6 June 2023

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

Final results

Oxford, UK. GENinCode Plc (LSE:AIM GENI), the genetics company focused on the prevention of cardiovascular disease (CVD), announces its audited final results for the twelve months ended 31 December 2022. The 2022 financial year saw the Company accelerate its commercial expansion programme in the US, UK and Europe and the Company is now preparing to launch its first clinical diagnostic and risk assessment tests into the US market with its Early Access Programs.

Operational and financial highlights

- Preparation for US launch of LIPID inCode® for the diagnosis of familial hypercholesterolemia ("FH") and CARDIO inCode® for the genetic risk of coronary heart disease.
- Improving US market conditions set by American Heart Association for the introduction of polygenic testing for coronary heart disease and reimbursement coverage for LIPID inCode®.
- Final preparations ongoing for filing FDA 510K submission for Cardio inCode® (kit format) for the onset of cardiovascular disease ("CVD").
- NHS adoption of LIPID inCode® for FH diagnosis in the North of England to deliver comprehensive testing, improved turnaround times at reduced cost.
- CARDIO inCode® pilot launched in Extremadura, Spain.
- Acquisition of Risk of Ovarian Cancer Algorithm (ROCA) test for women at high risk of ovarian cancer. Awaiting completion of review by National Institute for Health and Care Excellence (NICE) as part of new guidance development.
- Full year revenues £1.4m (2021: £1.2m).
- Increased levels of investment in the commercialisation programme giving rise to a reported adjusted EBITDA loss of (£5.6m) (2021: loss of (£3.4m)).
- Cash reserves of £9.7m at 31 December 2022 (2021: £14.6m).

Post-period end highlights

- California state licensing approval and CLIA certification received for provision of LIPID inCode® and CARDIO inCode® test services from the Company's laboratory based in Irvine, California.
- CPT PLA coding granted from the American Medical Association for CARDIO inCode®
- Announcement of LIPID inCode® collaboration with University Clinic Dresden, Germany for primary care diagnosis of FH and risk assessment of CVD.
- Presentation by Kaiser Permanente on the use of CARDIO inCode® for the polygenic risk assessment of CVD at European Society of Cardiology Annual Meeting in August 2023 in Amsterdam.

Matthew Walls, Chief Executive Officer of GENinCode Plc said: *"We are starting to commercially advance our polygenic tests in the US and UK which together with our growing EU business and strengthening clinical evidence will enable us to rapidly scale our business. We remain firmly focused on our US product launch and first US revenues, broadening our NHS commercial relationship and expansion across our EU business. We will drive revenue growth whilst maintaining a tight operational cost base to target breakeven over the medium term, de-risking our business model whilst offering significant growth potential."*

Investor meeting

The Company will also host a presentation for investors via the IMC platform 2pm BST on Thursday, 8 June. 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, please use the following link: https://www.investormeetcompany.com/genincode-plc/register-investor

For more information visit www.genincode.com

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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, Europe through GENinCode S.L.U., and in the United States through GENinCode U.S. Inc.

GENinCode predictive technology provides patients and physicians with globally leading preventive 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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

2022 Business review

In the preliminary results for the twelve months ending 31 December 2022, the Company saw a year-on-year revenue increase to £1.4m (2021: £1.2m) primarily from growth in our European business. The Company's key products include:

CARDIO inCode® - Genetic risk assessment of coronary heart disease
LIPID inCode® - Genetic diagnosis and management 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 Company is now starting commercial expansion programmes in the US and UK to complement its European revenue growth.

US Business

The past year has seen significant advances in US genetic healthcare policy with a milestone statement by American Heart Association (AHA) on the importance of Polygenic Risk Scores for the future risk assessment of cardiovascular disease. We are now preparing our Early Access Program (EAP) discussions for the launch of LIPID inCode® and CARDIO inCode-Score® in the US with a select group of leading healthcare institutions from which we expect to see clinical adoption.

