15,525	513	2,628	18,666
NET BOOK VALUE				
At 31 December 2021	81,264	2,580	9,385	93,229
At 31 December 2020	60,058	1,627	1,321	63,006

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Prepayments	212,954	7,292
Other taxes and social security	63,290	52,313
R&D tax credit	193,216	82,869
	469,460	142,474

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	68,017	263,484
Taxation and social security	64,862	12,057
Accrued expenses	175,446	54,158
	308,325	329,699

BIVICTRIX LIMITED

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021 £	2020 £
Convertible Loan	-	818,258
Amounts owed to group undertakings	2,906,297	-
	2,906,297	818,258

Convertible Loan

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

On 10 August 2021, the loan note holders elected to convert the CLA and accrued interest. All loan notes were converted to ordinary shares in the Company's parent, BiVictriX Therapeutics plc, at a price of 11.7 pence per share.

Group Loan

The Company carries out the research and development strategy of BiVictriX Therapeutics plc which provides funding in the form of a loan. This loan is classified as non-current to reflect the likely repayment schedule of the loan. Interest is accrued at a rate of 4.5% per annum which is considered to be a market rate. Balance outstanding, including accrued interest, at the 31 December 2021 was £2,906,297 (31 December 2020: nil)