17 May 2022

GENinCode Plc
("GENinCode" or the "Company")

Final results

Oxford, UK. GENinCode Plc (LSE: AIM GENI), the predictive genetics company focused on the prevention of cardiovascular disease (CVD), announces its results for the twelve months ended 31 December 2021.

The 2021 financial year saw the Company accelerate its commercial expansion programme, successfully complete its IPO and admission to the LSE: AIM market and file its Pre-Submission for regulatory approval of its lead product Cardio inCode® with the US FDA.

Operational and financial highlights

- Completion of IPO and admission to the LSE: AIM in July 2021 raising gross proceeds of £17m
- Filing of FDA Pre-Submission for Cardio inCode® (Genetic Risk Score) for the onset of cardiovascular disease with preparations underway for the full regulatory submission
- Announcement of EVERSANA Life Science Services strategic collaboration to act as US commercial services partner for introduction of GENinCode products to the US market
- Completed Indiana University collaboration representing flagship facilities in preparation for introduction of Cardio inCode® to US market
- Announcement of Royal Brompton and Harefield and Guys and St Thomas' NHS foundation trust collaboration in CVD polygenic risk assessment and preparations for launch of Lipid inCode® testing for familial hypercholesterolemia
- Successful completion and publication of Lipid inCode® NHS clinical study to improve diagnosis, turnaround time for testing of Familial Hypercholesterolemia (FH) at reduced cost to the NHS
- Announcement of FH pilot with NE-AHSN (North East and Cumbria – Academic Health Science Network) for implementation of Lipid inCode® with NHS
- Full year revenues increased 20% to £1.2m (2020: £1.0m)
- Increased levels of investment in our commercialisation programme giving rise to an operating loss of (£4.1m) (2020: loss of (£1.1m))
- Cash reserves of £14.6m at 31 December 2021 (2020: £2.0m)

Recent developments

The Company announces today:

- A collaboration with Kaiser Permanente, California to assess Cardio inCode® for the polygenic risk assessment of CVD
- Commissioning of GENinCode US CLIA lab (Clinical Laboratory Improvement Amendments) test facility in Irvine, California and appointment of ResearchDx Inc as the Company's US CLIA partner
- Announcement of collaboration with BUPA Cromwell hospital, London for use of the Lipid inCode® test for familial hypercholesterolemia (FH)
- Completion of first COVID-19 Thrombo inCode® evaluation study for genetic predisposition to thrombosis – St Pau Hospital, Spain

Outlook for 2022

We will take commercial advantage of our clinically advanced genetic products to scale the market opportunities open to us. We are focused on our US regulatory and reimbursement submissions for Cardio inCode®, a first-in-class genetic risk assessment for CVD and we will accelerate preparations for the US launch and reimbursement of our globally leading familial hypercholesterolemia test Lipid inCode®.

Over the remainder of the year, we expect to complete the following key deliverables:

- Prepare final FDA regulatory submission for Cardio inCode® with a view to gaining approval approximately six months following submission

- Based on the recent advances by CMS in local coverage determination and private reimbursement for FH, prepare to commercially launch Lipid inCode® in the US market
- Continue to strengthen our partnership with EVERSANA for product launch preparations in the US market
- Set-up US CLIA lab for Cardio inCode® and prepare Lipid inCode® lab diagnostic test (LDT) service offering
- Complete our first NHS implementation of Lipid inCode® to advance FH testing with the NHS
- Commission our new UK lab operation and complete UKAS accreditation submission for service delivery of Lipid inCode® to support the NHS
- Continue to build our EU partnerships and develop our ongoing collaborative discussions with pharmaceutical companies
- Generate increased Year-on-Year revenue growth
- Publish first COVID-19 Thrombo inCode® evaluation study for genetic predisposition to thrombosis

Matthew Walls, Chief Executive Officer of GENinCode Plc said: *"We enjoyed a productive 2021 with the successful completion of the IPO and £17m gross fundraise, enabling the expansion of our commercial programme across our US, UK and EU markets. 2022 has started well as we continue to deliver the plans set out at the IPO and focus on the US product launches of Cardio inCode® for cardiovascular disease preventative care and accelerate US launch plans for Lipid inCode® for the management of Familial Hypercholesterolemia.*

"We are working closely with our US collaborative partner, EVERSANA, on launch planning and advancing our collaborations with Indiana University and Kaiser Permanente. We continue to build constructive discussions with the FDA in preparation for our regulatory filing for Cardio inCode®. In the UK, we have successfully completed our NHS clinical study for Lipid inCode® (familial hypercholesterolemia testing) and are now preparing our first NHS pilot implementation with the North of England-AHSN. We anticipate continued revenue growth over the 2022 financial year."

Analyst meeting

The Company will hold an analyst meeting 9:30 a.m. (BST) on Tuesday 17 May. Matthew Walls, CEO and Paul Foulger, CFO will host an in-person analyst meeting at the offices of Walbrook PR, 75 King William Street, London, EC4N 7BE to discuss the financial results and key topics including business strategy, partnerships, regulatory and reimbursement processes.

