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Annual Report and Accounts

for the period ended 31 December 2020

Verici Dx plc

Annual report and financial statements
for the period ended 31 December 2020

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Verici Dx plc

Company information
for the period ended 31 December 2020

Directors	Julian Baines, MBE *(Non-Executive Chairman)* Sir Ian Carruthers, OBE *(Senior Independent Non-Executive Director)* Dr Erik Lium *(Non-Executive Director)* James McCullough *(Non-Executive Director)* Dr Barbara Murphy *(Non-Executive Director)* Sara Barrington *(Chief Executive Officer)*
Company Secretary	Salim Hamir
Registered Office	Avon House 19 Stanwell Road Penarth Cardiff, CF64 2EZ
Company Number	Registered in England and Wales Number 12567827
Nominated Adviser and Sole Bookrunner	N+1 Singer 1 Bartholomew Lane London, EC2N 2AX
Legal Adviser to the Company	BDB Pitmans LLP One Bartholomew Close London, EC1A 7BL
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Registrar	Link Group The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Registrar	Link Group The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Financial PR	Walbrook PR Limited 4 Lombard Street London, EC3V 9HD
Website	www.VericiDx.com

Verici Dx plc

Chairman's statement
for the period ended 31 December 2020

I am delighted to report on the first annual results for Verici Dx plc since admission to AIM in November 2020 and this report covers the period from the Company's incorporation on 22 April 2020 to 31 December 2020.

A full description of our strategy and business model is provided in the Strategic Report below, however in summary Verici Dx is an immuno-diagnostics development company, initially focussed on the kidney transplantation market, incorporating the FractalDx technology and associated assets previously owned by Renalytix AI plc and licensed from the Icahn School of Medicine at Mount Sinai, New York.

We have two leading products which aim to understand how a patient will and is responding to kidney transplantation and these have started clinical validation trials:

- **Clarava™**, which is a pre-transplant prognosis for the risk of early acute rejection; and
- **Tuteva™**, a post-transplant diagnostic focused upon acute cellular rejection, including sub-clinical rejection not being diagnosed through the current standard of care of rising serum creatinine levels.

Our kidney transplant assays use advanced next-generation sequencing that we believe can define a personalised risk profile for each patient over the course of their transplant journey and can detect injury in advance of currently available clinical tests with a view to minimising risk of transplant rejection.

The initial focus of Verici Dx on the kidney transplantation market reflects the urgent clinical need in this area. According to the World Health Organisation (WHO) there are reports to suggest that between five and 10 million people die annually from kidney disease (compare to 1.8m who die from the most prominent cancer, lung cancer) and about 300,000 people around the world are currently on a waiting list waiting for a kidney transplant and is expected to rise due to an annual increase in kidney disease. We believe we have unique kidney transplant diagnostic technology that enables accurate, data-driven support for clinical decisions, such as the most appropriate immunosuppressive therapy for that patient, this has not only near-term scope to reduce the unnecessary and serious consequences from over or under-dosing for immunosuppression but also to improve the longevity of transplanted kidneys and, by reducing the risk and rate of transplant failure, much broader potential to deliver huge health economic benefits by improving lasting outcomes.

In early November last year, Verici Dx was successfully admitted to trading on AIM raising gross proceeds of c. $18.8m (£14.5m). The Fundraising was significantly oversubscribed by institutional and other investors and the current share price is now approximately three times the 20p issue price. The net proceeds are being used primarily to fund the clinical utility and validation studies for Clarava™ and Tuteva™, as well as other bioinformatics and health economic studies.

We are already making good progress initially partnering with three leading US centres (Northwestern University Feinberg School of Medicine, Henry Ford Health System and University of Maryland, Baltimore) in our collaborative, multi-centre observational clinical validation study. We expect to bring more US sites onboard shortly and we are currently also progressing discussions to include a number of EU sites, to ensure that our products are fully tested for validation by the end of 2021, in line with our objectives set out at the time of our IPO.

