GENinCode

Detecting Cardiovascular Disease risk early so it can be prevented

GENinCode PLC
2023 Annual Report and Accounts

June 2024

Contents

Company Information

for the Year Ended 31 December 2023

DIRECTORS:	Matthew Walls	Chief Executive Officer
	Jordi Puig Gilberte	Chief Operations Officer
	Paul Foulger	Chief Financial Officer
	Sergio Oliveró	Non-Executive Director
	William Rhodes	Non-Executive Chairman
	Huon Gray CBE	Non-Executive Director
	Felix Frueh	Non-Executive Director
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Chairman and Chief Executive Officer's Statement

On behalf of the Board, we are delighted to present the audited financial statements for the twelve-month period ended 31 December 2023 for GENinCode Plc.

This statement provides a brief introduction to the Group, a summary of progress over the past year, recent developments, and an outlook for the year ahead.

INTRODUCTION

GENinCode is engaged in the genetic risk assessment and prevention of cardiovascular disease (CVD). The company's products and technology have been developed to genetically risk assess CVD to provide personalised preventive treatment to improve patient outcomes.

Globally, CVD accounts for around 18 million deaths annually, representing approximately 31 per cent of all deaths worldwide with the global cost of CVD estimated to reach approximately $1.04 trillion by 2030.

CVD encompasses all conditions linked to the heart and blood vessels and is currently the leading cause of death globally. CVD is commonly referred to as a '*heart attack*' or '*stroke*'. Four out of five deaths related to CVD are a result of heart attacks and strokes, and one third of these deaths occur prematurely in people under the age of 70. There are approximately 550 million people living with heart and circulatory diseases worldwide. This number has been rising due to changing lifestyles, ageing (life expectancy), and a growing population with improved survival rates from heart attacks and strokes.

In the US, CVD affects over 85 million people and accounts for more than one third of all deaths. Common characteristics which put individuals at risk of CVD include raised blood pressure, high cholesterol levels, as well as obesity, lack of exercise and the co-morbidity of other diseases such as diabetes. Approximately 655,000 people in the US die from CVD each year, with coronary heart disease and heart attacks the most common form of CVD.

Multiple clinical studies have shown that an individual's genetics contribute between 40 to 50 per cent. to the development of CVD, highlighting genetics as one of the most significant contributing factors to the onset of cardiovascular disease.

The company's product portfolio draws on advanced genomic precision testing using polygenic (multiple-genes) technology, advanced molecular testing, genotyping, sequencing, and AI bioinformatics. Through a simple blood or saliva sample, the Company can analyse the genetic variants of an individual associated with CVD to determine a patient's Genetic Risk Score (GRS) which is used to assess a patient's cardiovascular disease risk.

The current 'clinical' approach for the assessment and prevention of CVD (e.g. smoking, weight, age, physical activity etc) has been in use and largely unchanged for many years. The advent of a 'genetic' polygenic risk assessment for CVD now allows the addition of genetics (the single largest risk factor aside from age and gender) in a patient's risk assessment, to enable individuals to be reassessed to a higher risk level thereby delivering more intensive personalised treatment. This enables earlier in-life preventive measures to be adopted to lower the future risk of a heart attack or stroke.

GENinCode has an industry leading clinical (polygenic) evidence base, granted intellectual property portfolio and a vision to advance CVD risk assessment to more precisely align therapeutic treatment and lifestyle choices to improve patient outcomes.

Chairman and Chief Executive Officer's Statement

continued

2023 Business review

In the preliminary results for the twelve months ending 31 December 2023, the Company saw a 51% increase in revenues to £2.2m (2022: £1.4m) driven by growth across its UK and European businesses.

The Group's key products include:

CARDIO inCode® - Polygenic risk assessment of coronary heart disease (CHD)

LIPID inCode® - Genetic diagnosis and risk assessment of familial (inherited) hypercholesterolemia

THROMBO inCode® - Genetic diagnosis and risk assessment of thrombophilia and thrombotic risk

SUDD inCode® - Genetic diagnosis and cause of sudden cardiac death and familial heart disease

The Group is now starting its first commercial programmes in the US to complement its UK and European revenue growth.

US BUSINESS

The US clinical environment for polygenic risk assessment continues to develop with advances in the clinical guidelines from the US American College of Cardiologists/American Heart Association (ACC/AHA), for primary prevention of cardiovascular disease with increasing recognition of the role of polygenic risk scores (PRS) for the risk assessment of coronary artery disease.

Following the commissioning of our US CLIA (Clinical Laboratory Improvement Amendments) and College of American Pathologists (CAP) accredited diagnostic lab in California, the past year has focused on the set-up and completion of our Early Access Programmes (EAPs) for the soft launch of LIPID inCode® and CARDIO inCode® in the US market. The EAP's are a forerunner to full commercialisation with the programmes commissioning our cloud-based system (SITAB®) for ordering, processing, algorithmic risk scoring and reporting to a select group of leading healthcare institutions and key opinion leaders in preventive cardiology. On completion of the EAP's, physicians were surveyed to gather feedback in preparation for the commercial introduction of PRS testing. The EAP's have now largely been completed and are transitioning into commercial programmes which will be the main focus of growth in 2024.

LIPID inCode® is a globally leading test for Familial Hypercholesterolemia (FH) with increasing recognition by the US Centres for Disease Control (CDC) of the importance of testing to identify individuals suffering with FH as these individuals are at high risk of 'earlier in-life' onset of CVD, in the form of atherosclerosis, angina, heart attack or ischemic stroke. LIPID inCode® has received reimbursement coding and medical classification coding (ICD-10) coverage in the US and 2024 will see the first revenues for LIPID inCode® emerging from its commercial adoption.

Following the CARDIO inCode® 510(k) medical device submission in August 2023, the Food and Drug Administration (FDA) reviewed the submission and noted CARDIO inCode® 'first in class' position and the deep clinical evidence for polygenic risk assessment of CHD. Based on these factors and the novel position of CARDIO inCode® the FDA requested the Company to transition to a De Novo pathway for market approval. The crossover to a De Novo pathway enables the Company to work with the FDA to establish a new polygenic regulatory class for the CARDIO inCode® medical device based on its favourable benefit-risk profile and associated special controls thereby establishing a new regulatory standard for future polygenic tests in this class. Following the FDA request, the Group submitted its De Novo submission in November 2023 for market clearance and expects further updates from the FDA over the coming months.

During the year we continued our collaboration with Indiana University (IU) School of Medicine, the largest US medical school, in preparation for the introduction of CARDIO inCode® to the US market and expanded our collaboration with Kaiser Permanente, California, to assess CARDIO inCode® for the polygenic risk assessment of coronary heart disease. In August 2023, Kaiser Permanente presented an abstract of their ongoing study programme with CARDIO inCode® at the European Society of Cardiologists in Amsterdam, showing polygenic risk assessment in over 63,000 patients and the incidence of coronary heart disease over

Chairman and Chief Executive Officer's Statement

continued

a 14 year follow up period. More recently the American Journal of Preventive Cardiology published the milestone Kaiser Permanente paper on '*Polygenic risk and incident coronary heart disease in a large multiethnic cohort*' providing strong and growing clinical evidence for the inclusion of polygenic 'lifetime' risk assessment for prevention of coronary heart disease in national guidelines. We continue to work closely with Kaiser Permanente and IU and expect further instrumental clinical publications and results.

We also announced our first CARDIO inCode® collaboration with MedStar Health, covering the states of Washington D.C. and Maryland to support our clinical utility programmes for CMS/payer reimbursement filings. The MedStar programme uses CARDIO inCode® in a primary preventive care setting to advise physicians of the polygenic 'lifetime' risk of patients for coronary heart disease. The patient risk scores are then used in conjunction with traditional clinical risk assessment to personalise treatment including lifestyle change and therapeutic intervention.

UK AND EUROPE BUSINESS

In May 2023 the UK NHS announced the successful implementation of our first LIPID inCode® NHS clinical programmes to improve diagnosis and turnaround time for the testing of Familial Hypercholesterolemia (FH). The GENinCode Plc implementation in the North of England supports the NHS 10-Year plan to identify 25% of individuals in the UK suffering with FH. LIPID inCode® is being delivered at a reduced cost to the NHS, with rapid turnaround times for testing and an improved comprehensive diagnostic and risk assessment panel. Since the implementation we have processed over 1,000 FH tests in the North of England enabling the NHS Genetic Lab Hub to begin meeting their NHS long term targets. Resulting from this improved performance the NHS North of England, is the only region now meeting its FH test targets set out in the NHS 10 Year Plan. We anticipate an expansion in LIPID inCode® testing across other NHS regions and genetic lab hubs in 2024.

Following the announcement of MVZ Uniklinikum, Germany collaboration in May 2023, sales of LIPID inCode® have now commenced. Uniklinikum represents the largest treatment centre in Germany for patients suffering with FH and the German team is following a similar pathway to the NHS with state-based reimbursement for our initial LIPID inCode® test.

The Spanish market saw a strengthening in revenue through 2023 with its core tests all seeing growing demand. The CARDIO inCode® pilot implementation study in the Spanish region of Extremadura also continued to make good progress. The Extremadura region has a population of ~ 1 million, with an estimated 50,000 individuals at risk of a cardiovascular event, e.g. heart attack. CARDIO inCode® is expected to change clinical practice by identifying those individuals at high genetic risk and improve preventive treatment. Successful completion of the pilot in over 500 individuals will lead to the extension of the programme across the Extremadura region.

In March 2024 the Risk of Ovarian Cancer Algorithm ("ROCA") test received a National Institute for Health and Care Excellence ("NICE") recommendation as the preferred test for ovarian cancer surveillance in individuals at high risk of ovarian cancer who do not undertake risk reducing surgery. The new NICE guidance is focused on identifying and managing familial and genetic risk of ovarian cancer.

Publication of NICE guidance is an important milestone for the ROCA test. After many years of academic and corporate investment, the ROCA test has been comprehensively assessed by NICE as the surveillance technology of choice where patients at high risk of familial OC decide to defer preventative surgery. Surveillance using the ROCA test will help individuals feel more supported while they start or grow their families or until they reach menopause, whilst also providing a cost-saving benefit for the NHS. We are now assisting the NHS to establish appropriate call and recall systems that will enable the ROCA test to be offered by the NHS to all eligible individuals.

INTELLECTUAL PROPERTY

We maintain an ongoing intellectual property programme to strengthen our existing patent portfolio and are advancing our family of patents for both CARDIO inCode® and THROMBO inCode®. We will continue to build our intellectual property portfolio and actively evaluate in-licensing and acquisition opportunities as appropriate to enhance our competitive product positioning.

Chairman and Chief Executive Officer's Statement

continued

FINANCIAL REVIEW

For the twelve months ending 31 December 2023, the Company saw Year on Year revenues increase 51% to £2.2m (2022: £1.4m), driven by growth across our UK and European businesses. The Company continues to scale its commercial programme across the US, UK and EU markets whilst maintaining tight control over its operational costs. At the beginning of 2024 the Company successfully completed a £4.0m secondary placing on AIM to support its commercialisation, scale-up and launch of new tests in the US and UK. Gross profit for the year was £1.0m (2022: £0.6m) with a margin of 47% (2022: 44%).

Administrative expenses increased to £7.8m (2022: £6.3m). The year-on-year cost increase reflected growth in staffing and professional costs with the ramp up in US and UK investment in preparation for the US and UK laboratory commissioning and test service delivery, increased sales and marketing resources, and spending on market access and launch preparations.

This increased commercial investment gave rise to an adjusted EBITDA loss for the year of (£6.7m) (2022: (£5.6m)), with the cash position at the end of December 2023 being £2.5m (2022: £9.7m).

CAPITAL STRUCTURE

The total number of ordinary shares in issue was 95,816,866. The loss per share for the year ending 31 December 2023 was 7.0p/share. The Board of Directors will not be recommending a dividend payment for the year ended 31 December 2023.

OUTLOOK

With US commercial operations now starting to complement our growing UK and EU revenues, we anticipate strengthening revenues across the business over the coming year as we scale testing to prevent cardiovascular disease. We are focused on commercial programmes with leading US hospital institutions whilst developing our UK NHS relationship and the expansion of our EU business. Given the challenging markets, we will grow revenues whilst maintaining a tight control over operational costs to target a breakeven/profit position over the medium term. We expect to de-risk our business model whilst delivering strong growth in our core markets.