Investor presentation details

The Company will also host a presentation for investors via the IMC platform at 3pm on 17 May. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting or at any time during the live presentation. To register for this, please use the following link: https://www.investormeetcompany.com/genincode-plc/register-investor

For more information visit www.genincode.com

GENinCode Plc — www.genincode.com or via Walbrook PR
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Paul Foulger, CFO

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About GENinCode
GENinCode Plc is a UK based company specialising in genetic risk assessment of cardiovascular disease. Cardiovascular disease is the leading cause of death and disability worldwide.

GENinCode operates business units in the UK, in the United States through GENinCode U.S. Inc and in Europe through GENinCode S.L.U.

GENinCode predictive technology provides patients and physicians with globally leading preventative care and treatment strategies. GENinCode CE marked invitro-diagnostic molecular tests combine clinical algorithms and bioinformatics to provide advanced patient risk assessment to predict disease onset.

About Cardiovascular Disease
Cardiovascular disease (CVD) is the leading cause of death globally, taking an estimated 17.9 million lives each year. CVD is a group of disorders of the heart and blood vessels and include coronary heart disease, cerebrovascular disease, rheumatic heart disease and other conditions. More than four out of five CVD deaths are due to heart attacks and strokes, and one third of these deaths occur prematurely in people under 70 years of age.

The most important behavioural risk factors of heart disease and stroke are unhealthy diet, physical inactivity, tobacco use and harmful use of alcohol. The effects of behavioural risk factors may show up in individuals as raised blood pressure, raised blood glucose, raised blood lipids, and overweight and obesity. These "intermediate risks factors" can be measured in primary care facilities and indicate an increased risk of heart attack, stroke, heart failure and other complications.

Cessation of tobacco use, reduction of salt in the diet, eating more fruit and vegetables, regular physical activity and avoiding harmful use of alcohol have been shown to reduce the risk of cardiovascular disease. Health policies that create conducive environments for making healthy choices affordable and available are essential for motivating people to adopt and sustain healthy behaviours.

Identifying those at highest risk of CVDs and ensuring they receive appropriate treatment can prevent premature deaths. Access to noncommunicable disease medicines and basic health technologies in all primary health care facilities is essential to ensure that those in need receive treatment and counselling.

CVD causes a quarter of all deaths in the UK and is the largest cause of premature mortality in deprived areas and is the single biggest area where the NHS can save lives over the next 10 years. CVD is largely preventable, through lifestyle changes and a combination of public health and NHS action on smoking and tobacco addiction, obesity, tackling alcohol misuse and food reformulation.

Genetic risk assessment can help early detection and treatment of CVD to help patients live longer, healthier lives. Many people are still living with undetected, high-risk conditions such as high blood pressure, raised cholesterol, and atrial fibrillation (AF). Progress continues in the NHS to identify and diagnose people routinely knowing their 'ABC' (testing and monitoring of AF, Blood pressure and Cholesterol) set out in the NHS 10 Year plan.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

On behalf of the Board, we are delighted to present the Preliminary report for the twelve-month period ended 31 December 2021 for GENinCode Plc.

Following the successful admission of the Company to the LSE: AIM market in July 2021, this statement provides a brief introduction to the Company, a summary of progress over the past year, recent developments and the outlook for the year ahead.

Introduction

GENinCode is engaged in the genetic risk assessment, prediction, and prevention of cardiovascular disease (CVD). GENinCode products and technology have been developed with the aim of prognosing and predicting the onset of CVD to provide personalised treatment and improve patient outcomes.

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, with CVD 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, and a growing population and 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-occurrence of other diseases such as diabetes. Approximately 655,000 people in the US die from CVD each year, with coronary artery disease and heart attacks the most common.

Multiple clinical studies have shown that an individual's genetic load contributes 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 and medical information associated with CVD to determine a patient's Genetic Risk Score (GRS) which is used to assess a patient's cardiovascular risk.

The current standard of care for primary prevention and assessment of the risk of CVD has been in use and largely unchanged for many years. The advent of our polygenic risk assessment for CVD allows the identification and reclassification of individuals traditionally categorised at 'low' or 'intermediate' risk who are at higher genetic risk of a CVD event than their current risk assessment suggests. This enables earlier in life preventative measures to be adopted to lower the future risk of a CVD event.

GENinCode has a strong clinical 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.

2021 Business review

In the results for the twelve months ending 31 December 2021, the Company saw year-on-year revenue growth increase to £1.2m (2020 £1.0m) primarily from its European business. The Company's key products are CE-Marked with Cardio inCode®, Thrombo inCode®, Lipid inCode® and Sudd inCode® generating the core product revenues. Following the IPO and admission to LSE: AIM the Company commenced its expansion strategy in the US, UK and Europe which are the key markets for growth.