I am also very pleased that we have been able to announce further key milestones in the development of our strategy during the reporting period and post-period end:

- In December 2020 we announced the appointment of Angela Rose as Senior Director of Clinical Trial Operations. Angela has over 15 years' experience in clinical trial project management and she will be instrumental in overseeing the clinical trials to their conclusion.

- In January 2021 we announced the expansion of the scope of our licence agreement with Mount Sinai to include an additional patent filing related to the analysis of gene expression in a blood-based test (liquid biopsy) to predict risk of fibrosis (chronic kidney graft damage) and rejection of the graft. Assuming successful development the addition of a product that can predict the risk of long-term graft failure will establish an end-to-end solution for clinicians seeking to understand how a patient will and is responding to organ transplant.

- In February 2021 we announced the acceleration of our CLIA laboratory opening and approvals strategy, including the appointment of David Schultenover as Vice President of Quality and Regulatory, who joined from Thermo Fisher Scientific, where, as Senior Director of Regulatory, Quality and Compliance, he was responsible for 154 people covering regulatory affairs, Quality Assurance and Quality Control.

We have been very pleased with the progress of the Company in such a short time and our primary focus remains on the successful prosecution of our clinical trials, as the first key-step in commercialising of our innovative transplant products.

On behalf of the Board, I would like to thank our employees, stakeholders and shareholders for their support, and we look forward to providing further updates on progress throughout the current year.

Julian Baines
Non-executive Chairman

Verici Dx plc

Board of Directors
for the period ended 31 December 2020

The Directors of the Company during the period were:

Julian Baines, MBE – *Non-Executive Chairman*

Julian is the Company's Non-Executive Chairman and member of the remuneration committee.

Julian is the chief executive officer of EKF Diagnostics Holdings plc**,** having assumed the role in December 2009. During his tenure at EKF, he has successfully completed multiple fundraisings and the acquisition and subsequent integration of eight businesses in seven countries, building revenue from zero to over £40,000,000. Prior to joining EKF, Julian was group chief executive officer of BBI Holdings plc, where he undertook a management buyout in 2000, its AIM flotation in 2004 and was responsible for selling the business to Alere, Inc. (now part of Abbott Laboratories) in 2008 for c. £85,000,000.

In 2016, Julian was awarded an MBE for services to the life sciences industry. Julian was appointed a Non-Executive Director of the Company on 22 April 2020.

Sir Ian Carruthers, OBE – *Senior Independent Non-Executive Director and chair of the audit committee and nomination committee.*

Sir Ian Carruthers holds a number of chair and non-executive board and advisory roles in the public and private sectors. He was previously Chief Executive of NHS South of England, comprising three health bodies: South West, South Central and South East and his career in the National Health Service spans over 40 years. He was awarded the OBE for services to health in 1997 and a Knighthood in 2003 for services to the NHS. In 2006 he took over as Interim Chief Executive of NHS England, amongst the largest organisations in the world with over 1.3 million employees and a budget in excess of £100 billion. He has been the lead author on several papers on reviewing and improving the NHS and is seen as an international expert on healthcare systems and service delivery.

He is currently Chancellor of the University of the West of England, and was formerly Chair of Healthcare UK, Chair of the Innovation Health and Wealth Implementation Board, Co-Chair of the Prime Minister's Challenge on Dementia and Non-Executive Director of Bioquell plc.

Sir Ian Carruthers was appointed as a Non-Executive Director of the Company on 19 August 2020.

James McCullough – *Non-Executive Director and member of the remuneration committee and the nomination committee*

James is a Non-Executive Director and the CEO of Renalytix.

James has experience building emerging technology companies in both the public and private sectors with specific expertise in the life-sciences industry. His skills include equity and debt capital formation, strategic development and partnerships, executive team structuring, regulatory issues and marketing. The Renalytix IPO was completed in November 2018, raising over £22,000,000 for the company. Following successful progress in validatory development, regulatory discussions, reimbursement, pricing and insurance coverage determinations, a follow-on fundraise was arranged in July 2019 at over double the IPO price, enabling expansion of the team and acceleration of key workstreams. In July 2020, Renalytix successfully dual-listed on Nasdaq with a market capitalisation of £378,130,000 after raising a further $85,000,000 (approximately £68,000,000).