During 2024, we expect to complete the following key deliverables:

- Significant increase in year-on-year revenue growth
- Commercial expansion of LIPID inCode® and CARDIO inCode® across the US market
- Implementation of LIPID inCode® and CARDIO inCode® testing in leading US healthcare institutions and State-based healthcare systems
- Progression of our De Novo FDA regulatory submission for the approval of the CARDIO inCode® medical device to accelerate US sales
- Expansion of the NHS programme for LIPID inCode® and introduction of CARDIO inCode®
- Expansion of the MVZ Uniklinikum, Germany collaborative programme
- Build on our EU partnerships and develop our ongoing collaborative discussions with pharmaceutical companies.
- Following NICE guideline approval for The ROCA test, commence first commercial programs in the NHS and EU.
- Continued strengthening of the commercial, marketing and selling teams to support revenue growth.

Chairman and Chief Executive Officer's Statement

continued

We have a strong and growing competitive clinical advantage to identify patients at high genetic risk of coronary heart disease and improve preventive care for cardiovascular disease.

Commensurate with this growth we will build investment in our international manpower resources and expertise as well as explore acquisition opportunities to take advantage of the opportunities opening to us.

We continue to build our business and believe our tests are industry leading and will deliver significant investor returns. We would like to thank our investors, Board, management and employees for their strength and determination in helping support and drive our business growth.

We look forward to updating our investors on our forthcoming progress.

Matthew Walls
Chief Executive Officer

31 May 2024

William Rhodes
Chairman

31 May 2024

CFO Statement

Financial summary

	2023 £'000	2022 £'000
Revenue	2,160	1,430
Gross Profit	1,022	632
Gross Profit %	*47.3%*	*44.2%*
Operating Loss	(7,151)	(5,899)
Cash and cash equivalents	2,484	9,732
Total Equity	1,289	7,900

Revenue for the year was £2.16m (2022: £1.43m), an increase of 51% with an adjusted EBITDA loss of (£6.73m) (2022: £5.63m), the increased loss resulting from higher commercial and scale-up investment across the Group as we prepare for commercial expansion in our core US, UK, and EU growth markets.

Operating loss increased by £1.25m from (£5.90m) in 2022 to (£7.15m) in 2023.

Revenue

Sales increased by £730k or 51.0% from £1.43m in 2022 to £2.16m in 2023. Spain continues to be the largest region for sales, followed by the UK. We reported our first UK sales of £36k last year, following the successful results announced for Lipid inCode®, and this has increased to £364k in 2023 as the NHS region in the 'North East and Cumbria' has continued to order our tests.

Top 6 Geographical Markets

	2023		2022	
	£'000	%	£'000	%
Spain	1,644	76%	1,207	84%
UK	364	17%	36	3%
Italy	74	3%	132	9%
Germany	34	2%	–	–
France	26	1%	36	3%
ROW	18	1%	19	1%
Total	2,160		1,430	

Gross Profit

Gross profit was £1.02m (2022: £0.63m). The gross profit margin increased from 44.2% to 47.3%. In Spain, the Company benefitted from improved margins through increased volume sales across all products. At 55%+, the UK margins are traditionally better than those generated in the EU, helping to improve the Group's overall margins.

CFO Statement

continued

Administrative Expenses

In 2023, administrative expenses increased to £7.75m (2022: £6.27m), the increase reflecting a rise in overall infrastructure costs as the Group prepares for commercial expansion in its core markets, notably the US.

	2023 £'000	2022 £'000
Salaries and social security and benefits in kind (excluding share based payment expense)	3,334	2,273
Royalty expense	107	67
Audit and accounting	123	86
US Commercialisation/Regulatory fees/Launch preparation	466	1,419
Study trials (prior year £86,000 included in legal, Professional, and Consultancy)	375	–
Rent, Utilities, Lab Equipment, Comms, and IT	696	667
Travel and entertainment	232	244
Legal, Professional, and Consultancy	1,420	1,280
Marketing & Market Access	379	145
Sundry and Currency movements	619	85
Total Administrative expenses	7,751	6,266

The number of employees and directors increased from 35 (21 in Spain, 12 in the UK, and 2 in the US) at 31 December 2022 to 42 (21 in Spain, 15 in the UK, and 6 in the US) at 31 December 2023, as the Group strengthened its management team, further expanded its UK laboratory team in London, and recruited full time laboratory and sales staff in the US. This has resulted in salaries and associated costs increasing from £2.27m to £3.33m during the year (£0.11m of salaries included in Cost of Sales).

Legal, Professional, and Consultancy fees increased from £1.28m in 2022 to £1.42m in 2023, as a result of having recruited a number of sales, commercial, and Lab based consultants in the US in advance of the intended commercialisation expansion of Lipid InCode™ and Cardio InCode™ during 2024.

Expenses payable to Eversana Life Sciences L.L.C., the Company's commercial services provider for the launch, market access, and distribution logistics for the Company's products in the USA, decreased from £1.42m to £466k.

Study Trials in the US increased from £86k in 2022 to £375k in 2023; during the year we paid fees to Kaiser Permanente, Medstar, and Indiana University.

Marketing & Market Access costs increased from £145k in 2022 to £379k in 2023; this increase reflected fees payable to the FDA in relation to the 510k submission as well as costs associated with Senergene, our US market access and benefits investigation partner.

Adjusted EBITDA

	2023 £'000	2022 £'000
Operating Loss	(7,151)	(5,899)
Add Back:		
Depreciation & Amortisation	351	163
Share Based Costs	71	102
Adjusted EBITDA	(6,729)	(5,634)

Intangible amortisation charges in 2023 were £105k compared to a charge of £59k in 2022; this increase is mainly due to the increased right of use asset charges. Depreciation charges in 2023 were £246k compared to a charge of £104k in 2022; this increase reflects the full year impact of the investment in equipment made in 2022 to fit out the UK and US laboratories.

Under IFRS 2 the Company is required to recognise share based payment charge in the financial statements based on fair value when the awards are granted, which is determined at the grant date for share-based payments. The charge for the year amounted to £71k (2022: £102k) and was calculated using the Black-Scholes model.

Taxation

	2023 £'000	2022 £'000
Income Tax	7	187

The credit to Income Tax in the year reflected the movement in deferred tax.

The credit to Income Tax in the prior year included an R&D tax credit from HMRC of £55,000 for the 12-month period to 31 December 2020 and a further £157,000 for the 12-month period to 31 December 2021. There was also a deferred tax charge of £25,000.

Other comprehensive income

Included in other comprehensive income are the net exchange differences on translation of foreign operations. The gains on translation of £334k in 2023 compares to a loss of £361k in 2022.

The gain reflects the strengthening of GBP over the period. Given the increased expenditure in the US during the year, a sizeable proportion of the Group's year-end liabilities are based in the US and the GBP strengthened from an opening rate of £1: USD1.210 to a closing rate at the end of 2023 of £1: USD1.273. A similar story is seen in relation to our operations in Spain; the GBP strengthened from an opening rate of £1: Eur1.128 to a closing rate of £1: Eur1.153 and with a net liability balance, this movement helped to generate an exchange gain in the period.

Assets and Liabilities

Non-Current Assets

Intangible assets have decreased from £161k at 31 December 2022 to £138k at 31 December 2023, reflecting a reduced level of capitalisation of intellectual property during the year. This intellectual property is related to the application of new patents in various geographical regions which the management believe will enhance the value of the business.

The Group has a capitalised property, plant, and equipment total, net of depreciation, of £425k at 31 December 2023 (31 December 2022: £653k), representing investment in equipment required to fit out the UK and US laboratories in the latter part of 2022.

The 'right-of-use' asset representing the impact of leasing the new laboratory in Hammersmith, London was £282k at 31 December 2023 (31 December 2022: £349k). IFRS16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Goodwill was £149k at 31 December 2023 (31 December 2022: £149k), representing the impact of acquiring the entire issued share capital of Abcodia Limited in the second half of 2022.

CFO Statement

continued

Current Assets
The Company continues to hold very little in the way of finished goods and work in progress, largely because around 60% of its revenues originate from service testing, as well as the fact that the kits are mainly ordered and then delivered directly from kit manufacturer/supplier to customer.

Trade and Other Receivables have decreased from £717k at 31 December 2022 to £582k at 31 December 2023; this decrease is largely due to £212k having been accrued in the previous period for R&D tax credit income which was only received during the current period to 31st December 2023. No such income has been accrued for the current period.

Non-Current Liabilities
Trade and Other Payables decreased from £1.43m at 31 December 2022 to £178k at 31 December 2023; this decrease is largely due to the reduction in amounts due to our US commercialisation partner, as we continue to pay down historically deferred balances. The remaining balance owed to Eversana LLP is now payable within 12 months (current).

As announced in September 2022, the Company acquired Abcodia Limited and its globally leading algorithmic technology for the Risk Assessment of Ovarian Cancer Algorithm (ROCA) test. A contingent consideration of £178k continues to be recognised at 31 December 2023 (31 December 2022: £155k), representing the present value of the likely consideration.

Lease liability was £221k at 31 December 2023 (31 December 2022: £285k), relating to IFRS16 requiring 'right of use' lease liability being recognised.

Current Liabilities
Trade and Other Payables increased from £2.08m at 31 December 2022 to £2.40m at 31 December 2023; this rise is largely due to the remaining Eversana payables balance (£467k) now being categorised as a current liability rather than a non-current liability as mentioned above.

Cash flow and working capital
Operating cash outflow increased from (£3.73m) in 2022 to (£7.51m) in 2023. The increase is largely explained by the drop-through of increased operating losses, together with reduced trade payables as a result of the paying back of the Eversana deferred balance as highlighted above.

Net cash flows used in investing activities decreased from (£689k) in 2022 to £136k in 2023. The prior year reflected a material level of expenditure on laboratory equipment in the UK and US.

Net cash flows from financing activities were (£94k) in the year (2022: (£47k)).

As a result of the above activities there was an overall decrease in cash and cash equivalents of £7.25m from £9.73m at 31 December 2022 to £2.48m at 31 December 2023.

Section 172(1) Statement

This section of the Strategic Report describes how the Directors have regard to the matters set out in section 172(1) (a) to (f), and forms the Directors' statement required under section 414C(11), of The Companies Act 2006.

The Directors consider that they have, in good faith, promoted the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

Long-term decisions

The Board is focussed on the long-term success of the Group and makes decisions to deliver security and commercial performance consistent with this strategy. The Board considers and balances the needs of its employees, customers, and other business stakeholders.

All key decisions are scrutinised by the Board and assessed on the balance of risk, reward, and overall strategy in line with the code of corporate governance.

Employees

The Board recognises the importance of its employees providing the services to its customers and development of the business; the Board is engaged and invested in their continual health and well-being.

The Board values diversity and opportunity for its employees are communicated and maximised with the aim of providing a platform for them to flourish within the Group.

Key personnel retainment is essential to the success of the Group and so employee benefits such as share option schemes, pension and other benefits have been introduced.

Business relationships

The Board has used the development stage of the business to build strong relationships with suppliers, finance providers and professional advisors with the aim of creating a trusted network within the Group. This network is essential for the Group to obtain the highest levels of service and external advice it requires.

Community and environment

The Board is committed to the well-being of the community and environment both locally and internationally. The Group operates very little in the way of physical premises and limits travel to only essential trips.

Once the Group is returning profits to its shareholders the Board will review what the Group can do for charities and other worthwhile causes.

Business conduct

The Group has been built on its impeccable conduct and high business standards. The Board recognises the value in maintaining these values and the reputation which has been built on them.

All employees and Board members are expected to adhere to these standards which are regularly communicated throughout the Group.

Communication, monitoring, and review are key to the Group maintaining the high ethical standards and conduct expected. Risks to the business are continually monitored and communicated within the Group to promote high business standards.

Interaction between stakeholders

The Board is committed to clear and frequent dialogue with its stakeholders and employs several avenues to make announcements. At all times the Board will act in the best interests of the stakeholders as a whole, ensuring consistent and impartial decisions are made, aiming for a fair outcome for all stakeholders, large and small.

Section 172(1) Statement

continued

Key Performance Indicators (KPI's)

The group uses a number of financial KPI's to measure its success vs. pre-agreed budgets, forecasts, and other ad-hoc targets. This allows management to measure operational performance across the Group and take corrective action as appropriate. Particular attention is paid to revenue, gross margins, overheads, PBT, cash, and regional performance.