Recent public health developments announced by the US Centres for Disease Control to identify individuals suffering with familial hypercholesterolemia (FH) have escalated the disease area to a 'Tier 1' public health status. Resulting from this increased focus on FH and existing reimbursement coding for FH diagnosis, we have accelerated the commissioning and validation of LIPID inCode® for the US market.

Over the year the Company commissioned its US diagnostic lab and applied for and received California State Licensing approval and subsequently CLIA (Clinical Laboratory Improvement Amendments) regulatory approval for our dedicated US laboratory based in Irvine, California. CLIA approval enables the Company to start selling its lab diagnostic tests in the US market. The dedicated CLIA lab also enables greater control, efficiency over our supply chain alongside improved gross margins from our operations. Both CARDIO inCode-Score® and LIPID inCode® are now preparing for commercial launch.

Following the US Food and Drug Administration (FDA) Pre-Submission for the CARDIO inCode® test kit for coronary heart disease, we have continued productive discussions with the FDA for the preparation and regulatory filing of our final 510K kit submission. Analytical work to complete the filing has been extensive and time consuming. We are nearing completion of this programme and expect to file our 510K over the coming weeks. We anticipate a six-month review period with the FDA prior to expected approval later this year. The approval of the 510K 'kit format' will complement our existing lab diagnostic test services and will extend sales across other CLIA labs in the US market.

At the end of the year, we bolstered the GENinCode US sales team and are now preparing to 'soft launch' the LIPID inCODE® and CARDIO inCode® Early Access Programs (EAPs). The EAPs will enable selected institutions and KOL physicians to access these products on a 'free of charge' basis in return for market feedback. We expect these programs to lead to the start of first US test revenues.

During the year we also commenced collaborations 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 CVD. We anticipate strong clinical utility results from both the IU and Kaiser Permanente collaborations with business updates expected over the coming months.

UK and Europe Business

In the UK NHS, we successfully completed and published our first LIPID inCode® NHS clinical study to improve diagnosis and turnaround time for testing of Familial Hypercholesterolemia (FH) at reduced cost to the NHS. Following the NHS publication, we announced the implementation of LIPID inCode® with the North East and Cumbria – Academic Health Science Network (NENC-AHSN) and more recently our first major commercial programme to support the NHS 10-Year plan to identify 25% of those individuals in the UK suffering with FH. The LIPID inCode® implementation represents the first commercial polygenic CVD risk test to be adopted by the NHS. During the year we also announced a collaboration with BUPA Cromwell Hospital, London, for use of our LIPID inCode® test leading to our first UK product revenues.

Aligned with our UK growth, we commissioned our new UK lab based in Hammersmith, London.

We have also recently announced our collaboration with MVZ Uniklinikum labs in Dresden, Germany. Uniklinikum represent the largest treatment centre in Germany for patients suffering with hypercholesterolemia and the German team will follow a similar pathway to the NHS with state-based reimbursement for our initial LIPID inCode® test.

In Spain, we announced the first CARDIO inCode® pilot implementation study in the Spanish region of Extremadura. The Extremadura region has a population of c.1m, with an estimated 50,000 individuals at risk of a cardiovascular event, including heart attack. CARDIO inCode® is expected to change clinical practice by identifying those individuals at high genetic risk and improve preventative treatment. Successful completion of the pilot in over 500 individuals will lead to the extension of the programme across the Extremadura region.

We also completed our first THROMBO inCode® COVID-19 evaluation study for patients with a genetic predisposition to thrombosis at St Pau Hospital, Spain. We are continuing to clinically assess the impact of thrombosis in the escalation of severe COVID-19 where it is conveniently aligned with our existing strategy.

In October, we announced the acquisition of the entire issued share capital of Abcodia Limited, Cambridge, and its Risk of Ovarian Cancer Algorithm (ROCA) test and technology. Unique in its field, and based on growing published clinical evidence, the ROCA test represents a breakthrough for the early detection of familial ovarian cancer in BRCA+ genetically predisposed women. The clinical and economic benefits of the ROCA test are under review by NICE as part of new guidance development for this cohort of women, and through additional industry partnerships, the test is poised to engage commercially, initially in the UK.