James McCullough – *Non-Executive Director and member of the remuneration committee and the nomination committee (continued)*

Prior to his role at Renalytix, James was Chief Executive Officer of Exosome Diagnostics, a venture backed personalised medicine company developing non-invasive liquid biopsy diagnostics in cancer. Exosome Diagnostics was acquired by Bio-Techne Corporation (NASDAQ: TECH) in 2018. James is also a managing partner of Renwick Capital, LLC, a management consulting firm specialising in assisting emerging healthcare technology companies with strategic planning and business execution.

James received his B.A. from Boston University and an M.B.A. from Columbia Business School. James is currently Chairman of BalletNext, a performing arts company in New York City. He currently holds Series 79 and Series 63 securities licenses from the Financial Industry Regulatory Authority in the US.

James was appointed a Non-Executive Director of the Company on 22 April 2020.

Sara Barrington – *Chief Executive Officer*

Sara is an Executive Director.

Sara has leadership experience both financially and operationally with a focus upon developing and commercialising life science products. She was the CEO of LungLife AI a diagnostic company for early-stage lung cancer. Prior to that she was with Bruin Biometrics, a LA-based medical device company as EVP Business Operations and previously CFO. In her role at Exosome Diagnostics, a venture-backed personalised medicine company the focus was upon the development of non-invasive liquid biopsy diagnostics in cancer. The company was successfully sold to Bio-Techne Corporation in 2018. She was previously CFO at AusAm Biotechnologies developing diagnostics in kidney disease. Sara is also CCO of Kantaro Biosciences, a joint venture between Renalytix and Mount Sinai for the commercialisation of COVID-19 antibody testing. Prior to working in the US, she worked for British Telecom in London in business development and strategy.

Sara is qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales. She has also qualified with Chartered Institute of Marketing.

Sara was appointed a Director of the Company on 19 August 2020.

Dr. Erik Lium – *Non-Executive Director and chair of the remuneration committee.*

Dr Lium in his capacity as Non-Executive Director will represent Mount Sinai on the Board as part of the ongoing relationship between the Company and Mount Sinai.

Dr Lium is President of Mount Sinai Innovation Partners (MSIP) and Executive Vice President and Chief Commercial Innovation Officer, Mount Sinai Health System. He is also Non-Executive Director of Renalytix. Dr Lium represents Mount Sinai on several private company boards and previously served as a member of the investment review committee for the Accelerate NY Seed Fund. Dr Lium also serves as chairman of the board of managers of Kantaro.

Prior to joining Mount Sinai, Dr. Lium served as the Assistant Vice Chancellor of Innovation, Technology & Alliances at the University of California, San Francisco (UCSF), and the UCSF Principal Investigator for the Bay area National Science Foundation I-Corps node and Assistant Vice Chancellor of. Dr. Lium served as President of LabVelocity Inc. prior to its acquisition in 2004. He pursued post-doctoral research at UCSF in the laboratory of J. Michael Bishop, MD, and earned a PhD with honours from the Integrated Program in Cellular, Molecular and Biophysical Studies at Columbia University in the laboratory of Dr. Saul J. Silverstein. Dr. Lium holds a BS in Biology from Gonzaga University.

Dr Lium was appointed a Non-Executive Director of the Company on the 19 August 2020.

Dr. Barbara Murphy – *Non-Executive Director and member of the audit committee*

Dr. Murphy is the Murray M. Rosenberg Professor of Medicine, chair of the Department of Medicine for Mount Sinai and Dean for Clinical Integration and Population Health. Her area of interest is transplant immunology, focusing on the use of high throughput genomic technologies as a means to understand the immune mechanisms that lead to graft injury and loss, with the aim of identifying gene expression profiles and or genetic variants that may be used to predict those at greatest risk.