Paul Foulger
Chief Financial Officer
31 May 2024

Principal Risks and Uncertainties

Risk	Impact and detail	Mitigating factors
Regulatory Approval	Clinical adoption of the Group's products in the US foreseeably may be affected by its FDA regulatory status. In particular, regulatory risks in the US centre around potential regulatory delays and to a lesser extent regulatory clearance given the wealth of clinical data already available for the Group's lead product, Cardio inCode®. There is a risk of delay to anticipated FDA clearance timelines, particularly in relation to Cardio inCode® which represents a major change in the way an individual's CV risk is assessed in the US. There can be no assurance that regulatory clearance will not be delayed, which would impact the speed of the Group's commercialisation strategy in the US and subsequent revenue generation from Cardio inCode®.	The Group has filed its De Novo submission for CARDIO inCode-Score® and has employed a strong team of Quality and Regulatory specialists who are capable of responding to any queries which may arise from the FDA.
Revenue Growth	The Group's long term plan hinges on the expansion into the US market and utilising the perceived demand in the market.	The Group's strategic plan to obtain a reasonable share of the large US market will commence in 2024 and will be continually reviewed to ensure it is viable and realistic.
Key Personnel	The Group relies on the expertise and experience of a small number of key individuals of its management and scientific advisors, to continue to develop and manage the business of the Company. The retention of their services cannot be guaranteed. Accordingly, the departure of these key individuals could have a negative impact on the Company's operations, financial conditions, its ability to execute the Company's business strategy and future prospects.	The Group offers competitive remuneration packages to its employees. Key personnel are also included in the Group's share option scheme which seeks to reward employees hard work and long service. Regular reviews are undertaken to ensure employee engagement and fulfilment.
Regulatory Environment	The Group's operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, occupational safety, clinical laboratory operations, medical devices, data privacy and security, coverage and reimbursement, the use and handling of hazardous materials, prevention of illness and injury, environmental protection, the use of animals in research, personal data and privacy and the participation of human research subjects in clinical trials and research studies. The failure to comply with applicable legal and regulatory requirements could result in a variety of adverse effects, including fines, penalties, inability to obtain or maintain required licenses, permits, or certifications, inability to obtain coverage or reimbursement from third party payers, and lack of market acceptance.	As the Group grows it will engage with more specialists, both in-house and external to ensure all regulations are adhered to and the Group follows best practice with all regulated activities. The Group will only engage with a supply chain which follows the Group's standards and regulatory framework.

Principal Risks and Uncertainties

continued

Risk	Impact and detail	Mitigating factors
Clinical Recognition	The Group's strategy is to achieve scaled adoption of its products by major healthcare providers whose patients are most likely to benefit from its products. In the US, the decision to order a particular test is solely that of the treating physicians in consultation with their patients. None of the healthcare providers with which the Company collaborates, now or in the future, can control or influence such decisions. It is not possible to predict the extent to which physicians and their patients will find the Company's products useful or physicians will order the products. If the Group is unable to convince key clinical opinion leaders and other clinicians of the clinical and economic benefits of its products, it may not achieve widespread adoption. This may have a material adverse effect on the Group, its business, financial situation, growth, and prospects. In addition, slow adoption of the Group's products could result in timeframes being longer than anticipated.	While the Directors believe that there is a potentially significant, underserved market for its products, there can be no assurance that its products will prove to be an attractive addition or alternative to existing clinical approaches, or that there will be sufficient recognition by clinicians of the Group's products to bring about the change in clinical practices that create a viable market for those products. The development of a market for the Group's products is affected by various factors, some of which are beyond the Group's control, including: (i) the emergence of newer, more advanced products; (ii) the cost of the products (as well as competitors' products); (iii) regulatory requirements; (iv) clinician and patient perceptions of the validity and utility of the products; and (v) reluctance to adopt a new clinical approach. If the market fails to develop or develops more slowly than anticipated, the Group may be unable to achieve commercial operations or profitability and may ultimately result in the Group becoming unviable.

Principal Risks and Uncertainties

continued

Risk	Impact and detail	Mitigating factors
US reimbursement	The Group has filed its FDA pre-market notification (De Novo) for CIC-SCORE. GENinCode is concurrently planning for reimbursement via existing conventional pathways. This involves a requirement to obtain pricing from the CMS and then applying for local Medicare coverage via the MolDX process once CIC-SCORE has been approved by the FDA. Although these are standard reimbursement processes, they could take about 12-18 months following approval. However, private healthcare coverage is possible following approval. Some private payers may remain reticent to cover CIC-SCORE since the major health economic benefits from coverage are long term, yet the costs are upfront. CIC-SCORE is expected to be a one-off genomic test and patients tend to change insurers every few years. Successful commercialisation of certain of the Group's products will depend in part on the extent to which governmental authorities and health insurers establish adequate coverage, reimbursement levels and pricing policies. Failure to obtain or maintain adequate coverage and reimbursement for the Group's products, if approved, could limit the Group's ability to market those products and decrease the Group's ability to generate revenue The availability and adequacy of coverage and reimbursement by healthcare programmes, such as Medicare and Medicaid, private health insurers and other third-party payers, is essential for most patients to be able to afford products such as the Group's products. The Group's ability to achieve acceptable levels of coverage and reimbursement for products by governmental authorities, private health insurers and other organisations will have an effect on the Group's ability to successfully commercialise its products and attract additional collaboration partners to invest in the development of the Group's products. There can be no assurance that the Group will receive reimbursement under government programmes, such as Medicare and Medicaid. Increasingly third-party payers are challenging prices charged for medical products and services, and many third-party payers may refuse to provide coverage and reimbursement for particular tests when a less expensive option is available. It is possible that a third-party payer may consider the Group's products as substitutable by less expensive tests and only offer to reimburse patients for the less expensive product. Even if the Group shows improved clinical utility and better patient outcomes with the Group's products, pricing of existing tests may limit the amount the Group will be able to charge for the Group's products, once approved.	

Principal Risks and Uncertainties

continued

Risk	Impact and detail	Mitigating factors
	These payers may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable the Group to realise an appropriate return on the Group's investment in product development. If reimbursement is not available or is available only at limited levels, the Group may not be able to successfully commercialise the Group's products, and may not be able to obtain a satisfactory financial return on products that the Group may develop. There is significant uncertainty related to the insurance coverage and reimbursement of newly developed products. In the US, third-party payers, including private and governmental payers, such as the Medicare and Medicaid programmes, play an important role in determining the extent to which new tests will be covered. The Medicare and Medicaid programmes increasingly are used as models for how private payers and other governmental payers develop their coverage and reimbursement policies for tests. Some third-party payers may require pre-approval of coverage for new or innovative devices or tests before they will reimburse health care providers who use such products. It is difficult to predict what third-party payers will decide with respect to the coverage and reimbursement for the Group's future products. Obtaining and maintaining reimbursement status is time-consuming and costly. No uniform policy for coverage and reimbursement for products exists among third-party payers in the US. Therefore, coverage and reimbursement for products can differ significantly from payer to payer. As a result, the coverage determination process is often a time-consuming and costly process that will require the Group to provide scientific, clinical, and economic support for the use of the Group's products to each payer separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and the Group believes that changes in these rules and regulations are likely. No assurance can be given that any current or future trademark, design right or patent applications will result in registered trademarks, design rights or patents, that the scope of any patent, design or trademark protection or the protection provided by copyright or database rights or the right to bring actions for breach of confidentiality will exclude competitors or provide competitive advantages to the Group, that any of the Group's owned or licensed-in patents, design rights or	

Principal Risks and Uncertainties

continued

Risk	Impact and detail	Mitigating factors
	trademarks will be held valid if challenged or that third parties will not claim rights or ownership of the patents, design rights, trademarks or other Intellectual Property rights held by the Group. If the Group cannot successfully enforce its IP rights, this could have a material adverse effect on the Group's business, financial condition, and prospects. The Group may be subject to claims in relation to the infringement of patents, design rights, trademarks or other Intellectual Property rights owned by third parties. Adverse judgments against the Group may give rise to significant liabilities in monetary damages, legal fees and/or an inability to manufacture, market or sell products either at all or in particular territories.	
Competition	Whilst the Directors do not believe there is significant competition in this area of polygenic testing to predict the onset of CVD, the Company may face competition from companies in business at present or not yet established that may have access to considerably greater financial, technical, and marketing resources. Whilst the Directors believe the Company has a significant suite of know-how, partnerships and key advisers that are unique, significant competition could have a material adverse effect on the Group's profitability and/or financial condition. The future success of the Group depends, in part, on its ability to maintain a competitive position, including an ability to further progress through the necessary preclinical and clinical trials to support commercialisation, marketing authorisation where necessary, and coverage and reimbursement. Other companies may succeed in commercialising products earlier than the Group or in developing products that are more effective than those which may be produced by the Group. While the Group will seek to develop its capabilities in order to remain competitive, there can be no assurance that research and development by others will not render the Group's products obsolete or uncompetitive.	

Principal Risks and Uncertainties

continued

Risk	Impact and detail	Mitigating factors
Cash Generation and Profitability	The Group's strategy relies on scaling up its commercial programme in the UK, Europe, and especially the US. This requires the availability of cash reserves in the short term until the Group moves into cash positivity and begins to generate profits; delays in revenue growth could have a potential impact on the Group's liquidity.	The Company holds surplus cash reserves following the placing on admission to AIM in 2021 and the subsequent fundraise at the beginning of 2024 and, as such, based on current and expected expenditure, has enough reserves to operate for the foreseeable future. The Group has an ongoing commitment to keep costs and working capital under control so that increasing gross profits can drive positive cash flows. A number of potential mitigating actions which can be taken to safeguard the Group's cash position have been put together. These include working capital controls and reductions in discretionary spending. Additionally, it is likely that the Group will be required to undertake another fundraise before moving into profitability.

William Rhodes
Chair
31 May 2024

Corporate Governance Report

for the Year Ended 31 December 2023

OVERVIEW

The Board comprises seven Directors of which three are executives and four are non-executives, reflecting a blend of different experience and backgrounds. The Board considers all four of the non-executives to be independent.

Executive Directors

Matthew Walls – Chief Executive Officer

Mr Walls co-founded GENinCode in September 2018 and is the Group's Chief Executive Officer. Between September 2018 and October 2019, he was also Chairman of Concepta plc (now MyHealthChecked plc), which he left to dedicate his time to GENinCode. Prior to that Mr Walls was CEO and Executive Chairman of Atlantis Healthcare, a leading international patient behavioural change company. Before joining Atlantis Healthcare, Mr Walls spent over eight years as CEO of the personalised medicine and molecular diagnostics company Epistem Holdings plc (now Genedrive plc), which he listed on AIM in 2007. He brings more than 30 years of senior leadership experience in leading, advising and developing public and private health care technology companies. Mr Walls started his career with ICI helping to lead its transition to AstraZeneca where he became Global Commercial Director and was commercially and financially responsible for strategy and international business operations. Mr Walls qualified as an accountant with ICI plc and studied at Manchester University.

Jordi Puig – Chief Operations Officer

Mr Puig co-founded GENinCode in September 2018 and is the Group's Chief Operating Officer. Prior to forming GENinCode, he worked for the Ferrer Group from 2006 through to 2018 where he was initially co-founder and CFO of the company's personalised medicine division Gendiag.exe and then CEO of Ferrer inCode, the division from which the Company acquired its core products and technology in September 2018. He brings more than 20 years' experience in pharmaceuticals, biotech and global strategic alliances and finance. He qualified as an accountant with Arthur Andersen.

Paul Foulger – Chief Financial Officer

Mr Foulger joined GENinCode in January 2021, becoming a director in April 2021. He is a seasoned CFO with substantial strategic, entrepreneurial, and commercial experience at Board level within both start-up biotech companies as well as large corporates. He has been CFO at NovaBiotics Ltd, Venn Life Sciences plc, PredictImmune Ltd, and Elsevier Science, amongst others. More recently he was Group CFO at EKF Diagnostics plc, the global point-of-care and central lab devices and tests medical manufacturer. He has experience in managing a broad range of corporate transactions including lead roles in a number of IPOs on the AIM market, two management buy-outs, over £100m of fund-raising and a number of acquisitions both in Europe and the US. He is currently a non-executive director of two UK-based companies, Autoclenz Ltd, an automotive services company, and Penrhos Bio Ltd, a company with innovative bioderived anti-biofilm technology. He obtained an MBA from Warwick Business School and is a qualified Certified Accountant.