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.

Financial review

Following the admission of the Company to the AIM market in July 2021 and the £15.3m net funds raised, we have delivered our commercial programme for the US, UK and EU markets whilst maintaining tight control over spending. This approach has enabled us to meet our business plans whilst retaining strong cash reserves in a weakening financial market.

Our EU business reported revenues of £1.4m (2021 £1.2m) for the full year. Gross profit for the year was £632k (2021: £593k) with a margin of 44% (2021: 51%). The reduced margin reflecting the increased (largely inflationary) material and service costs over the year.

Administrative expenses increased to £6.3m (2021: £4.0m). The year-on-year cost increase reflecting growth in staffing and professional costs with the ramp up in US and UK investment in preparation for our US and UK laboratory services, increased sales and marketing resource with spending primarily focused on market access and launch preparations.

This increased commercial investment gave rise to an adjusted EBITDA loss for the year of (£5.6m) (2021: (£3.4m)), with the cash position at the end of December 2022 being £9.7m (2021: £14.6m).

Capital structure

The total number of ordinary shares in issue was 95,816,866. The loss per share for the year ending 31 December 2022 was 6.2p/share. The Board of Directors will not be recommending a dividend payment for the year ended 31 December 2022.

Outlook

We will continue to take commercial advantage of our product developments and strong clinical evidence to scale the market opportunities now emerging. We are focused on our US launch, generating our first US revenues, the development of our NHS relationships and expansion in the EU. Given the challenging markets, we are driving revenue growth whilst maintaining a tight operational cost base to target a breakeven/profit position over the medium term. This will enable us to de-risk our business model whilst delivering strong growth as our products come to market in the US, alongside UK and EU growth.

During 2023, we expect to complete the following key deliverables:

- Launch of LIPID inCode® and CARDIO inCode® Early Access Programs in the US market to generate first US revenues
- Finalisation and filing of 510K regulatory submission for CARDIO inCode® (kit format) to accelerate US sales
- Expand NHS programme for LIPID inCode® and introduce CARDIO inCode®
- Expand the MVZ Uniklinikum, Germany collaborative program and menu of products
- Build our EU partnerships and develop our ongoing collaborative discussions with pharmaceutical companies
- Strengthen the commercial, marketing and selling teams to support US revenue growth

We are now preparing launch plans in the US to complement our UK and EU revenue growth.

We have a strong and growing competitive clinical advantage to identify patients at genetic risk of coronary heart disease to improve preventive care in the largest global disease area with highest level of mortality.

Commensurate with growth we will build investment in our international manpower resource and expertise as well as exploring other acquisition opportunities to take advantage of the growth opportunities open to us.

We continue to strengthen 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	William Rhodes
Chief Executive Officer	Chairman
2 June 2023	2 June 2023

GENinCode Plc

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £'000	2021 £'000
CONTINUING OPERATIONS		
Revenue	1,430	1,154
Cost of sales	(798)	(561)
GROSS PROFIT	**632**	**593**
Administrative expenses	(6,266)	(4,019)
ADJUSTED EBITDA	**(5,634)**	**(3,426)**
Depreciation	(104)	(6)
Amortisation	(59)	(29)
Loss on disposal of fixed assets	-	(19)
Share based payment expense	(102)	(73)
Listing costs	-	(584)
Non-recurring expenditure	-	(9)
OPERATING LOSS	**(5,899)**	**(4,146)**
Other income	173	10
Finance charge	(20)	-
LOSS BEFORE INCOME TAX	**(5,746)**	**(4,136)**
Income tax	187	(6)
LOSS FOR THE FINANCIAL YEAR	**(5,559)**	**(4,142)**
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	(361)	72
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	**(5,920)**	**(4,070)**
EARNINGS PER SHARE		
Basic earnings per share (pence)	(6.18)	(8.05)
Diluted earnings per share (pence)	(6.18)	(8.05)

GENinCode Plc (Registered number: 11556598)