Just prior to the IPO, we announced a strategic commercialisation agreement with EVERSANA Life Sciences Services, LLC. EVERSANA act as the Company's US commercial services provider for the launch, market access and distribution of the Company's products. EVERSANA provides a broad range of commercial services to the life sciences industry. Its integrated business solutions span all stages of the product life cycle to deliver long-term, sustainable value for patients, prescribers, channel partners and payors. EVERSANA has experience across many commercialisation areas, in particular reimbursement, pricing intelligence, market access and payor services. As such EVERSANA represents a strong US commercial partner capable of accelerating our growth in the US market.

We have announced collaborations with two leading US healthcare institutions, Indiana University (IU) School of Medicine and Kaiser Permanente Department of Research to assess the clinical utility and validation of our Cardio inCode® product in preparation for FDA regulatory approval. Both collaborations are focused on clinically advancing and validating the introduction of our lead product Cardio inCode®. IU is focused on assessing the use of Cardio inCode® as a genetic risk enhancer for the onset of atherosclerosis (ASCVD), whilst Kaiser Permanente is clinically evaluating Cardio inCode® against its population health cohort for the prediction and onset of CVD. We are also in advanced discussions with New York Presbyterian (NYP) hospital group (which includes Weill Cornell and Columbia University hospitals). NYP will undertake Cardio inCode® clinical utility studies in the New York State primary care network of physicians. These three institutions will be the flagship facilities and healthcare groups for the initial adoption of Cardio inCode® in the US.

US Regulatory and Reimbursement

We progressed discussions with the FDA through 2021 and were invited to make a pre-submission of the Cardio inCode® regulatory filing in December 2021. We have subsequently held constructive discussions with the FDA for the full regulatory filing and expect to complete this filing over the coming months.

In September 2021 the Centres for Medicare and Medicaid Services (CMS) repealed the Medicare Coverage for Innovative Technologies (MCIT) ruling. Resulting from this ruling we are now preparing clinical utility studies (and accompanying healthcare economics) to underpin a reimbursement submission via the MolDx® programme. The MolDx® submission will establish coverage, pricing and reimbursement for Cardio inCode®. We are also commencing private payer discussions with health insurance providers. The MolDx® programme works on behalf of CMS to administer Medicare claims via Medicare Administrative Contractors (MACs). We expect to present our MolDx® reimbursement submission early next year based on the completion of our clinical utility studies with selected US partner healthcare institutions.

Following positive public health endorsement of Familial Hypercholesterolemia (FH) by the Centers for Disease Control Office of Public Health Genomics (CDC) and the inclusion of FH testing as a Tier 1 genomic application (i.e. the test has a significant potential for positive impact on public health based on available evidence-based guidelines and recommendations), we have accelerated our plans and preparations for the US soft launch of Lipid inCode® later this year. Our Lipid inCode® test and FH panel of genes is well-positioned to receive Medicare coverage based on recent policies that have been put in place that support genetic testing in cardiovascular disease.

Today we announce the completion of our partnership with ResearchDx, based in Irvine, California for the commissioning of the GENinCode US CLIA lab. Our US lab will be set-up and commissioned over the coming months to provide CLIA certified product services initially focused on Cardio inCode® and Lipid inCode®. It is important to note that, once CLIA lab approval has been granted, we will be able to begin generation of product to support our US preparations for launch and meaningful revenue growth.

UK and Europe

In the UK, the NHS Long Term Plan 2019 identifies CVD as a clinical priority and the single largest condition where lives can be saved over the next 10 years. The NHS Long Term Plan sets out to identify 25% of patients suffering with Familial Hypercholesterolemia (FH) by 2024. FH affects approximately 1 in 200-250 people in the UK who are unable to effectively metabolise cholesterol leading to the accelerated onset of CVD. GENinCode's UK strategy is focused on advancing our Lipid inCode® test to help support the NHS meet this plan. During the year we announced our collaboration with Royal Brompton and Harefield hospitals to

provide CVD clinical genetic testing. RB&H is part of Guy's and St Thomas' NHS Foundation Trust, the largest specialist heart and lung centre in England and one of the largest in Europe.

More recently we have announced the successful completion of our NHS clinical study for FH to deliver improved diagnosis and risk assessment and a faster turnaround of test results at a lower cost to the NHS. We have recently commenced a clinical pilot with the NE-AHSN (North East and Cumbria – Academic Health Science Network) the centre of excellence for UK FH testing with a view to supporting the North of England meet its NHS targets.

Today we also announce a collaborative agreement with BUPA Cromwell Hospital for Lipid inCode® testing for FH. This will allow UK private patients to receive genetic testing for FH from the BUPA Cromwell hospital based in West London. This agreement represents the start of UK private patient revenue generation for Lipid inCode®.

In Europe, the Company continues to build its business and evidence based polygenic product profile and has announced sales and distribution arrangements with Longwood Diagnostics S.L. and Synlab Diagnostics S.A.U. to support its expansion in Spain. We are preparing Cardio inCode® for piloting for public health CVD risk assessment in the Spanish regions and expanding our sales team and collaborative partners in Italy and France.