Corporate Governance Report

continued

Non-Executive Directors

Bill Rhodes – Independent Non-Executive Chairman

Mr Rhodes became Chairman of GENinCode in January 2021. He is also Chairman of the Nasdaq-listed bioinformatics and genomic analysis company OpGen Inc., past Chairman of the supervisory board of the Dutch private company CytoSmart Technologies BV until their 2022 sale to Axion Biosystems, was a non-executive director and Interim Chairman of the AIM-listed in vitro diagnostic company Omega Diagnostics Group plc until he retired from their board after 9 years of service and was a board member of Paramit, a Californian-based private medical device contract manufacturer until their sale to Swiss medical products company Tecan in 2021. He is currently non-executive Chairman of the Board for Nodexus Inc as well as a non-executive director of EndoSound Inc, both early stage medical and research products companies based in the U.S. Mr Rhodes served as an Operating Partner for Altaris Capital Partners, a large U.S.- based healthcare private equity fund until January 2024. He is also Senior Executive in Residence mentoring life science start-ups at Cornell University, with which he has been involved since 2013. Prior to his role at Cornell University, he spent 14 years at Becton, Dickinson & Co. (BD), one of the world's leading suppliers of medical, diagnostic and life science research products. During his time at BD, he held a number of senior leadership positions most latterly as Senior Vice President, Corporate Strategy and Development, responsible for the group's worldwide mergers and acquisitions and corporate strategies. Prior to the role, Mr Rhodes was Worldwide President of BD Biosciences, a business segment with turnover of over US$1.0 billion. Prior to working for BD, he held senior business development positions with Pfizer and J&J. He has a BSc in entomology from Cornell University and an MSc in International Business from Seton Hall University.

Sergio Oliveró – Independent Non-Executive Director

Mr Oliveró was appointed a non-executive director of GENinCode in May 2020. Mr Oliveró is a veteran in the life sciences/healthcare industry with more than 30 years' experience in diagnostics in Spain and Portugal, leading his own company Equipos Medico-Biológicos with a highly successful track record of medical device provision to the IVF market.

Professor Huon Gray CBE – Independent Non-Executive Director

Professor Gray has 30 years' experience practising as a consultant cardiologist for the NHS and private sector, with particular experience in cardiovascular risk assessment and interventional cardiology. Huon served as the National Clinical Director for Heart Disease in the Department of Health and then NHS England from 2012-2019, advising government, all party parliamentary groups, the NHS and NICE on healthcare delivery and reform. He is a former President of the British Cardiac Society (now the British Cardiovascular Society) and was previously Chair of the International Council of the American College of Cardiology. In 2014 Huon was awarded the Mackenzie Medal by the British Cardiovascular Society in recognition of his services to British cardiology, and made 'Master' by the American College of Cardiology in 2018. In 2019, he was awarded the CBE in the Queen's New Year's Honours List for his services to cardiology. Huon's exposure to the US healthcare system through his work with the American College of Cardiology over 15 years, in roles such as Trustee and Chair of its Governance Committee, will support the Company as it targets the US as one of its primary markets. Additionally, during Huon's tenure at NHS England, he acted as a liaison with industry and Academic Health Science Networks, helping deliver healthcare in the NHS through encouraging the adoption of innovation and new technology.

Felix Frueh – Independent Non-Executive Director

Mr Frueh is a senior life sciences executive with over 25 years of experience setting scientific and corporate strategy in precision medicine, and has founded several start-ups in the diagnostics and pharmaceutical sectors. He worked in the regulatory space for 18 years, including five years with the FDA as the Agency's first Assoc. Director for Genomics. Felix oversaw the world's largest next-generation, CLIA-certified, whole human genome sequencing laboratory as CSO of Human Longevity, served as President of Medco Research Institute, Res. Director for Pharmacogenetics at Transgenomics, and Asst. Director of Protogene Laboratories. He is Co-Founder and CEO at PAGE Therapeutics and Founder and Executive Partner at Opus Three. He also co-founded and serves as CSO of Selva Therapeutics and co-founded and served as the CEO of Intellos Health. Felix received his PhD in biochemistry from the University of Basel in Switzerland and completed postdoctoral

fellowships at the University of Basel and Stanford University. He has served as a consultant, strategic advisor, and Board member to numerous diagnostic, pharmaceutical, and other healthcare companies.

The Board meets regularly to review, formulate, and approve the Group's strategy, budgets, and corporate actions and oversee the Group's progress towards its goals. In accordance with the best practice, the Company has established Audit, Remuneration and Nomination committees with formally delegated duties and responsibilities and with written terms of reference. Each of these committees will meet as and when appropriate, but at least twice each year. From time to time separate committees may be set up by the Board to consider specific issues when the need arises.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities, within agreed terms of reference, with regard to corporate governance, financial reporting and external and internal audits and controls, including, amongst other things, reviewing the Group's annual financial statements, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the Board. Membership of the Audit Committee compromises Bill Rhodes, Felix Frueh, and Huon Gray, and it is chaired by Bill Rhodes. The Audit Committee meets formally not less than two times every year and otherwise as required.

Remuneration Committee

The Remuneration Committee is responsible, within agreed terms of reference, for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Executive Directors. This includes agreeing with the Board the framework for remuneration of the Executive Directors, the company secretary, and such other members of the executive management of the Group as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Executive Director including, where appropriate, bonuses, incentive payments and share options. No Director may be involved in any decision as to their own remuneration. The membership of the Remuneration Committee comprises Bill Rhodes, who chairs the committee, Huon Gray and Sergio Oliveró. The Remuneration Committee meets not less than twice a year and at such other times as the chairman of the committee shall require.

Nomination Committee

The Nomination Committee has responsibility for reviewing the structure, size and composition of the Board and recommending to the Board any changes required for succession planning and for identifying and nominating (for approval by the Board) candidates to fill vacancies as and when they arise. The Nomination Committee is also responsible for reviewing the results of the Board performance evaluation process and making recommendations to the Board concerning suitable candidates for the role of senior independent director and the membership of the Board's committees and the re-election of Directors at the annual general meeting. There is not currently a separate nominations committee as all decisions relating to the identification and nomination of Board positions are taken by the entire Board.

Corporate Governance Report

continued

Compliance and the QCA Code

The Board of Directors is collectively accountable to the Company's shareholders for good corporate governance and recognises the importance of sound corporate governance commensurate with the size and nature of the Group and in the interest of all of its shareholders. The Quoted Companies Alliance has published the QCA Code, a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters, The Board has adopted the QCA Code with effect from Admission in July 2021. Details of the Code can be obtained from the Quoted Companies Alliance's website (www.theqca.com).

Set out below is how the Group, as at 31 December 2023, sought to address the principles underlying the Code.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Board is responsible to shareholders for setting the Group's strategy and to implement the necessary controls, decision making and systems in place to ensure the best long-term value for the shareholders. Key to this is the control of financial assets and human resources to meet the short, medium, and long-term strategic aims of the Group whilst understanding, monitoring, and controlling internal and external risks to the Group.

The Group is striving to enter the potentially lucrative US market which is seen as the optimum long-term target for the Group. This is being done via expert third party involvement and the resourcing of key assets and skillsets.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board aims to provide clear and transparent information as to the Company's activities, strategy, performance, and financial position to its shareholders.

Effective two-way communication with fund managers, institutional investors, and analysts is actively pursued and encompasses issues such as performance, policy, and strategy. The Group maintains regular contact with institutional shareholders through one-to-one visits and briefings. Contact with major shareholders is principally maintained by the Chief Executive Officer and Chief Financial Officer, who ensure that shareholder views are communicated to the Board as a whole. The principal point of contact for shareholders outside of the Executive Directors is the Chairman.

All investors are encouraged to participate in the Company's Annual General Meeting ("**AGM**"), at which Directors, including the Chairman and the Chairman of the Audit, Nomination and Remuneration Committees are available to review the results, comment on current business activity and to answer questions.

Details of all shareholder communications are available on the Company's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the importance of corporate social responsibility and seeks to take account of the interests and feedback from all the Group's stakeholders, including investors, customers, suppliers, partners, and employees when operating the Group's business. The Board believes that fostering an environment in which employees act in an ethical and socially responsible fashion is critical to its long-term success. The Group seeks to ensure continued engagement with its employees, clients, suppliers, shareholders and the wider public via regular meetings, mailshots, publications, and other forums to gain insights and feedback from the key stakeholders and the public as a whole.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group maintains a register of risks across several categories including personnel, clients, competition, finance, technical and legal. For each risk, the Board assesses the impact, likelihood of occurrence and mitigating strategies. The register is reviewed periodically as the Group's situation changes, upon review the Board considers whether there have been changes to a) the nature of the risk, b) the likelihood of the risk, c) the effect of the risk, d) the mitigating controls and e) whether any risks have arisen. Additionally, the

Group has put in place a number of key procedure documents across the business, aimed at managing the key risks which the Company is exposed to during normal operations.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair
The Board comprises seven members split between executive and non-executive members as outlined within this report. All Board members are committed to providing as much time as is reasonably required for them to fulfil their duties to the Group. Executive members are employed on permanent contracts and Non-Executive members are paid via service contracts.

The Board meets regularly and is Chaired by a suitably experienced and knowledgeable person who acts independently on behalf of the shareholders and stakeholders of the Group. The Board is responsible for overall Group strategy, approval of major expenditures and consideration of significant financing and corporate structure matters. To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information. The Board is aware of the commitments and interests of its Directors and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills, and capabilities
The Board is comprised of directors who are experienced, knowledgeable, and skilled in their area of expertise (see Board bios within this report for further detail). The directors' bios are made public to shareholders and stakeholders who are free to voice any concerns should they be founded. All directors are encouraged to maintain individual continuing professional development programmes.

The Board is supported where necessary by its external advisers and continually reviews the performance of third-party advisers to ensure that they are the most appropriate business partners for the Company. Directors also receive regular business updates from the Executive Directors and other members of the Executive Management team.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
The Nomination Committee is primarily responsible for evaluating the performance of the Board and will regularly review the structure, size, and composition of the Board. Recommendations will be made based on skills, knowledge, experience, and diversity along with individual evaluations for both Executive and Non-Executive Board members.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours
The Group is committed to operating to the highest ethical standards and the Board has primary responsibility for achieving this. The Board believes the key to this is through clear communication, education, and policies throughout the Group's human resources activities. All employees, board members and other stakeholders who represent the Group are required to act with honesty and integrity. The group also employs formal policies addressing, inter alia, bribery, and corruption, the use of social media and dealing with the Group's shares. The Board encourages employee welfare, values, diversity, health and safety, human rights, environmental footprint, and overall inclusion both internally and for all stakeholders.

The Group recognises that it is stronger and more effective as a team than as a group of individuals. The Group promotes an open, communicative, and transparent culture. The Group also recognises that diversity and inclusion is a source of strength and listens to differing viewpoints so that management can constructively solve problems. Good teamwork allows an opportunity to empower employees and encourages necessary risk-taking.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board
The Board is collectively responsible for the long-term success of the Group and provides leadership to the Group within a framework of effective systems and controls. The Executive team, led by the CEO, is responsible for the day to day running of the business, with key decisions being reserved for the Board. In conjunction with senior management the CEO is responsible for the execution of the strategy as approved

Corporate Governance Report

continued

by the Board and the implementation of the decisions made by the Board. The Board has established an Audit Committee, Remuneration Committee and a Nomination Committee as detailed in these financial statements. These Committees report to the Board with relevant recommendations for consideration.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Group and is committed to maintaining good communication and both encouraging and engaging in open, constructive dialogues with its shareholders and key stakeholders. The Group updates its website regularly and all historic RNS announcements, interim reports and annual reports can be easily found via the Investor section.

Board and Committee Attendance 2023

	PLC Board meetings		Audit		Remuneration	
Director	**Invited**	**Attended**	**Invited**	**Attended**	**Invited**	**Attended**
Matthew Walls	11	11	2	2	–	–
Jordi Puig Gilberte	11	11	–	–	–	–
Paul Foulger	11	10	2	2	–	–
Sergio Oliveró	11	8	–	–	2	2
William Rhodes	11	11	2	2	2	2
Huon Gray	11	11	2	2	2	2
Felix Frueh	11	10	2	2	–	–

William Rhodes
Chair

31 May 2024

Report of the Directors

for the Year Ended 31 December 2023

The directors present their report with the financial statements of the company and the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the Group is to develop and commercialise clinical genetic tests to provide predictive analysis of risk to a patient's health based on their genes.

DIVIDENDS

In view of the accumulated losses in the Group and with consideration to the stage of development of the Group, the Directors are unable to recommend the payment of a dividend.

DIRECTORS

The directors shown below have held office during the whole of the year from 1 January 2023 to the date of this report.