Consolidated Statement of Financial Position
31 December 2022

	2022	2021
	£'000	£'000
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	161	193
Property, plant and equipment	653	46
Right of use asset	349	-
Goodwill	149	-
	1,312	**239**
CURRENT ASSETS		
Inventories	20	14
Trade and other receivables	717	399
Cash and cash equivalents	9,732	14,554
Financial assets	16	4
	10,485	**14,971**
TOTAL ASSETS	**11,797**	**15,210**
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	958	958
Share premium	15,551	15,551
Foreign currency translation reserve	(289)	72
Share based payment reserve	175	73
Retained earnings	(8,495)	(2,936)
TOTAL EQUITY	**7,900**	**13,718**
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	1,434	661
Lease liability	285	-
CURRENT LIABILITIES		
Trade and other payables	2,078	825
Lease liability	69	-
Deferred Tax	31	6
TOTAL LIABILITIES	**3,897**	**1,492**
TOTAL EQUITY AND LIABILITIES	**11,797**	**15,210**

GENinCode Plc (Registered number: 11556598)

Company Statement of Financial Position
31 December 2022

	2022 £'000	2021 £'000
ASSETS		
NON-CURRENT ASSETS		
Investments	221	31
Intangible assets	159	179
Property, plant, and equipment	164	32
Right of use asset	349	-
Trade and other receivables	5,668	2,791
	6,561	**3,033**
CURRENT ASSETS		
Trade and other receivables	531	168
Cash and cash equivalents	9,468	14,243
	9,999	**14,411**
TOTAL ASSETS	**16,560**	**17,444**
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	958	958
Share premium	15,551	15,551
Share based payment reserve	175	73
Retained earnings	(1,413)	493
TOTAL EQUITY	**15,271**	**17,075**
LIABILITIES		
NON-CURRENT LIABILITIES		
Contingent consideration provision	155	-
Lease liability	285	-
CURRENT LIABILITIES		
Trade and other payables	749	363
Lease liability	69	-
Deferred Tax	31	6
TOTAL LIABILITIES	**1,289**	**369**
TOTAL EQUITY AND LIABILITIES	**16,560**	**17,444**

GENinCode Plc

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2022

	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 2021	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
Profit or loss	-	-	-	-	(4,142)	(4,142)
Foreign exchange on translation	-	-	72	-	-	72
Balance at 31 December 2021	**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**

GENinCode Plc

Company Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	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
Profit or loss	-	-	-	(1,857)	(1,857)
Balance at 31 December 2021	**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**

GENinCode Plc

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2022

	2022	2021
	£'000	£'000
Cash flows from operating activities		
Loss before taxation	(5,745)	(4,137)
Adjustments for:		
Foreign exchange loss/(gain)	(197)	136
Depreciation and amortisation	163	35
Loss on disposal	-	19
Share based payments	102	73
Finance charges	19	-
Taxation	-	6
Operating loss before working capital changes	**(5,658)**	**(3,868)**
Cash used in operations		
Decrease / (Increase) in trade and other receivables	(106)	(150)
(Decrease) / Increase in trade and other payables	2,022	922
Decrease / (Increase) in inventory	(6)	4
Decrease / (Increase) in financial assets	(13)	(2)
Net cash outflow from operating activities	**(3,762)**	**(3,094)**
Investing activities		
Purchase of property, plant, and equipment	(700)	(41)
Purchase of intangible assets	(149)	(104)
Net cash flows used in investing activities	**(849)**	**(145)**
Financing activities		
Movement in lease liability	(47)	-
Issue of ordinary shares (net of issue expenses)	-	15,856
Net cash flows from financing activities	**(47)**	**15,856**
Net change in cash and cash equivalents	**(4,658)**	**12,617**
Cash and cash equivalents at the beginning of the year	14,554	2,003
Exchange gains / (losses) on cash and cash equivalents	197	(136)
Movement in retranslation	(361)	70
Cash and cash equivalents at the end of the year	**9,732**	**14,554**

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

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 2022. 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.