Following the European outbreak of the COVID-19 pandemic in northern Spain and Italy we have undertaken a number of clinical studies to assess the severity of onset of COVID-19 to patients with a genetic predisposition to thrombosis using our Thrombo inCode® product. The first of these studies based at Hospital St Pau, Barcelona has now completed its findings and we expect to present this publication over the coming months.

Intellectual Property

We maintain an ongoing intellectual property programme to strengthen our existing patent portfolio and advance examinations across our family of patents for Cardio inCode® and Thrombo inCode®. We continue to build our intellectual property portfolio and are actively evaluating in-licensing opportunities as appropriate to enhance our competitive product positioning.

Financial review

The first half of 2021 was dominated by preparation for admission of the Company to the LSE:AIM, which was successfully completed on 22nd July 2021. The company raised £17.0 million (gross) before expenses. The proceeds are being used to accelerate our commercial programme in the US, EU, and the UK.

Despite last year's challenges of the COVID-19 pandemic, our EU business held up well to report revenues of £1.2m (2020 £1.0m) for the full year. Gross profit for the year was £593k (2020: £523k) with a margin of 52% (2020: 54%) respectively.

Administrative expenses increased to £4.0m (2020: £1.6m). The year-on-year cost increase reflecting a first half growth in staffing and professional costs as the company prepared for admission to LSE:AIM with the second half ramp up in US investment following the completion of the EVERSANA partnership with spending focused on regulatory, reimbursement and market assessment preparations.

The increased commercial investment gave rise to an operating loss for the year of (£4.1m) (2020: (£1.1m)), with the cash position at the end of December 2021 £14.6m (2020: 2.0m).

Capital structure

Following the listing on LSE: AIM the total number of ordinary shares in issue was 95,816,866. The loss per share for the year ending 31 December 2021 was 8.05p/share. The Board of Directors will not be recommending a dividend payment for the year ended 31 December 2021.

Outlook

We will take commercial advantage of our clinically advanced genetic products to scale the market opportunities open to us. We are focused on our US regulatory and reimbursement submissions for Cardio

inCode®, a first-in-class genetic risk assessment for CVD and we will accelerate preparations for the US launch and reimbursement of our globally leading familial hypercholesterolemia test Lipid inCode®.

Over the remainder of the year, we expect to complete the following key deliverables:

- Prepare final FDA regulatory submission for Cardio inCode® with a view to gaining approval approximately six months following submission
- Based on the recent advances by CMS in local coverage determination and private reimbursement for FH, prepare to commercially launch Lipid inCode® in the US market
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- Commission our new UK lab operation and complete UKAS accreditation submission for service delivery of Lipid inCode® to support the NHS
- Continue to build our EU partnerships and develop our ongoing collaborative discussions with pharmaceutical companies
- Generate increased Year-on-Year revenue growth
- Publish first COVID-19 Thrombo inCode® evaluation study for genetic predisposition to thrombosis

We have a strong and growing clinical evidence base built on studies amassed over the past 12 years to more precisely identify patients at risk of CVD and thereby enable improved preventative care.

We continue to increase investment in our manpower resource and expertise as well as exploring other acquisition opportunities to take advantage of the growth opportunities open to us.

Despite the world market challenges and volatility, the Board believes our products and technology will deliver significant investor returns and we would like to thank our investors, Board, management and employees for their strength and determination in driving our business growth.

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

Matthew Walls
Chief Executive Officer
16 May 2022

William Rhodes
Chairman
16 May 2022

CFO STATEMENT

	2021 £'000	2020 £'000
Revenue	**1,154**	961
Gross Profit	**593**	523
Gross Profit %	***51.4%***	*54.4%*
Operating Loss	**(4,146)**	(1,050)
Cash and cash equivalents	**14,554**	2,003
Total Equity	**13,718**	1,859

Operating Results

Sales increased by £193,311 or 20.1% from £960,801 in 2020 to £1,154,112 in 2021 and operating loss increased by £3,096,267 from (£1,050,004) in 2020 to (£4,146,271) in 2021.

Top 5 Geographic Markets

	2021		2020	
	£'000	%	£'000	%
Spain	1,001	86%	817	85%
Italy	95	8%	11	12%
France	32	3%	21	2%
Germany	9	1%	0	0%
ROW	17	2%	12	1%
Total	**1,154**		**961**	

The gross margin decreased from 54.4% to 51.4%, largely as a result of the product mix but also due to pricing pressure from the Company's preferred laboratory service provider in Girona.

Administrative Expenses

	2021 £'000	2020 £'000
Salaries and social security and benefits in kind	1,677	722
Royalty expense	55	47
Audit and accounting	49	36
US Commercialisation, launch preparation, market assessment, marketing resources, and regulatory	1,257	-
Rent, Utilities, Comms, and IT	202	128
Travel and entertainment	76	52
Legal, Professional, and Consultancy	447	369
Marketing & Market Access	134	79
Sundry	122	117
Total Administrative expenses	**4,019**	**1,550**

The number of employees and directors increased from 16 (14 in Spain and 2 in the UK) at 31 December 2020 to 28 (19 in Spain, 8 in the UK, and 1 in the US) at 31 December 2021, as the Group strengthened its management team, increased its regulatory resources, and put in place a laboratory team in London in preparation for the commercial launch of Lipid inCode® in 2022. This has resulted in salaries and associated costs increasing from £721,851 to £1,677,348 during the period.