- Matthew Walls
- Jordi Puig Gilberte
- Sergio Oliveró
- William Rhodes
- Paul Foulger
- Huon Gray CBE
- Felix Frueh

The Directors of the Company held the following beneficial interests (including the interests of their immediate families and persons connected with them) in the shares of GENinCode Plc at the year end;

	Issued share capital	
	Ordinary shares of £0.01 each	Percentage held
Jordi Puig Gilberte	14,482,500	15.1%
Matthew Walls	10,762,500	11.2%
Sergio Oliveró	3,574,000	3.7%
Paul Foulger[1]	568,182	0.6%

Note: Above only includes directors active as at the year end.
1. Held by his wife, Mrs Laura Deegan.

Share options and warrants

The Directors of the Company held the following share options of GENinCode Plc;

Director	Type	31-Dec-23 No.	Exercise price	Grant date	Expiry date
Jordi Puig Gilberte	Share options	755,000	£0.1583	30/04/2021	–
Matthew Walls	Share options	1,255,000	£0.1583	15/04/2021	15/04/2031
Paul Foulger	Share options	572,000	£0.1583	15/04/2021	15/04/2031
	Share options	572,000	£0.4400	17/09/2021	17/09/2031
William Rhodes	Share options	286,000	£0.1583	30/04/2021	–
Huon Gray	Share options	200,000	£0.1583	30/04/2021	–
Felix Frueh	Share options	200,000	£0.4400	22/11/2022	–
		3,840,000			

The number of share options and warrants held by Directors of the Company has not changed since 31st December 2022.

Report of the Directors

continued

DIRECTORS' REMUNERATION

The Directors received the following remuneration during the year:

	Salary/fees	Pension contributions	Share based payments	Total remuneration
Executive				
Matthew Walls	279,840	8,747	13,909	302,496
Jordi Puig Gilberte	140,014	–	8,367	148,381
Paul Foulger	134,268	4,564	6,339	145,171
Non-executive[1]				
William Rhodes	45,030	–	3,170	48,200
Huon Gray	30,000	–	4,486	34,486
Felix Frueh	30,000	–	312	30,312
	659,152	13,311	36,583	709,046

Notes

1 Directors who did not receive remuneration have been excluded from this report

SHARE CAPITAL STRUCTURE

The Company's ordinary shares of 1p are listed on the Alternative Investment Market ("AIM") of the London Stock Exchange (ticker: GENI, ISIN:GB00BL97B504). At the date of this report, 95,816,866 ordinary shares of 1p each were in issue. Details of share issues and changes to the capital structure during the year are set out in note 20.

SUBSTANTIAL SHAREHOLDINGS

As at 31st December 2023 excluding Directors, the following parties held greater than 3% of the issued share capital of the Company:

	% of issued share capital
Maven Income and Growth VCT[1]	11.1%
Downing 1 VCT Plc[2]	11.1%
Santi 1990 SL	10.8%
Chelverton Asset Management	5.9%
Octopus Investments	4.7%
Philip Chesterfield	3.5%

Notes

1 Held via Maven Income and Growth plc, Maven Income and Growth VCT 3 plc, Maven Income and Growth VCT 4 plc and Maven Income and Growth VCT 5 plc.

2 Held via Downing 1 VCT plc and Downing 4 VCT plc.

FINANCIAL RISK MANAGEMENT

The Group's risk management is controlled by the board of directors. The board identifies, evaluates, and mitigates financial risks across the Group. Financial risks identified and how these risks could affect the Group's future financial performance are listed below;

Liquidity risks

Liquidity risk is the risk that the Group fails to have sufficient funds to meet its debts as they become due. The Group holds funds in short term bank deposits which can be accessed when needed. The liquidity risk of the Group is managed centrally with the ultimate control being on the Board of Directors who regularly review the short and medium term funding requirements. The Group manages liquidity risk by maintaining adequate cash and cash equivalents and by continuously monitoring forecast and actual cash flows. Given that the outcome of an additional fund raise cannot be predicted, this indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The

financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Interest rate risk
The Company's interest-bearing assets comprise of only cash and cash equivalents. As the Company's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on its income.

Capital risk
The Group considers its capital risk to comprise its ordinary shares, share premium, share based payment reserve and accumulated deficit as its capital reserves. In managing its capital, the Group's primary objective is to ensure its continued ability to maximise the return to its equity shareholders through capital growth. In order to achieve this the Group is seeking to commercialise the development which has been undertaken via existing and new international markets.

RESEARCH AND DEVELOPMENT

The Group operates in the life sciences sector and looks to exploit opportunities within that field; this complex clinical development work relies on new technology and as such is categorised as Research and Development and expensed to the Statement of Comprehensive Income.

FUTURE DEVELOPMENTS

The Group's future developments are covered under the Outlook section of the Chairman and Chief Executive Officer's Statement.

EVENTS AFTER THE REPORTING DATE

The Company has reviewed and evaluated all events and material transactions that have occurred after 31 December 2023 to the date of signing of the financial statements and conclude that there are no material subsequent events which justify adjustment or disclosure.

On 10 January 2024 the Company issued 81m shares as a result of a fund raising £4m in capital for the Group. Part of this capital was received during the year on account and is held in Other creditors, see note 23. This represents a non-adjusting event. There are no significant adjusting events after the reporting date.

On 26 April 2024, the Company announced that it had approved and granted (on 14 April 2024) new options over an aggregate of 19,380,630 new ordinary shares of 1 pence each in the Company to certain directors and employees of the Company, representing 10.95 per cent. of the Company's existing share capital; 8,642,500 of the new options have an exercise price of 5 pence per share and are exercisable on the second anniversary of the date of grant and 10,738,130 of the new options have an exercise price of 10 pence per share and are exercisable on the second anniversary of the date of grant. Additionally, on 8 April 2024, 6,984,500 of the options previously granted were surrendered for nil consideration. Following the grant of the new options and the options surrender, there are options over a total of 19,580,630 ordinary shares in the Company.

QUALIFYING INDEMNITY PROVISION

The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however, in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Report of the Directors

continued

GOING CONCERN

The financial statements have been prepared on the assumption that the Company is a going concern. In making this assessment, the Directors have considered detailed budgets and forecasts for the next 12 months from the date of this report including the cash at bank available as at the date of approval of this report. The assessment includes the cashflows expected from an additional fund raise and on the basis the Directors have a proven track record in raising funds they are satisfied that the Group and Company should be able to meet their financial obligations as they fall due and have concluded it is appropriate to prepare the financial statements on a going concern basis.

The Group has an ongoing commitment to keep costs and working capital under control so that increasing gross profits can extend the cash runway and eventually drive the business towards generating positive cash flows. Delays in revenue growth could have a potential impact on the Group's liquidity hence a number of potential mitigating actions which can be taken to safeguard the Group's cash position have been put together. These include working capital controls and reductions in discretionary spending.

Given that the outcome of the additional fund raise cannot be predicted, this indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

POLITICAL DONATIONS

The Group made no political donations during the year.

ESG RESPONSIBILITY

The Board of GENinCode Plc recognises the importance of environmental, social and governance matters and aims to consider the differing interests of the Group's stakeholders, including its investors, employees, suppliers and business partners, when operating its business.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on the Company's website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors, 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 the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK-adopted international accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITOR

Crowe U.K. LLP were appointed as auditor for the current financial statements and they have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Matthew Walls
Director

31 May 2024

Independent Auditor's Report To the Members of GENinCode Plc

OPINION

We have audited the financial statements of GENinCode plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

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

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accordance with 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 101 Reduced Disclosure Framework applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statement 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 year 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 and Parent Company 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that Group and Parent Company will require further funding to continue as a going concern. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

continued

In auditing the financial statements, we have concluded that the director's 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 entity's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment in order to assess the adequacy of cash reserves to meet liabilities as they fall due;
- Tested the mathematical accuracy of the model;
- Understanding the system of internal control over the cash flow management and budgeting processes;
- Assessing the adequacy of the period covered in management's going concern assessment;
- Confirming the reasonability of the inputs and assumptions in the budgets, and we particularly challenged management over the level of certainty over revenues that were included;
- Following this challenge, management prepared a stress-tested scenario that included cost saving measures. We challenged the reasonableness of these potential mitigating actions to improve liquidity and considered whether these are practical and achievable;
- Performing a sensitivity analysis of the cash flow forecast prepared by management;
- Performing a retrospective review on management's historic budgets and compared to actual results for the year to assess the reliability of forecasts to date and mitigate the risk of management bias;
- Enquired of management the processes for ensuring compliance with laws and regulations, results of regulatory inspections as well as any instances of non-compliance
- Reviewing and incorporating any post balance sheet events that could impact the conclusions on going concern; and
- We reviewed the disclosures made in the financial statements relating to going concern and agreed these to be consistent with the assessment and our conclusions.

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 £300,000 (2022 £268,000), based on 5% of loss before tax. Materiality for the Parent Company financial statements as a whole was set at £192,000 (2022 £159,000) based on 7% of loss before tax.

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 £210,000 (2022: £216,600) for the group and £134,000 (2022: £111,300) for the parent.

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

Independent Auditor's Report To the Members of GENinCode Plc

continued

We agreed with the Audit Committee to report to it all identified errors in excess of £15,000 (2022: £13,400). 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

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Our group audit strategy focused on the parent company, GENinCode Plc and its significant components. In addition to the Parent we identified two further significant components, GENinCode U.S Inc, which was subject to full scope audit procedures by the group engagement team and GENinCode S.L.U. which was audited by local component auditors under our instruction. We conducted our oversight of the component audit team through regular dialogue via conference calls and other forms of communication as considered necessary. We performed remote working paper reviews to satisfy ourselves as to the appropriateness of the audit work performed. The planned approach meant 99% of the groups result and 99% of the group's assets and liabilities were subject to audit procedures.

The remaining 1% relates to another component Abcodia Limited and its dormant subsidiaries. On the basis of materiality no procedures were performed on these entities.

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.

In addition to the matter described in the material uncertainty in relation to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue Recognition	
Refer to page 46 (Notes to the Consolidated Financial Statements – Note 2 Accounting policies), page 53 (Note 4 financial disclosures). Revenue is recognized in accordance with the accounting policy set out in the financial statements. Revenue from sale of kits and the provision of laboratory testing services for the year to 31 December 2023 was £2.2m (2022: £1.4m). We focused on the risk of material misstatement in the recognition of revenue as a result of both fraud and error and because revenue is material. It is a key determinant of the group's performance and as such we consider it to be a Key Audit Matter.	Our work focused on assessing that revenue accounting policies were compliant with IFRS15 and validating that revenue is recognised in accordance with the accounting policies, that cut off was correctly applied through testing and that revenue is complete. We reviewed the revenue recognition process and internal controls to understand how revenue is managed and identify any potential areas of concern. We tested substantively the processing of revenue across all products and service offerings. In order to ensure accuracy we have traced a sample of sales from customers bookings portal through to invoice raised and bank receipts. We tested cut-off by reviewing post yearend invoices and comparing that to whether the performance obligation was met before or after the year end. We reviewed revenue disclosures to ensure compliance with the underlying accounting standards.

continued

Key audit matter	How the scope of our audit addressed the key audit matter
Recoverability of intercompany loan receivables Refer to page 62 (Notes to the Consolidated Financial Statements – Note 17 Trade and other receivables). Prior to the recognition of the impairment charge the Parent Company had amounts due from subsidiaries amounting to £11,214,000 as at the year ended 31 December 2023. We have identified a risk that the amounts receivable from subsidiaries may require impairment. As such there is there is a risk that the recoverable amount may be materially impaired.	Assessed internal and external factors relevant to the individual subsidiaries having considered the business environment, product market and historical results and trends. Obtained and reviewed management's cash flow forecasts for operating cashflows and indicators of impairment in order to assess recoverability. Challenged the recoverability on the basis of the position at 31 December 2023. Following our challenge management recognised an impairment charge as disclosed in note 17.

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.

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 directors' report and strategic 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 Parent Company and thier environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Independent Auditor's Report To the Members of GENinCode Plc

continued

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 page 29, 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 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 and 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 that are applicable to the Group and the procedures in place for ensuring compliance. Based on our understanding of the Group and industry, discussions with management and the Board of Directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements. Our work included direct enquiry of management, reviewing Board and relevant committee minutes and inspection of correspondence.

As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involving significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

Other laws and regulations where non-compliance may have a material effect on the Group's operations are ISO (International Organisation of Standardisation), Data Protection and GDPR.

Our audit procedures included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance including fraud;
- examining supporting documents for all material balances, transactions and disclosures;

Independent Auditor's Report To the Members of GENinCode Plc

continued

- review of minutes of meetings of the Board of Directors;
- enquiry of management about litigations and claims;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

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

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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.