2. **Accounting policies (cont)**

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)
IFRS 3	Conceptual Framework for Financial Reporting (Amendments to IFRS 3)		1 January 2022
IAS 37	IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	Specifying which costs an entity includes in determining the cost of fulfilling a contract for the purposes of assessing whether the contract is onerous.	1 January 2022
IAS 16	IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)	Prohibits a company deducting amounts received from selling items produced while the company is preparing assets for it's intended use from the cost of PPE.	1 January 2022

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 2022 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 Amendments to defer effective date of the January 2020 amendments	1 January 2023 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
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

2. **Accounting policies (cont)**

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 in 2021. Based on current and expected expenditure the Group will require additional funding in order to progress the expansion plans within the next 12 months. There is a chance that the process of raising additional funds will not be successful and if this were the case, 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. Given these actions and combined with the continued progress of the underlying positive development of the general business activities, the board is convinced the Company and Group have sufficient cash flows for operations for the coming 12 months period.

Given that the outcome of the proposed 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.

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, 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 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 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.

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.

2. **Accounting policies (cont)**

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:

	2022	2021
Sterling/euro exchange rates		
Average exchange rate for the year	1.173	1.163
Exchange rate at the year end	1.128	1.190
Sterling/US dollar exchange rates		
Average exchange rate for the year	1.237	1.375
Exchange rate at the year end	1.210	1.331

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.

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.

2. **Accounting policies (cont)**

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.

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 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.

2. **Accounting policies (cont)**

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.

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.

2. **Accounting policies (cont)**

Financial instruments (cont)

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.

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.

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 22). 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.

• **Acquisition**

On the acquisition of a company or business, a determination of the fair value and the useful lives of tangible and intangible assets acquired is performed, which requires the application of judgement. Future events could cause the assumptions used by the Group to change which could have an impact on the results and net position of the Group.

Critical accounting estimates and judgements (cont.)

- **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 23). 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%.

Management have assessed each lease liability for recognition under IFRS16 and recognised a right of use asset where appropriate (note 23). 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 15) to assist with their growth. Management consider all of the intercompany debts to be fully recoverable but in their judgement this will be in more than one year from the year end.

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	**2022**	**2021**
	£'000	**£'000**
Cash and cash equivalents	9,732	14,554
Trade receivables	315	234
Financial assets	16	4
Other receivables	37	-
Financial assets	**10,100**	**14,792**

Financial liabilities	**2022**	**2021**
	£'000	**£'000**
Trade payables	2,694	1,006
Other payables	70	-
Accruals	432	243
Lease liability	354	-
Trade and other payables	**3,550**	**1,249**
Financial liabilities at amortised costs	**3,550**	**1,249**

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 maximum exposure to credit risk is the value of the outstanding amount of bank balances. 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.

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:

2021	**Within 1 Year**
	£'000
Trade and Other Payables	345
Total	**345**
	Over 1 Year
Trade and Other Payables	661
	661

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

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.

4. **Operating segments**

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

	2022 £'000	2021 £'000
Revenue from sale of kits and provision of support services	**1,430**	**1,154**
Primary Geographic Markets		
Chile	6	8
France	36	32
Italy	132	95
Sweden	1	4
Mexico	6	-
Peru	6	6
Spain	1,207	1,001
Germany	-	8
United Kingdom	36	-
Total revenue per geographical markets	**1,430**	**1,154**

5. **Loss from operations**

	2022 £'000	2021 £'000
Loss is stated after charging:		
Cost of inventory	798	561
Staff costs	1,221	868
Social security	373	224
Royalty expense	67	55
Operating expenses–- External services	1,983	1,354
Directors' salaries and fees	650	586
Research and development expenditure	72	1
Depreciation and amortisation	163	35

5a. **Auditor's remuneration**

	2022 £'000	2021 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	25	25
Fees payable to the company's auditor and its associates for other services:		
Accounting and taxation services	4	36
Total	29	61