In June 2021, the Company entered into a Product Commercialisation Agreement with Eversana Life Sciences L.L.C., whereby EVERSANA would act as the Company's commercial services provider for the launch, market access, and distribution logistics for the Company's products in the USA. The cost of US commercialisation fees in 2021, mainly payable to EVERSANA, amounted to £1,257,138.

Legal, Professional, and Consultancy fees increased from £368,961 in 2020 to £446,999 in 2021, mainly as a result of the extra operational expenses associated with being on the AIM market (broker fees, nomad fees, Financial PR fees, Registrar fees, AIM fees etc). Additionally, the Company has increased the size of the Clinical Advisory Board, both in the UK and the US.

Adjusted EBITDA

	2021 £'000	2020 £'000
Operating Loss	**(4,146)**	**(1,050)**
Add Back:		
Depreciation & Amortisation	35	23
Loss on disposal of fixed assets	19	
Share Based Costs	73	-
Listing Costs	584	-
Non-recurring Expenditure	9	-
Adjusted EBITDA	**(3,426)**	**(1,027)**

Intangible amortisation charges in 2021 were £28,922 compared to a charge of £20,876 in 2020; this increase is in line with the rise in capitalised patent cost activity during the year. Depreciation charges in 2021 were £5,794 compared to a charge of £1,898 in 2020; again, this increase is commensurate with the increased property, plant and equipment purchases in the year, due to the increased headcount and associated investment since the IPO during the period.

Share Options were granted to directors, employees, and certain advisors in April 2021, hence for the first time, under IFRS 2 the Company is required to recognise share based payment awards in the financial statements based on fair value when the awards are received, which is determined at the grant date for share-based payments. The charge for the year amounted to £72,906 and was calculated using the Black-Scholes model.

Successful completion of an IPO and admission to the LSE:AIM took place in July 2021; costs associated with the IPO amounted to £1,727,666. Of this amount, £583,669 was charged to the Income Statement and £1,143,997 was netted off against the share premium.

Non-recurring expenditure of £9,051 was incurred by our Spanish office in 2021 and represented previously capitalised development costs written off to the Income Statement in the period.

Taxation

	2021 £'000	2020 £'000
Income Tax	**6**	**116**

As highlighted in note 8 to the Consolidated Financial Statements, although the expected tax credit at the UK corporation tax rate of 19% increased from (£199,488) in 2020 to (£786,028) in 2021, a large movement in the unrecognised deferred tax asset balance has resulted in a charge of £826,075 to the Income Statement in the period in accordance with IAS 12 *Income Taxes*, leading to a net charge of £6,071.

The UK budget announced on 3 March 2021 an increase in the main corporation tax rate from 19% to 25% on profits over £250,000 with effect from 1 April 2023. Due to the nature of the business and uncertainty of profit generation the rate has not been reflected in the consolidated financial statements.

Other comprehensive income

Included in other comprehensive income are the net exchange differences on translation of foreign operations. The gain on translation of £72,000 in 2021 compares to a gain in 2020 of £440.

The gain in both years arises predominantly due to the strengthening of the GBP against the Euro. A significant proportion of the Group's operations are based in Spain and with the strengthening of GBP in 2021 from an opening rate of £1:Eur1.12 to a closing rate at the end of 2021 of £1:Eur1.16, this movement was the main reason for the gain in the period.

Assets and Liabilities

Non-Current Assets

Intangible assets have increased from £139,486 at 31 December 2020 to £192,602 at 31 December 2021 as the Company continues to further build its intellectual property portfolio.

Property, plant and equipment has risen from £11,129 at 31 December 2020 to £46,265 at 31 December 2021 due to laboratory equipment purchases at the Company's lab premises in London.

Current Assets

The Company holds very little in the way of finished goods and work in progress, largely because around 60% of its revenues originate from genomic 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 increased from £248,589 at 31 December 2020 to £398,827 at 31 December 2021, predominantly due a higher level of prepayments as a result of expenditure for the following period having been invoiced by suppliers before the period end.

Liabilities

Trade and Other Payables increased from £563,495 at 31 December 2020 to £1,485,857 at 31 December 2021, split across non-current liabilities and current liabilities; this rise is mainly due to the nature of the payment structure set out in the agreement with our US commercialisation partner, EVERSANA.

Cash flow and working capital

Operating cash outflow increased from (£1,037,781) in 2020 to (£3,023,388) in 2021.The increase is largely explained by the drop-through of increased operating losses, offset by a reduction in net working capital, largely as a result of increased payables balances at 31 December 2021.