John Charlton (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
31 May 2024

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Continuing operations			
Revenue	4	2,160	1,430
Cost of sales		(1,138)	(798)
Gross profit		1,022	632
Administrative expenses		(7,751)	(6,266)
Adjusted EBITDA		(6,729)	(5,634)
Depreciation		(246)	(104)
Amortisation		(105)	(59)
Share based payment expense		(71)	(102)
Operating loss		(7,151)	(5,899)
Other income	7	176	173
Finance charge	7	(48)	(20)
Loss before income tax	5	(7,023)	(5,746)
Income tax	8	7	187
Loss for the financial year		(7,016)	(5,559)
Other comprehensive income for the year			
Items that are or may be subsequently reclassified to the profit and loss:			
Exchange differences on translation of foreign operations		334	(361)
Loss attributable to equity shareholders of the company		(6,682)	(5,920)
Earnings per share			
Basic earnings per share (pence)		(6.97)	(6.18)
Diluted earnings per share (pence)		(6.97)	(6.18)

The notes form part of these financial statements

Consolidated Statement of Financial Position

31 December 2023

	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Intangible assets	12	138	161
Property, plant and equipment	13	425	653
Right of use asset	14	282	349
Goodwill	15	149	149
Total Non-current assets		994	1,312
Current assets			
Inventories	16	84	20
Trade and other receivables	17	582	717
Cash and cash equivalents	18	2,484	9,732
Financial assets	19	42	16
Total Current Assets		3,192	10,485
Total assets		4,186	11,797
Equity			
Shareholders' equity			
Called up share capital	20	958	958
Share premium	21	15,551	15,551
Foreign currency translation reserve	21	45	(289)
Share based payment reserve	22	246	175
Retained earnings	21	(15,511)	(8,495)
Total equity		1,289	7,900
Liabilities			
Non-current liabilities			
Trade and other payables	23	178	1,434
Lease liability	25	221	285
		399	1,719
Current liabilities			
Trade and other payables	23	2,395	2,078
Lease liability	25	78	69
		2,473	2,147
Deferred Tax	26	25	31
Total liabilities		2,897	3,897
Total equity and liabilities		4,186	11,797

The financial statements were approved by the Board of Directors on 31 May 2024 and were signed on its behalf by:

Paul Foulger
Director
Date: 31 May 2024

The notes form part of these financial statements

GENinCode Plc (Registered number: 11556598)

Company Statement of Financial Position

31 December 2023

	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Investments	11	231	221
Intangible assets	12	138	159
Property, plant, and equipment	13	98	164
Right of use asset	14	282	349
Trade and other receivables	17	–	5,668
Total Non-current assets		749	6,561
Current assets			
Trade and other receivables	17	182	531
Cash and cash equivalents	18	2,171	9,468
Total Current Assets		2,353	9,999
Total assets		3,102	16,560
Equity			
Shareholders' equity			
Called up share capital	20	958	958
Share premium	21	15,551	15,551
Share based payment reserve	22	246	175
Retained earnings	21	(15,255)	(1,413)
Total equity		1,500	15,271
Liabilities			
Non-current liabilities			
Contingent consideration provision	24	178	155
Lease liability	25	221	285
Current liabilities			
Trade and other payables	23	1,100	749
Lease liability	25	78	69
Deferred Tax	26	25	31
Total liabilities		1,602	1,289
Total equity and liabilities		3,102	16,560

As permitted by Section 408 of the Companies Act 2006 GENinCode Plc has taken the exemption from presenting its unconsolidated profit and loss account. The parent company's loss for the financial year was £13,842k (2022 – loss of £1,907k).

The financial statements were approved by the Board of Directors on 31 May 2024 and were signed on its behalf by:

Paul Foulger
Director
31 May 2024

The notes form part of these financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

	Called up share capital £'000	Share premium account £'000	Foreign Currency Translation Reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2022	958	15,551	72	73	(2,936)	13,718
Changes in equity						
Share based payments	–	–	–	102	–	102
Profit or loss	–	–	–	–	(5,559)	(5,559)
Foreign exchange on translation	–	–	(361)	–	–	(361)
Balance at 31 December 2022	958	15,551	(289)	175	(8,495)	7,900
Changes in equity						
Share based payments	–	–	–	71	–	71
Total comprehensive income	–	–	–	–	(7,016)	(7,016)
Other comprehensive income	–	–	334	–	–	334
Balance at 31 December 2023	**958**	**15,551**	**45**	**246**	**(15,511)**	**1,289**

The notes form part of these financial statements

Company Statement of Changes in Equity

For the Year Ended 31 December 2023

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2022	958	15,551	73	493	17,075
Changes in equity					
Share based payments	–	–	102	–	102
Profit or loss	–	–	–	(1,906)	(1,906)
Balance at 31 December 2022	958	15,551	175	(1,413)	15,271
Changes in equity					
Share based payments	–	–	71	–	71
Total comprehensive income	–	–	–	(13,842)	(13,842)
Balance at 31 December 2023	958	15,551	246	(15,255)	1,500

The notes form part of these financial statements

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Loss before taxation	(7,023)	(5,745)
Adjustments for:		
Depreciation and amortisation	351	163
Share based payments	71	102
Finance charges	48	19
Bank interest income	(174)	(160)
Taxation	–	–
Operating loss before working capital changes	(6,727)	(5,621)
Cash used in operations		
Decrease / (Increase) in trade and other receivables	383	(106)
(Decrease) / Increase in trade and other payables	(1,071)	2,021
Decrease / (Increase) in inventory	(65)	(6)
Decrease / (Increase) in financial assets	(26)	(13)
Net cash outflow from operating activities	(7,506)	(3,725)
Investing activities		
Purchase of property, plant, and equipment	(38)	(700)
Bank interest income	174	160
Purchase of intangible assets	–	(149)
Net cash flows used in investing activities	136	(689)
Financing activities		
Payments under lease contracts	(94)	(47)
Net cash flows from financing activities	(94)	(47)
Net change in cash and cash equivalents	(7,464)	(4,461)
Cash and cash equivalents at the beginning of the year	9,732	14,554
Movement in retranslation	216	(361)
Cash and cash equivalents at the end of the year	2,484	9,732

The notes form part of these financial statements

Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2023

1. STATUTORY INFORMATION

GENinCode Plc is a public limited company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the General Information page.

The Group's principal activity is the development and commercialisation of clinical genetic tests, to provide predictive analysis of risk to a patient's health based on their genes.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at and for the year ended 31 December 2023. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

2. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Group have been prepared using the historical cost convention, on a going concern basis and in accordance with UK-adopted international accounting standards ("IFRS") and the Companies Act 2006 applicable to companies reporting under IFRS, using accounting policies which are set out below and which have been consistently applied to all years presented, unless otherwise stated.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS 101') and the requirements of the Companies Act 2006. The Company will continue to prepare its financial statements in accordance with FRS 101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework.

In accordance with FRS 101, the Company has taken advantage of the following exemptions:

- Requirements of IAS 24, 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- the requirements of IAS 7 to prepare a Statement of Cash Flows.

New and amended standards adopted by the Group

The most significant new standards and interpretations adopted, none of which are considered material to the Group, are as follows:

Ref	Title	Summary	Application date of standards (periods commencing)
IAS1	Presentation of Financial Statements	Amendments regarding the classification of liabilities	1 January 2023
		Amendments to defer effective date of the January 2020 amendments	1 January 2023
IAS 8	Definition of Accounting Estimates	Defines accounting estimates and clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates.	1 January 2023

continued

Ref	Title	Summary	Application date of standards (periods commencing)
IAS 12	Deferred Tax relating to Assets and liabilities arising from a Single Transaction (Amendments to IAS 12)	Additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.	1 January 2023

New standards and interpretations not yet adopted

Unless material the Group does not adopt new accounting standards and interpretations which have been published and that are not mandatory for 31 December 2023 reporting periods.

No new standards or interpretations issued by the International Accounting Standards Board ('IASB') or the IFRS Interpretations Committee ('IFRIC') have led to any material changes in the Company's accounting policies or disclosures during each reporting period.

The most significant new standards and interpretations to be adopted in the future are as follows:

Ref	Title	Summary	Application date of standards (periods commencing)
IFRS 16	Leases on sale and leaseback	Requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction.	1 January 2024
IAS 1	Non-current liabilities with covenants	Aims to improve information an entity provides relating to liabilities subject to covenants.	1 January 2024
IAS 7 and IFRS7	Supplier finance	Additional disclosure regarding supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.	1 January 2024

Going concern

The financial statements have been prepared on the assumption that the Company is a going concern. In making this assessment, the Directors have considered detailed budgets and forecasts for the next 12 months from the date of this report including the cash at bank available as at the date of approval of this report. The assessment includes the cashflows expected from an additional fund raise and on the basis the Directors have a proven track record in raising funds they are satisfied that the Group and Company should be able to meet their financial obligations as they fall due and have concluded it is appropriate to prepare the financial statements on a going concern basis.

The Group has an ongoing commitment to keep costs and working capital under control so that increasing gross profits can extend the cash runway and eventually drive the business towards generating positive cash flows. Delays in revenue growth could have a potential impact on the Group's liquidity hence a number of potential mitigating actions which can be taken to safeguard the Group's cash position have been put together. These include working capital controls and reductions in discretionary spending.

Given that the outcome of the additional fund raise cannot be predicted, this indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Notes to the Consolidated Financial Statements

continued

Basis of consolidation
The Parent has 100% control of all subsidiaries. The subsidiaries consolidated in these Group accounts were acquired via group re-organisation and as such merger accounting principles have been applied, except for the acquisition of Abcodia Limited in September 2022. The subsidiaries' financial figures are included for their entire financial year rather than from the date the company took control of them, with the exception of Abcodia Limited which was acquired during the prior year.

Inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated during the consolidation process.

GENinCode Plc prepares its accounts to 31 December under FRS101; there are no deviations from the accounting standards implemented by the company. Where necessary accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The Company acquired its 100% interest in Abcodia Ltd in the prior year during September 2022. The results of subsidiaries acquired during the year are included from the effective date of acquisition. Where necessary, adjustments are made in results of subsidiaries to bring the accounting policies used into line with those used by the Group.

The subsidiary, Abcodia Limited is exempt from audit by virtue of s479A of the Companies Act 2006.

Property, plant, and equipment
Depreciation is provided to write off cost, less estimated residual values, of all property, plant, and equipment, except for investment properties and freehold land, evenly over their expected useful lives, calculated at the following rates:

Plant	12%
Equipment	25%

The carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset, then the asset is impaired, and its value reduced by recognising an impairment provision.

Intangible assets
(i) Patents and licenses costs
The Group has purchased patents and licences since incorporation. The costs incurred in obtaining these patents and licenses have been capitalised. Amortisation is charged as follows:

Patents	Over estimated economic life of 10 years
Licences	20% (estimated useful life of 5 years)

The Patents and license costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(ii) Software costs
The Group has purchased software since incorporation. The costs incurred in obtaining the software have been capitalised as the Group uses the software platform to provide results to its customers.

Amortisation is charged on a straight-line basis at 25% over the useful life of the related asset. Software costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Foreign currency

The functional currency of the Company is Sterling Pound (£) and its subsidiaries are in Euros (€) and US Dollars ($). The presentational currency of the Company is £.

Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

The exchange rates used in the financial statements are as follows:

	2023	2022
Sterling/euro exchange rates		
Average exchange rate for the year	1.149	1.173
Exchange rate at the year end	1.153	1.128
Sterling/US dollar exchange rates		
Average exchange rate for the year	1.244	1.237
Exchange rate at the year end	1.273	1.210

Revenue recognition

Revenue is recognised in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Group recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is determined to be recognised at the point of despatch of the product or service unless there are specific provisions in the relevant contract. Revenue from the provision of testing and reporting services is recognised upon delivery of the report to the customer. Invoices are typically raised upon delivery of the products or reporting services, unless there is a different contractual requirement, for payment according to credit terms, the prices having been pre-agreed on a product and customer basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Equity

Equity comprises the following:

- Share capital: the nominal value of equity shares.
- Retained deficit: losses accumulated to the end of the year.
- Share premium: excess subscribed above nominal value.
- Share option reserve
- Foreign exchange reserve

Notes to the Consolidated Financial Statements

continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Company.

Employee benefit costs

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the year to which they relate.

Research and development expenditure

Expenditure on research activity is recognised as an expense in the year in which it is incurred.