6. Employees and directors

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

	2022 Number	2021 Number
Directors (including non-executive directors)	7	6
Employees	28	20
Total	**35**	**26**

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

	2022 £'000	2021 £'000
Salaries and wages (including directors)	1,859	1,349
Social security costs	373	224
Employee benefits in kind	17	15
Pension costs	24	14
Share based payment expense	102	73
Total	**2,375**	**1,675**

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

	2022 £'000	2021 £'000
Directors' salaries	577	506
Social security costs	77	57
Pension costs	16	10
Directors' fees	73	45
Share based payment expense	36	22
Total	**779**	**640**

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

	2022 £'000	2021 £'000
Highest paid Director	**286**	**300**

7. Other income

	2022 £'000	2021 £'000
Bank interest income	160	8
Other revenue	13	2
Total	**173**	**10**

Finance cost

	2022 £'000	2021 £'000
Discount of lease liability	14	-
Unwinding contingent consideration	6	-
Total	**20**	**-**

8. Income tax

	2022	2021
	£'000	£'000
Current tax credit		
R&D tax credit 2020 and 2021	212	-
Total current tax	-	-
Deferred tax		
Accelerated capital allowances	(25)	(6)
Total current tax	(25)	(6)
Total tax (charge)/credit	**187**	**(6)**

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

	2022	2021
	£'000	£'000
	(5,745)	**(4,137)**
Expected tax credit at the UK corporation tax rate of 19%	(1,091)	(786)
Movement in unrecognised deferred tax asset	1,171	826
Capital allowances	(41)	-
Spanish deferred tax recognised in excess of UK deferred tax	(63)	(45)
Expenses disallowed for tax	24	5
Accelerated Capital Allowances	(25)	(6)
R&D tax credit 2020 and 2021	212	-
Total tax (charge)/credit	**187**	**(6)**

Factors affecting current and future taxation

Per IFRS rules, unrelieved tax losses carried forward of £3,292,336 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 confirmed in March 2022 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.

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 £1,906,671 (2021 – loss of £1,856,657).

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.

	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)
Diluted EPS			
Adjusted earnings	**(4,070)**	**50,522,205**	**(8.05)**

	2022		
	Earnings £'000	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)**

The Company had options issued over 8,248,000 (2021, 8,048,000) 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 2021	3
Share based payments	28
At 31 December 2021	**31**
Additions	149
Share based payments	41
As at 31 December 2022	**221**

11. Investments (cont)

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

Name of entity	Country of incorporation	Ownership held			Principal activities
		Holding	2022	2021	
GENinCode S.L.U.	Spain	Ordinary shares	100%	100%	Medical and scientific research
GENinCode U.S. INC.	USA	Ordinary shares	100%	100%	Medical and scientific research
GENinCode UK Ltd	England & Wales	Ordinary shares	100%	100%	Dormant company
Abcodia Ltd	England & Wales	Ordinary shares	100%	-	Medical and scientific research
Abcodia UK Ltd	England & Wales	Ordinary shares	100%- Indirectly through Abcodia Ltd	-	Medical and scientific research
Abcodia CS Ltd	England & Wales	Ordinary shares	100%- Indirectly through Abcodia Ltd	-	Medical and scientific research
Abcodia Inc	USA	Ordinary shares	100%- Indirectly through Abcodia Ltd	-	Medical and scientific research

Abcodia Limited was purchased by GENinCode Plc on the 27th September 2022, as of this date it owns 100% of Abcodia Limited together with its subsidiaries. Part of the consideration for the acquisition of Abcodia Ltd was deferred based on a performance related contingency, see Note 22. More discussion on the acquisition is included under Goodwill, see Note 26.

In September 2022, the entire issue share capital of Abcodia Limited was acquired. Abcodia focusses on the early detection of familial ovarian cancer in genetically high-risk populations; the proprietary test (ROCA) developed by Abcodia involves sample collection, algorithmic analysis, and test result delivery to the patient, all potentially synergistic with existing GENinCode operations. An additional revenue stream is expected to accrue to GENinCode from 2023 from private patients and hopefully NHS patients from 2024, subject to the development of NICE guidance. Goodwill was £149,000 at 31 December 2022 (2021: £0).