Net cash flows used in investing activities increased from (£68,273) in 2020 to (£145,436) in 2021, reflecting increased patent expenditure and laboratory equipment in the UK.

Net cash flows from financing activities increased from £3,026,142 in 2020 to £15,855,983 in 2021. In 2020, a private fundraise was carried out, comprising two institutional investors and a small number of private investors. In July 2021, the Company announced admission to trading on AIM together with a successful fundraise for gross proceeds of £17m before expenses.

As a result of the above activities there was an overall increase in cash and cash equivalents of £12,551,005 from £2,003,072 at 31 December 2020 to £14,554,077 at 31 December 2021.

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Paul Foulger
Chief Financial Officer
16 May 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2021

	Notes	2021 £'000	2020 £'000
CONTINUING OPERATIONS			
Revenue	4	1,154	961
Cost of sales		(561)	(438)
GROSS PROFIT		**593**	**523**
Administrative expenses		(4,019)	(1,550)
ADJUSTED EBITDA		**(3,426)**	**(1,027)**
Depreciation		(6)	(2)
Amortisation		(29)	(21)
Loss on disposal of fixed assets		(19)	
Share based costs		(73)	-
Listing costs		(584)	-
Non-recurring expenditure		(9)	-
OPERATING LOSS		**(4,146)**	**(1,050)**
Other income	7	10	-
LOSS BEFORE INCOME TAX	5	**(4,136)**	**(1,050)**
Income tax	8	(6)	(116)
LOSS FOR THE FINANCIAL PERIOD		**(4,142)**	**(1,166)**
Other comprehensive income for the year			
Exchange differences on translation of foreign operations		72	-
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		**(4,070)**	**(1,166)**
EARNINGS PER SHARE			
Basic earnings per share (pence)		(8.05)	(12.71)
Diluted earnings per share (pence)		(8.05)	(12.71)

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2021

	Notes	2021 £'000	2020 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	193	140
Property, plant and equipment	13	46	11
		239	**151**
CURRENT ASSETS			
Inventories	14	14	18
Trade and other receivables	15	399	248
Cash and cash equivalents	17	14,554	2,003
Financial assets	16	4	2
		14,971	**2,271**
TOTAL ASSETS		**15,210**	**2,422**
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	20	958	114
Share premium	21	15,551	3,318
Other reserves	21	73	-
Retained earnings	21	(2,864)	(1,573)
TOTAL EQUITY		**13,718**	**1,859**
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	18	661	-
CURRENT LIABILITIES			
Trade and other payables	18	825	563
Deferred Tax	19	6	-
TOTAL LIABILITIES		**1,492**	**563**
TOTAL EQUITY AND LIABILITIES		**15,210**	**2,422**

The financial statements were approved by the Board of Directors on 16 May 2022 and were signed on its behalf by:

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Paul Foulger
Director
16 May 2022

The notes form part of these financial statements

Company Statement of Financial Position
31 December 2021

	Notes	2021 £'000	2020 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	11	31	2
Intangible assets	12	179	101
Property, plant, and equipment	13	32	-
Trade and other receivables	15	2,791	
		3,033	**103**
CURRENT ASSETS			
Trade and other receivables	15	168	1,116
Cash and cash equivalents	17	14,243	1,892
		14,411	**3,008**
TOTAL ASSETS		**17,444**	**3,111**
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	20	958	114
Share premium	21	15,551	3,318
Share based payment reserve	21	73	-
Retained earnings	21	493	(429)
TOTAL EQUITY		**17,075**	**3,003**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	363	108
Deferred Tax	19	6	-
TOTAL LIABILITIES		**369**	**108**
TOTAL EQUITY AND LIABILITIES		**17,444**	**3,111**

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 £1,856,657 (2020 – loss of £364,036).

The financial statements were approved by the Board of Directors on 16 May 2022 and were signed on its behalf by:

.....
Paul Foulger
Director
16 May 2022

The notes form part of these financial statements

GENinCode Plc

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £'000	Share premium account £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	67		-	(408)	(341)
Changes in equity					
Issue of share capital	47	3,318	-	-	3,365
Total comprehensive income	-	-	-	(1,165)	(1,165)
Balance at 31 December 2020	**114**	**3,318**	**-**	**(1,573)**	**1,859**
Changes in equity					
Reduction of share premium	-	(2,779)	-	2,779	-
Bonus share issue	458	(458)	-	-	-
Issue of share capital	386	16,614	-	-	17,000
Costs of share issue	-	(1,144)	-	-	(1,144)
Share based payments	-	-	73	-	73
Total comprehensive income	-	-	-	(4,070)	(4,070)
Rounding	-		-	-	-
Balance at 31 December 2021	**958**	**15,551**	**73**	**(2,864)**	**13,718**