Share based payment

The fair value of equity-settled share-based payments to employees is determined at the date of grant and expensed on a straight line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest.

All equity-settled share-based payments are ultimately recognised as an expense in the profit or loss with a corresponding credit to the Share based payment reserve. If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Share options granted to employees of subsidiaries are recognised as an expense in the employing subsidiary and as an addition to the investment in the subsidiary for the parent company. The costs are calculated on the same basis as above and are included upon consolidation.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Leased assets

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are paid at the commencement date, discounted using the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

continued

Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI.

The entity will recognise a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the entity measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group classifies financial assets as amortised costs only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Notes to the Consolidated Financial Statements

continued

d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date control is acquired (the acquisition date). Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration payable and the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is not amortised but is reviewed for impairment at least annually or more frequently if there is an indication that goodwill may be impaired. If the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion.

Taxation

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the related tax is also dealt with in equity. Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised, except for differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of the deferred tax assets is restricted to those instances where it is probable that a taxable profit will be available against which the difference can be utilised.

Deferred tax is calculated based on rates enacted or substantively enacted at the reporting date and expected to apply when the related deferred tax asset is realised, or liability settled.

Critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the years of the revision and future periods if the revision affects both current and future years.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

- **Intangible assets**

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets.

- **Share based payments**

The Company has issued share options as an incentive to certain senior management. The fair value of options granted is recognised as an expense with a corresponding credit to the share-based payment reserve. The fair value is measured at grant date and spread over the year during which the awards vest.

For equity-settled share-based payment transactions, the goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If it is not possible to estimate reliably the fair value of the goods or services received, the fair value of the equity instruments granted as calculated using the Black-Scholes model is used as a proxy.

The fair value of share-based payments is measured by use of valuation models, which take into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on historical share price performance of a group of peer companies as historical share price performance was not available for the Company on the date of grant.

- **Contingent consideration**

Contingent consideration is a financial liability recorded at fair value (note 24). The amount of contingent consideration to be paid is based on the occurrence of future events, such as the achievement of certain development, regulatory and sales milestones. Accordingly, the estimate of fair value contains uncertainties as it involves judgment about the likelihood and timing of achieving these milestones as well as the discount rate used.

Changes in fair value of the contingent consideration obligation result from changes to the assumptions used to estimate the probability of success for each milestone, the anticipated timing of achieving the milestones and the discount period and rate to be applied. A change in any of these assumptions could produce a different fair value, which could have a material impact on the results from operations.

- **Leases**

The application of IFRS 16 requires the Group to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets (note 25). These include: determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

The lease term determined by the Group generally comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The same term is applied as the economic useful life of right-of-use assets.

The present value of the lease payment is determined using the discount rate representing the base rate of 4.5%, plus a margin of 3% for general lending, giving a raise to a discount rate of 7.5%.

Notes to the Consolidated Financial Statements

continued

Management have assessed each lease liability for recognition under IFRS16 and recognised a right of use asset where appropriate (note 25). The right of use asset is amortised in line with the term of the lease. Amortisation is on a straight line basis over 5 years with discount rate 7.5% as above.

- **Carrying value of inter- company debtors**

Management uses their judgement to assess the recoverability and value of intercompany debts, the Company has funded its subsidiaries (note 17) to assist with their growth. Management have decided to provide for the inter-company debts in their entirety at the year end. This is based on current forecasts and the ability of the subsidiaries to repay the debts within the foreseeable future.

3. FINANCIAL RISK MANAGEMENT

The Group's risk management is controlled by the board of directors. The board identifies, evaluates, and mitigates financial risks across the Group. Financial risks identified and how these risks could affect the Group's future financial performance are listed below;

Financial instruments by category

Financial assets at amortised cost	2023 £'000	2022 £'000
Cash and cash equivalents	2,484	9,732
Trade receivables	428	315
Financial assets	42	16
Other receivables	37	37
Financial assets at amortised cost	2,991	10,100

Financial liabilities at amortised cost	2023 £'000	2022 £'000
Trade payables	1,194	2,694
Other payables	–	70
Accruals	396	432
Lease liability	299	354
Financial liabilities at amortised costs	1,889	3,550

Financial liabilities at Fair Value	2023 £'000	2022 £'000
Trade payables	178	155
Financial liabilities at fair value	178	155

Fair value hierarchy

All the financial assets and financial liabilities recognised in the financial statements which are short-term in nature are shown at the carrying value which also approximates the fair values of those short-term financial instruments. Therefore, no separate disclosure for fair value hierarchy is required for them. The disclosure on fair value hierarchy does not apply to the financial leases.

The Group's activities expose it to a variety of financial risks, mainly credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy.

The aggregate financial exposure is continuously monitored. The Group's exposure to credit risk on cash and cash equivalents is considered low as the bank accounts are with banks with high credit ratings.

continued

Liquidity risk

The Group currently holds cash balances to provide funding for normal activity and is managed centrally. Trade and other payables are monitored as part of normal management routine.

Interest rate risk

The Group's interest-bearing assets comprise of only cash and cash equivalents. As the Group's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on its income.

The maturity of borrowings and other financial liabilities (representing undiscounted contractual cash-flows) is as follows:

2022	Within 1 Year £'000
Trade and Other Payables	1,486
Lease liability	69
Total	1,555

	Over 1 Year
Trade and Other Payables	1,278
Lease liability	285
	1,563

2023	Within 1 Year £'000
Trade and Other Payables	1,194
Lease liability	78
Total	1,272

	Over 1 Year
Trade and Other Payables	
Lease liability	221
	221

Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern, and provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Company reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Company through to profitability and positive cash flow.

All working capital requirements are financed from existing cash resources.

Notes to the Consolidated Financial Statements

continued

4. OPERATING SEGMENTS

There is only one operating segment. The Group has disaggregated revenue into various geographic regions in the following table.

	2023 £'000	2022 £'000
Revenue from sale of kits and provision of support services	2,160	1,430
Primary Geographic Markets		
Spain	1,644	1,207
UK	364	36
Italy	74	132
Germany	34	–
France	26	36
Rest of World	18	19
Total revenue per geographical markets	2,160	1,430

	2023 £'000	2022 £'000
Non-current assets		
Primary Geographic Markets		
Spain	46	21
UK	667	820
US	281	471
Total non-current assets per geographical markets	994	1,312

5. LOSS FROM OPERATIONS

	2023 £'000	2022 £'000
Loss is stated after charging:		
Cost of inventory	917	798
Staff costs	2,165	1,221
Royalty expense	107	67
Operating expenses–External services	945	1,983
Directors' salaries and fees	659	650
Research expenditure	334	72
Depreciation and amortisation	351	163

Staff costs are allocated between Cost of sales and Administrative expenses.

5a. AUDITOR'S REMUNERATION

	2023 £'000	2022 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	49	25
Fees payable to the company's auditor and its associates for other services:		
Accounting and taxation services	–	4
Total	49	29

6. EMPLOYEES AND DIRECTORS

The average number of employees (including directors) in the Group during the year was made up as follows:

	2023 Number	2022 Number
Directors (including non-executive directors)	6	7
Employees	36	28
Total	42	35

The cost of employees (including directors) during the year was made up as follows:

	2023 £'000	2022 £'000
Salaries and wages (including directors)	2,779	1,859
Social security costs	510	373
Employee benefits in kind	20	17
Pension costs	25	24
Share based payment expense	71	102
Total	3,405	2,375

Key management personnel compensation

The compensation of key management personnel, principally directors of GENinCode Plc for the year were as follows:

	2023 £'000	2022 £'000
Directors' salaries	584	577
Social security costs	64	77
Pension costs	13	16
Directors' fees	75	73
Share based payment expense	36	36
Total	772	779

The above remuneration of directors includes the following amounts paid to the highest paid Director:

	2023 £'000	2022 £'000
Highest paid Director	280	286

7. OTHER INCOME

	2023 £'000	2022 £'000
Bank interest income	174	160
Other revenue	2	13
Total	176	173

Finance cost

	2023 £'000	2022 £'000
Discount of lease liability	24	14
Unwinding contingent consideration	24	6
Total	48	20

Notes to the Consolidated Financial Statements

continued

8. Income tax

	2023 £'000	2022 £'000
Current tax credit		
R&D tax credit	–	212
Total current tax	–	–
Deferred tax		
Accelerated capital allowances	7	(25)
Total current tax	7	(25)
Total tax (charge)/credit	7	187

The charge for the year can be reconciled to the loss in the consolidated statement of comprehensive income as follows:

	2023 £'000	2022 £'000
Loss before taxation	(7,023)	(5,746)
Expected tax credit at the UK corporation tax rate of 25% (2022, 19%)	(1,756)	(1,091)
Movement in unrecognised deferred tax asset	1,713	1,171
Capital allowances	(2)	(41)
Spanish deferred tax recognised in excess of UK deferred tax	–	(63)
Expenses disallowed for tax	89	24
Non-trade relationship	(44)	–
Accelerated Capital Allowances	7	(25)
R&D tax credit	–	212
Total tax (charge)/credit	7	187

Factors affecting current and future taxation

Per UK adopted IA rules, unrelieved tax losses carried forward of £5,801,919 have not been recognised as a deferred tax asset as there is currently insufficient evidence that the asset will be recoverable in the foreseeable future.

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £13,841,707 (2022 – loss of £1,906,671).

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £'000	2022 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(5,920)	95,816,866	(6.18)
Diluted EPS			
Adjusted earnings	(5,920)	95,816,866	(6.18)

	Earnings £'000	2023 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(6,682)	95,816,866	(6.97)
Diluted EPS			
Adjusted earnings	(6,682)	95,816,866	(6.97)

The Company had options issued over 7,207,500 (2022: 8,248,000) ordinary shares.

Due to the losses incurred from continuing operations in the years reported, there is no dilutive effect from the existing share options.

11. INVESTMENTS

Company	£'000
Cost	
At 1 January 2022	149
Share based payments	41
At 31 December 2022	221
Share based payments	10
As at 31 December 2023	231

Share based payments relate to costs of employee options in the Company for employees of its subsidiary.

Summary of subsidiaries held in investments;

Name of entity	Country of incorporation	Holding	Ownership held 2023 and 2022	Principal activities	Registered office
GENinCode S.L.U.	Spain	Ordinary shares	100%	Medical and scientific research	Rambla d'Egara 235, 5ª planta C D, Terrassa 08224, Spain
GENinCode U.S. INC.	USA	Ordinary shares	100%	Medical and scientific research	1209 Orange St., Wilmington Delaware 19801
GENinCode UK Ltd	England & Wales	Ordinary shares	100%	Dormant company	1 St. Peters Square, Manchester, M2 3DE
Abcodia Ltd	England & Wales	Ordinary shares	100%	Medical and scientific research	1 St. Peters Square, Manchester, M2 3DE
Abcodia UK Ltd	England & Wales	Ordinary shares	100%- Indirectly through Abcodia Ltd	Dormant company	1 St. Peters Square, Manchester, M2 3DE
Abcodia CS Ltd	England & Wales	Ordinary shares	100%- Indirectly through Abcodia Ltd	Dormant company	1 St. Peters Square, Manchester, M2 3DE
Abcodia Inc	USA	Ordinary shares	100%- Indirectly through Abcodia Ltd	Dormant company	1209 Orange St., Wilmington Delaware 19801

Notes to the Consolidated Financial Statements

continued

12. INTANGIBLE ASSETS

Group

	Software £'000	Patents & Licences £'000	Total £'000
Cost			
At 1 January 2022	50	211	261
Adjustment relating to 2021		(8)	(8)
Movement on retranslation	3	–	3
At 31 December 2022	53	203	256
Movement on retranslation	(1)	–	(1)
At 31 December 2023	52	203	255
Amortisation			
At 1 January 2022	36	32	68
Adjustment relating to 2021	–	(8)	(8)
Charge for the year	12	20	32
Movement on retranslation	3	–	3
At 31 December 2022	51	44	95
Charge for the year	2	21	23
Movement on retranslation	(1)	–	(1)
At 31 December 2023	52	65	117
Net book value			
At 31 December 2022	2	159	161
At 31 December 2023	–	138	138

continued

Company

	Patents & Licences £'000
Cost	
At 1 January 2022	211
Adjustment relating to 2021	(8)
At 31 December 2022	203
At 31 December 2023	203
Amortisation	
At 1 January 2022	32
Adjustment relating to 2021	(8)
Charge for the year	20
At 31 December 2022	44
Charge for the year	21
At 31 December 2023	65
Net book value	
At 31 December 2022	159
At 31 December 2023	138

In patents and licences items with a NBV of £70k had a remaining useful life of 7 years. The remaining items in patents and licences with a NBV of £68k had a useful life of 8 years.