12. Intangible assets

Group

	Software	Patents & Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 January 2021	65	116	181
Additions	9	95	104
Disposals	(19)	-	(19)
Movement on retranslation	(5)	-	(5)
At 31 December 2021	**50**	**211**	**261**
Adjustment relating to 2021		(8)	(8)
Movement on retranslation	3	-	3
At 31 December 2022	**53**	**203**	**256**
Amortisation			
At 1 January 2021	26	15	41
Charge for the year	12	17	29
Movement on retranslation	(2)	-	(2)
At 31 December 2021	**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	**50**	**44**	**94**
Net book value			
At 31 December 2021	**14**	**179**	**193**
At 31 December 2022	**2**	**159**	**161**

12. Intangible assets (continued)

Company

	Patents & Licences
	£'000
Cost	
At 1 January 2021	116
Additions	95
At 31 December 2021	**211**
Adjustment relating to 2021	(8)
At 31 December 2022	**203**
Amortisation	
At 1 January 2021	15
Charge for the year	17
At 31 December 2021	**32**
Adjustment relating to 2021	(8)
Charge for the year	20
At 31 December 2022	**44**
Net book value	
At 31 December 2021	**179**
At 31 December 2022	**159**

13. Property, Plant and Equipment

Group	**Plant**	**Office equipment**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 January 2021	4	10	14
Additions	-	41	41
At 31 December 2021	**4**	**51**	**55**
Additions	1	699	700
At 31 December 2022	**5**	**750**	**755**
Depreciation			
At 1 January 2021	1	2	3
Charge for the year	1	5	6
At 31 December 2021	**2**	**7**	**9**
Charge for the year	1	92	93
At 31 December 2022	**3**	**99**	**102**
Net book value			
At 31 December 2021	**3**	**43**	**46**
At 31 December 2022	**2**	**651**	**653**

13. Property Plant and Equipment (cont)

Company	**Office Equipment £'000**
Cost	
At 31 December 2021	**35**
Additions	164
At 31 December 2022	**199**
Depreciation	
At 31 December 2021	**3**
Charge for the year	32
At 31 December 2022	**35**
Net book value	
At 31 December 2021	**32**
At 31 December 2022	**164**

14. Inventory

Group

	2022 £'000	**2021 £'000**
Inventory	20	14
Total	**20**	**14**

15. Trade and other receivables

Group

	2022 £'000	**2021 £'000**
Trade receivables	315	234
Other receivables	299	31
Prepayments	103	134
Total	**717**	**399**

Company

	2022 £'000	**2021 £'000**
NON-CURRENT		
Intercompany receivables	5,668	2,791
Total	**5,668**	**2,791**
CURRENT		
Trade receivables	156	60
Other receivables	296	31
Prepayments	79	77
Total	**531**	**168**

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.

16. Financial assets

Group

	2022 £'000	2021 £'000
Financial assets	16	4
Total	**16**	**4**

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

17. Cash and cash equivalents

Group

	2022 £'000	2021 £'000
Total	**9,732**	**14,554**

Company

	2022 £'000	2021 £'000
Total	**9,468**	**14,243**

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

	2022 £'000	2021 £'000
NON-CURRENT		
Contingent consideration (note 22)	155	-
Lease liability (note 24)	285	-
Trade payables	1,278	661
Total	**1,719**	**661**
CURRENT		
Trade payables	1,416	345
Accruals	432	243
Tax payable	154	100
Lease liability (note 24)	69	-
Other payables	76	137
Total	**2,147**	**825**

18. Trade and other payables (cont.)

Company

	2022 £'000	2021 £'000
NON-CURRENT		
Contingent consideration (note 22)	155	-
Lease liability (note 24)	285	-
Total	**440**	**-**
CURRENT		
Trade payables	454	100
Accruals	262	238
Lease liability (note 24)	69	-
Tax payable	28	21
Other payables	5	4
Total	**818**	**363**

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.