The notes form part of these financial statements

GENinCode Plc

Company Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	-		-	(65)	(65)
Changes in equity					
Issue of share capital	114	3,318	-	-	3,432
Total comprehensive income	-	-	-	(364)	(364)
Balance at 31 December 2020	**114**	**3,318**	**-**	**(429)**	**3,003**
Changes in equity					
Reduction of share premium	-	(2,779)	-	2,779	-
Bonus share issue	458	(458)	-	-	-
Issue of share capital	386	16,614	-	-	17,000
Costs of share issue	-	(1,144)	-	-	(1,144)
Share based payments	-	-	73		73
Total comprehensive income	-	-	-	(1,857)	(1,857)
Balance at 31 December 2021	**958**	**15,551**	**73**	**493**	**17,075**

The notes form part of these financial statements

GENinCode Plc

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Loss before taxation	(4,137)	(1,050)
Adjustments for:		
Foreign exchange loss/(gain)	136	-
Depreciation and amortisation	35	23
Loss on disposal	19	-
Share based payments	73	-
Movement in translation/retranslation	70	
Taxation	6	-
Operating loss before working capital changes	**(3,798)**	**(1,027)**
Cash used in operations		
Decrease / (Increase) in trade and other receivables	(150)	42
(Decrease) / Increase in trade and other payables	922	(35)
Decrease / (Increase) in inventory	4	(18)
(Increase) in financial assets	(2)	-
Net cash outflow from operating activities	**(3,024)**	**(1,038)**
Investing activities		
Purchase of property, plant, and equipment	(41)	(5)
Purchase of intangible assets	(104)	(63)
Net cash flows used in investing activities	**(145)**	**(68)**
Financing activities		
Issue of ordinary shares (net of issue expenses)	15,856	3,026
Net cash flows from financing activities	**15,856**	**3,026**
Net change in cash and cash equivalents	**12,687**	**1,920**
Cash and cash equivalents at the beginning of the period	2,003	85
Exchange (losses) on cash and cash equivalents	(136)	(2)
Cash and cash equivalents at the end of the period	**14,554**	**2,003**

The notes form part of these financial statements

GENinCode Plc

Company Statement of Cash Flows
for the Year Ended 31 December 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
(Loss) for the year	(1,857)	(364)
Adjustments for:		
Foreign exchange loss/(gain)	136	11
Amortisation	120	7
Other income	(22)	-
Share based payments	73	
Taxation	6	-
Operating loss before working capital changes	**(1,644)**	**(346)**
Changes in working capital		
(Increase) in trade and other receivables	(73)	(90)
Increase/(decrease) in trade and other payables	254	(376)
Interest receivable	22	(14)
Net cash outflow from operating activities	**(1,441)**	**(826)**
Investing activities		
Acquisition of subsidiary	(28)	-
Purchase of intangible assets	(95)	(53)
Purchase of tangible assets	(35)	-
Net cash flows used in investing activities	**(158)**	**(53)**
Financing activities		
Loans issued to subsidiary undertakings	(1,770)	(607)
Proceeds from issue of share capital	15,856	3,365
Net cash flows from financing activities	**14,086**	**2,758**
Net change in cash and cash equivalents	**12,487**	**1,878**
Exchange (losses)/gains on cash and cash equivalents	(136)	(10)
Cash and cash equivalents at the beginning of the year	1,892	24
Cash and cash equivalents at the end of the year	**14,243**	**1,892**

The notes form part of these financial statements

1. **Statutory information**

GENinCode Plc is a public limited company, 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 2021. 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.

On 31 December 2020 IFRS as adopted by the European Union were brought into UK law and became UK-adopted international accounting standards with future changes being subject to endorsement by the UK Endorsement Board.

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.

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)
IFRS9, IAS39 and IFRS7	Interest Rate Benchmark Reform Phase 2	Amendments regarding measurement and classification	1 January 2021
IFRS 17	Insurance contracts		1 January 2021
IFRS 4	Amendments to Insurance Contracts – deferral of IFRS 9 (issued on 25 June 2020)		1 January 2021

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 2021 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)
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

Going concern

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have considered detailed budgets and forecasts for the next 12 months from the date of this report and the cash at bank available as at the date of approval of this report and are satisfied that the Group should be able to meet its financial obligations.

The Group holds surplus cash reserves following the placing on admission to AIM and 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. Detailed sensitivity analysis has been performed to assess the potential impact on the Group's liquidity caused by delays in revenue growth against expected levels along with potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending. These sensitivities include the expected continued impact of the COVID-19 pandemic, although to mitigate its potential negative impacts the Group is developing its own COVID-19 severity and prognosis stratification product.

Basis of consolidation

Subsidiaries are all entities which the Group has control. The subsidiaries consolidated in these Group accounts were acquired via group re-organisation and as such merger accounting principles have been applied. The subsidiaries' financial figures are included for their entire financial year rather than from the date the company took control of them.

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

The subsidiaries prepare their 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.

Property, plant, and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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:

	2021	2020
Sterling/euro exchange rates		
Average exchange rate for the period	1.163	1.245
Exchange rate at the period end	1.190	1.105
Sterling/US dollar exchange rates		
Average exchange rate for the period	1.375	n/a
Exchange rate at the period end	1.331	n/a

Revenue recognition

Revenue is recognised in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company 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 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.