Notes to the Consolidated Financial Statements

continued

13. PROPERTY, PLANT AND EQUIPMENT

Group	Plant £'000	Office equipment £'000	Total £'000
Cost			
At 1 January 2022	4	51	55
Additions	1	699	700
At 31 December 2022	5	750	755
Additions	30	8	38
Movement on retranslation	–	(26)	(26)
At 31 December 2023	35	732	767
Depreciation			
At 1 January 2022	2	7	9
Charge for the year	1	92	93
At 31 December 2022	3	99	102
Charge for the year	3	243	246
Movement on retranslation	–	(6)	(6)
At 31 December 2023	6	336	342
Net book value			
At 31 December 2022	2	651	653
At 31 December 2023	29	396	425

Company	Office Equipment £'000
Cost	
At 31 December 2022	199
Additions	–
At 31 December 2023	199
Depreciation	
At 31 December 2022	35
Charge for the year	66
At 31 December 2023	101
Net book value	
At 31 December 2022	164
At 31 December 2023	98

14. RIGHT OF USE ASSETS

Group	Right of use asset: Buildings £'000
Cost	
Additions	387
At 31 December 2022	387
Additions	15
At 31 December 2023	402
Depreciation	
Charge for the year	38
At 31 December 2022	38
Charge for the year	82
At 31 December 2023	120
Net book value	
At 31 December 2022	349
At 31 December 2023	282

Company	Right of use asset: Buildings £'000
Cost	
Additions	387
At 31 December 2022	387
Adjustment relating to prior year	15
At 31 December 2023	402
Depreciation	
Charge for the year	38
At 31 December 2022	39
Charge for the year	82
At 31 December 2023	120
Net book value	
At 31 December 2022	349
At 31 December 2023	282

Notes to the Consolidated Financial Statements

continued

15. GOODWILL

Group	Goodwill £'000
Cost	
Additions	149
At 31 December 2022	149
At 31 December 2023	149
Net book value	
At 31 December 2022	149
At 31 December 2023	149

Abcodia Limited was purchased for an initial cash price of £1, the fair value of the net assets acquired were £1. In addition, a deferred consideration of up to £1m is payable to the vendors subject to the achievement of an EBIT of £1m generated by the sale of ROCA tests in the UK during the 6-year period following the date of acquisition. This is payable in two tranches; the first tranche of £350,000 is payable on the achievement of an EBIT of £350,000, and the second tranche of £650,000 is payable on the achievement of a further £650,000 of EBIT. Goodwill has been calculated on the basis of only the first tranche of £350,000 being payable to the vendors, discounted to a present value of £149,000 using a rate of 15.3%.

16. INVENTORY

Group

	2023 £'000	2022 £'000
Inventory	84	20
Total	84	20

In 2023, a total of £917k (2022: £798k) of inventories was included in profit and loss as an expense as part of cost of sales.

17. TRADE AND OTHER RECEIVABLES

Group

	2023 £'000	2022 £'000
Trade receivables	428	315
Other receivables	81	299
Prepayments	73	103
Total	582	717

Company

	2023 £'000	2022 £'000
NON-CURRENT		
Intercompany receivables	–	5,668
Total	–	5,668
CURRENT		
Trade receivables	33	156
Intercompany receivables	11,214	–
Provision for credit loss on Intercompany receivables	(11,194)	–
Other receivables	79	296
Prepayments	50	79
Total	182	531

The inter-company loans above have been provided for in full as per IFRS 9 recognition requirements for credit losses. Although the Board are confident of all inter-company loans being collectible there is not enough evidence at the year end and projected short term to contradict the credit loss. The Board are confident this provision will reverse as the Group grows.

General terms for settlement of debt with clients are 30 days from the date of invoice for private entities and 60 days with public entities. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

18. CASH AND CASH EQUIVALENTS

Group

	2023 £'000	2022 £'000
Total	2,484	9,732

Company

	2023 £'000	2022 £'000
Total	2,171	9,468

Where cash at bank earns interest, interest accrues at floating rates based on daily bank deposit rates.

The fair value of the cash & cash equivalent is as disclosed above. For the purpose of the cash flow statement, cash and cash equivalents comprise of the amounts shown above.

Notes to the Consolidated Financial Statements

continued

19. FINANCIAL ASSETS

Group

	2023 £'000	2022 £'000
Financial assets	42	16
Total	42	16

The Financial assets relate to Spanish ring-fenced money for Tender bids and office rent.

20. SHARE CAPITAL

	2023 £'000	2022 £'000
95,816,866 Ordinary shares of £0.01	958	958
Total	958	958

21. RESERVES

The following describes the nature and purpose of each reserve within equity:

Share capital	Amount subscribed for share capital fully paid.
Retained earnings	Retained earnings represents all other net gains and losses and transactions with shareholders (example dividends) not recognised elsewhere.
Share premium	Excess subscribed above nominal value of shares. Included within share premium are share issue costs which relate to commissions and other directly attributable costs.
Foreign currency translation reserve	This represents the net effect of translation of the subsidiaries whose functional currencies are EUR and USD into GBP the reporting currency.
Share based payment reserve	This reserve compromises the fair value of options share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital and where appropriate share premium.

22. SHARE BASED PAYMENTS

The Company has issued share options as an incentive to certain senior management. All share options granted during the year were granted under individual agreements and are subject to market and service vesting conditions. The exercise price is 44 pence on 772,000 shares and the rest are at 15.83 pence.

Each share option converts into one ordinary share of GENinCode plc on exercise and are accounted for as equity-settled share-based payments. The equity instruments granted carry neither rights to dividends nor voting rights.

	No. options	Weighted average exercise price (pence)
Balance as at 31 December 2022	8,248,000	18.47
Lapsed in 2023	1,040,500	15.83
Balance as at 31 December 2023	**7,207,500**	**16.61**
Exercisable at 31 December 2023	–	–

The vesting conditions are as follows:-

- Staff and Board – based on market conditions, estimated 5 at years vesting period
- Advisors – three years following grant date

The value of share based payments charged to administrative expenses was £71,112 (2022, £101,894).

Employers' national insurance relating to the share based options has been accrued amounting to £22,642 (2022: £13,761).

The share-based payment charge was calculated on the basis that the average time period that the options are expected to remain unexercised is 36 months.

The fair value is estimated at the date of grant using the Black-Scholes pricing model, taking into account the terms and conditions attached to the grant. The following are the inputs to the model for the equity instruments granted during the period:

Expected life	3-5 years
Expected Volatility	50%
Risk-free interest rate	0.35%
Share price at grant	12.2p to 15.83p
Fair value per award	4.27p to 7.92p

23. TRADE AND OTHER PAYABLES

Group

	2023 £'000	2022 £'000
NON-CURRENT		
Contingent consideration (note 24)	178	155
Trade payables	–	1,279
Total	178	1,434
CURRENT		
Trade payables	1,194	1,416
Accruals	396	432
Tax payable	183	154
Other payables	622	76
Total	2,395	2,078

Notes to the Consolidated Financial Statements

continued

Company

	2023 £'000	2022 £'000
NON-CURRENT		
Contingent consideration (note 24)	178	155
Total	178	155
CURRENT		
Trade payables	196	454
Accruals	252	262
Tax payable	30	28
Other payables	622	5
Total	1,100	749

Included in Other payables for the Company and Group is £609,993 of funds held on account in advance of a share issue. The share issue and raise were completed in January 2024, see note 30.

General terms for settlement of debt are 60 days in general, after the invoice has been remitted from supplier.

The carrying value of trade and other payables classified at amortised cost approximates fair value.

24. CONTINGENT CONSIDERATION

Group

	2023 £'000	2022 £'000
NON-CURRENT		
Contingent consideration	178	155
Total	178	155

Company

	2023 £'000	2022 £'000
NON-CURRENT		
Contingent consideration	178	155
Total	178	155

The contingent consideration relates to the acquisition of Abcodia Limited which has a deferred consideration of up to £1m, payable to the vendors subject to the achievement of an EBIT of £1m generated by the sale of ROCA tests in the UK during the 6-year period following the date of acquisition. This is payable in two tranches; the first tranche of £350,000 is payable on the achievement of an EBIT of £350,000, and the second tranche of £650,000 is payable on the achievement of a further £650,000 of EBIT. Contingent consideration has been calculated on the basis of only the first tranche of £350,000 being payable to the vendors, discounted to a present value of £178,000 using a rate of 15.3%.

During the year an expense of £23,664 (2022: £5,698) was recognised on unwinding the contingent consideration at a rate of 15.3%.

25. Lease liability

Maturity analysis- contractual undiscounted cash flows:

Group

	2023 £'000	2022 £'000
Less than one year (undiscounted)	96	91
One to five years (undiscounted)	240	320
More than 5 years (undiscounted)	–	–

Lease liability included in the financial statements:

Group

	2023 £'000	2022 £'000
NON-CURRENT		
Lease liability	221	285
Total	221	285
CURRENT		
Lease liability	78	69
Total	78	69

Maturity analysis- contractual undiscounted cash flows:

Company

	2023 £'000	2022 £'000
Less than one year (undiscounted)	96	91
One to five years (undiscounted)	240	320
More than 5 years (undiscounted)	–	–

Lease liability included in the financial statements:

Company

	2023 £'000	2022 £'000
NON-CURRENT		
Lease liability	221	285
Total	221	285
CURRENT		
Lease liability	78	69
Total	78	69

Notes to the Consolidated Financial Statements

continued

Lease liability reconciliation:

	2023 £'000
Total balance brought forward	354
Payments	(79)
Interest	24
Total balance carried forward	299

An interest expense of £24,080 with regards to the lease liability has been included in the accounts (2022: £13,807). A discount rate of 7.5% is used in the calculation of the liability and right of use asset. The lease term is 5 years ending in August 2027.

26. PROVISIONS AND CONTINGENCIES

Group

	2023 £'000	2022 £'000
Deferred tax	25	31
Total	25	31

Company

	2023 £'000	2022 £'000
Deferred tax	25	31
Total	25	31

Deferred tax relates to accelerated capital allowances.

27. CAPITAL COMMITMENTS

There is no capital expenditure contracted at this year-end reporting.

28. RELATED PARTY TRANSACTIONS

During the year the Group and Company entered into the following transactions with related parties:

Related party	Transaction	2023 £'000	2022 £'000
Felix Frueh	Fees, £5,000 was outstanding (2022, £5,000)	30	23
Huon Gray	Fees (pre-Directorship)	–	5
William Rhodes	Chairman's fees, £3,765 outstanding (2022, £3,765)	45	45

Compensation of key management personnel of the Group

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the Board, the Company's key management are the Directors of GENinCode plc.

Amounts included in the Financial Statements, in aggregate, by category of related party are as follows:

Directors	Group 31 December 2023 £'000	Group 31 December 2022 £'000
Directors' remuneration (short term benefits)	659	650
Directors' remuneration (pension cost)	13	16
Directors' remuneration (employers NI)	58	77
Share based payments	28	36
Total	758	779

29. CONTINGENT LIABILITY

As per note 24 there is a contingent consideration relating to the Abcodia Limited's deferred consideration. The contingent liability is for the second tranche of £650,000 being payable on the achievement of £1m of EBIT generated by the sale of ROCA tests in the UK during a 6-year period following the date of acquisition. Due to current performance and predictions the Board believes it is extremely unlikely to become due, therefore this has not been provided for in the financial statements.

30. EVENTS AFTER THE REPORTING DATE

On 10 January 2024 the Company issued 81m shares as a result of a fund raising £4m in capital for the Group. Part of this capital was received during the year on account and is held in Other payables, see note 23. This represents a non-adjusting event.

On 26 April 2024, the Company announced that it had approved and granted (on 14 April 2024) new options over an aggregate of 19,380,630 new ordinary shares of 1 pence each in the Company to certain directors and employees of the Company, representing 10.95 per cent. of the Company's existing share capital; 8,642,500 of the new options have an exercise price of 5 pence per share and are exercisable on the second anniversary of the date of grant and 10,738,130 of the new options have an exercise price of 10 pence per share and are exercisable on the second anniversary of the date of grant. Additionally, on 8 April 2024, 6,984,500 of the options previously granted were surrendered for nil consideration. Following the grant of the new options and the options surrender, there are options over a total of 19,580,630 ordinary shares in the Company.

There are no significant adjusting events after the reporting date.

31. ULTIMATE CONTROLLING PARTY

The Group does not have an ultimate controlling party.

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