19. Provisions and contingencies

Group

	2022 £'000	2021 £'000
Deferred tax	31	6
Total	**31**	**6**

Company

	2022 £'000	2021 £'000
Deferred tax	31	6
Total	**31**	**6**

Deferred tax relates to accelerated capital allowances.

20. Share capital

	2022 £'000	2021 £'000
95,816,866 Ordinary shares of £0.01	958	958
Total	**958**	**958**

21. 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 2021	8,048,000	17.83
Granted in 2022	200,000	44
Balance as at 31 December 2022	**8,248,000**	**18.47**
Exercisable at 31 December 2022	-	-

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 £101,894.

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

22. Contingent consideration

Group

	2022 £'000	2021 £'000
NON-CURRENT		
Contingent consideration	155	-
Total	**155**	**-**

Company

	2022 £'000	2021 £'000
NON-CURRENT		
Contingent consideration	155	-
Total	**155**	**-**

This is in relation to the purchase of Abcodia Limited and is payable in over 5 years and has been discounted at the appropriate rate.

An amount of £155,000 has been accounted for as Contingent Consideration, being the £149,000 Goodwill amount in addition to £6,000 of post-acquisition finance charges. For more information please see note 26.

23. Right of use assets

Group	Right of use asset: Buildings £'000
Cost	
Additions	387
At 31 December 2022	**387**
Depreciation	
Charge for the year	39
At 31 December 2022	**39**
Net book value	
At 31 December 2021	-
At 31 December 2022	**349**

Company	Right of use asset: Buildings £'000
Cost	
Additions	387
At 31 December 2022	**387**
Depreciation	
Charge for the year	39
At 31 December 2022	**39**
Net book value	
At 31 December 2021	-
At 31 December 2022	**349**

24. Lease liability

Maturity analysis- contractual undiscounted cash flows:

Group

	2022 £'000	2021 £'000
Less than one year (undiscounted)	91	
One to five years (undiscounted)	320	-
More than 5 years (undiscounted)	-	-

Lease liability included in the financial statements:

Group

	2022 £'000	2021 £'000
NON-CURRENT		
Lease liability	285	-
Total	**285**	**-**
CURRENT		
Lease liability	69	-
Total	69	**-**

24. Lease liability (Cont.)

Maturity analysis- contractual undiscounted cash flows:

Company

	2022 £'000	2021 £'000
Less than one year (undiscounted)	91	
One to five years (undiscounted)	320	-
More than 5 years (undiscounted)	-	-

Lease liability included in the financial statements:

Company

	2022 £'000	2021 £'000
NON-CURRENT		
Lease liability	285	-
Total	**285**	**-**
CURRENT		
Lease liability	69	-
Total	**69**	**-**

An interest expense of £13,807 with regards to the lease liability has been included in the accounts. 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.

25. 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.

26. Goodwill

Group	Goodwill £'000
Cost	
Additions	149
At 31 December 2022	149

Net book value	
At 31 December 2021	-
At 31 December 2022	**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%.

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	2022 £'000	2021 £'000
Jordi Puig Gilberte	Executive director fees, £25,320 was outstanding 31.12.22 (2021, £30,954)	112	103
Felix Frueh	Fees	23	-
Huon Gray	Fees (pre-Directorship)	5	-
William Rhodes	Chairman's fees	45	45

In addition to the above, share options were granted to key personnel during the year, see the Directors' report for details.

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 2022 £'000	Group 31 December 2021 £'000
Directors' remuneration (short term benefits)	650	551
Directors' remuneration (pension cost)	16	10

Directors' remuneration (employers NI)	77	57
Share based payments	36	22
Total	**779**	**640**

29. Contingent liability

There is a contingent consideration relating to the Abcodia Limited's deferred consideration. The contingent consideration is on 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 this possibility is extremely unlikely therefore has not been provided for in the financial statements.

30. Events after the reporting date

There are no significant adjusting or non-adjusting events after the reporting date

31. Ultimate controlling party

The Group does not have an ultimate controlling party.