Operating leases

Rentals payable under operating leases are charged against the statement of comprehensive income on a straight-line basis over the lease term**.**

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 period.

- Share premium: excess subscribed above nominal value.

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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 period 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 period to which they relate.

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.

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. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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.

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.

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 period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 period 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.

4. Operating segments

The Group has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date.

	2021 £	2020 £
Revenue from sale of kits and provision of support services	**1,154**	**961**
Primary Geographic Markets		
Chile	8	7

France	32	21
Italy	95	111
Sweden	4	-
Mexico	-	1
Peru	6	4
Spain	1,001	817
Germany	8	-
Total revenue per geographical markets	**1,154**	**961**

5. Loss from operations

	2021 £'000	2020 £'000
Loss is stated after charging:		
Cost of inventory	561	438
Staff costs	868	385
Social security	224	111
Royalty expense	55	47
Operating expenses - External services	1,354	740
Directors salaries and fees	586	226
Depreciation and amortisation	35	23

5a. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual accounts	25	9
Fees payable to the company's auditor and its associates for other services:		
Accounts compilation	-	7
Accounting and taxation services	36	20
Total	61	36

7. Finance income

	2021 £'000	2020 £'000
Bank interest income	8	-
Other revenue	2	-
Total	**10**	**-**

8. Income tax

	2021 £'000	2020 £'000
Current tax credit		
GENinCode S.L.U.	-	(116)
Total current tax	-	(116)

Deferred tax		
Accelerated capital allowances	6	-
Total current tax	6	-
Total	**6**	**(116)**

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

	2021 £'000	2020 £'000
	(4,137)	**(1,050)**
Expected tax credit at the UK corporation tax rate of 19%	(786)	(200)
Movement in unrecognised deferred tax asset	826	(79)
Permanent differences	-	(30)
Spanish deferred tax recognised in excess of UK deferred tax	(45)	193
Expenses disallowed for tax	5	-
Accelerated Capital Allowances	(6)	-
Total	**(6)**	**(116)**

Factors affecting current and future taxation

Unrelieved tax losses carried forward 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.

The UK budget announced on 3 March 2021 confirm an increase in the main corporation tax rate from 19% to 25% on profits over £250,000 with effect from 1 April 2023. Due to the nature of the business and uncertainty of profit generation the rate has not been reflected in the consolidated financial statements.

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 period.

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.

	2021		
	Earnings £'000	**Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	(4,070)	50,552,205	(8.05)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	**(4,070)**	**50,522,205**	**(8.05)**

	2020		
	Earnings	Weighted average number of shares	Per-share amount
	£'000		pence
Basic EPS			
Earnings attributable to ordinary shareholders	(1,166)	9,170,609	(12.71)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	**(1,166)**	**9,170,609**	**(12.71)**

The Company has options issued over 8,059,500 (2020, nil) ordinary shares.

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

The weighted average for 2020 assumes the sub-division of shares per Note 20 were in place from 1 January 2020.

15. Trade and other receivables

Group

	2021	2020
	£'000	£'000
Trade receivables	234	240
Other receivables	31	1
Prepayments	134	7
Total	**399**	**248**

Company

	2021	2020
	£'000	£'000
NON-CURRENT		
Intercompany receivables	2,791	-
Total	**2,791**	**-**
CURRENT		
Intercompany receivables	-	1,020
Trade receivables	60	65
Other receivables	31	31
Prepayments	77	-
Total	**168**	**1,116**

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.

17. Cash and cash equivalents

Group

	2021	2020
	£'000	£'000
Total	**14,554**	**2,003**

Company

	2021	2020
	£'000	£'000

Total	**14,243**	**1,892**

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.

18. Trade and other payables

Group

	2021 £'000	2020 £'000
NON-CURRENT		
Trade payables	661	-
Total	**661**	**-**
CURRENT		
Trade payables	345	193
Accruals	243	63
Tax payable	100	131
Other payables	137	177
Total	**825**	**564**

Company

	2021 £'000	2020 £'000
Trade payables	100	82
Accruals	238	26
Tax payable	21	-
Other payables	4	-
Total	**363**	**108**

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.

20. Share capital

	2021 £'000	2020 £'000
114,361 Ordinary Shares of £1.00 each		114
95,816,866 Ordinary shares of £0.01	958	
Total	**958**	**114**

- On 9 July 2021 the company subdivided 382,295 £1.00 Ordinary shares into 38,229,500 £0.01 Ordinary shares and 189,510 £1.00 B Ordinary shares into 18,951,000 £0.01 B Ordinary shares.
- On 9 July 2021 the company amalgamated the Ordinary and B Ordinary shares together as Ordinary shares.
- On 12 July 2021 the company issued 457,444 ordinary shares via a bonus share issue for 44p.
- On 22 July 2021 the company issued 386,364 ordinary shares via an Initial Public Offering for 44p.
- All shares of the Company rank pari passu in all respects.