Dr. Murphy earned her M.B. B.A.O. B.Ch. from The Royal College of Surgeons in Ireland and went on to do an internship at Beaumont Hospital in Dublin. She completed a residency rotation at Beaumont Hospital followed by a fellowship in Clinical Nephrology also at Beaumont Hospital. Dr. Murphy completed her postdoctoral training with a fellowship in Nephrology at Brigham and Women's Hospital, Harvard Medical School. As part of this she trained in transplant immunology at the Laboratory of Immunogenetics and Transplantation, Renal Division, Brigham and Women's Hospital, Harvard Medical School. Among her many honours, Dr. Murphy was awarded the Young Investigator Award in Basic Science by the American Society of Transplantation in 2003. In 2005, Dr. Murphy was awarded the Irene and Dr. Arthur M. Fishberg Professor of Medicine at The Mount Sinai Hospital. Then, in 2011, she was named Nephrologist of the Year by the American Kidney Fund. She received the distinguished Jacobi Medallion in 2014. She also received an honorary degree from University College, Dublin, Ireland. In 2016, Dr. Murphy was honoured by The Annual Irish America Healthcare & Life Science 50.

Dr. Murphy belongs to a number of professional societies including the American Society of Transplantation and the American Society of Nephrology. Among her numerous achievements, she has held many leadership roles at a national level, including being a member of the board of the American Society of Transplantation, the executive committee of the American Transplant Congress, and chair of Education Committee of the American Society of Transplantation. In 2009 Dr. Murphy was the president of the American Society of Transplantation and in 2016 was elected to council for the American Society of Nephrology.

Dr. Murphy was appointed a No-Executive Director of the Company on 22 April 2020.

Our Strategy and Business Model

Verici Dx plc is an immuno-diagnostics development company, initially focused on the kidney transplantation market. The Company's kidney transplant assays will use advanced next-generation sequencing that may define a personalised risk-profile of each patient over the course of their transplant journey, as well as may detect injury in advance of currently available clinical tests.

The Company successfully admitted trading on AIM, a market operated by the London Stock Exchange on 3 November 2020 raising gross proceeds of US$18.8m. In the period to 31 December 2020 the Company focussed on putting in place the additional people and resources to enable it to commence its clinical trials in 2021.

Kidney transplantation is the treatment of choice for subjects with end stage renal disease ("**ESRD**"). An estimated 37 to 50 per cent. of recipients have evidence of a rejection event which can be sub-divided into:

- Clinical Acute Rejection ("**cAR**") occurring in approximately 10 per cent. to 15 per cent. of kidney transplant recipients in the first year post transplant. This is usually indicated by a rise in serum creatinine over baseline and determined by a for-cause biopsy. It is usually alleviated with a change in immunosuppressive therapy.

- Subclinical Acute Rejection ("**subAR**") occurring in 27 to 40 per cent. of patients with stable serum creatine in the first 1 year post- transplant. It can be referred to as silent rejection because it often goes undetected. The only way to identify subAR is through a surveillance biopsy. However only 17 per cent. of transplant centres in the U.S. employ a surveillance biopsy program.

It is now well established that the recipient's immune response directed toward the transplanted kidney drives acute rejection, leading to chronic injury and failure of the transplant, thus necessitating lifelong immunosuppression drug therapy. One of the major issues with current immunosuppressive protocols is that they are not tailored to the individual patient's needs. In clinical practice, immunosuppressive therapy is often decided based on broad clinical criteria including anti-HLA antibodies, race, prior transplantations and recipient age. However, these indicators perform poorly in predicting individual risk for development of acute rejection. As a result, most patients receive a standardised immunosuppressive protocol resulting in a significant proportion of individuals being exposed to either insufficient or excessive immunosuppression, leading to acute rejection and/or complications associated with over-immunosuppression. These complications include infections, malignancy, diabetes, hypertension and heart disease. The number of patients receiving higher doses of immunosuppression around the time of a transplant continues to increase in an attempt to minimise rejection and protect the transplanted kidney.

Current standard of care

There is no current pre-transplant mechanism to determine the optimal approach to immunosuppressive therapy for a given patient beyond the presence of recipient antibodies directed toward the donor tissue, which can be found in only approx. 10 per cent. of patients. Early identification of individuals at high risk of acute rejection could allow targeted therapies aimed at improving long-term outcomes. Evidence exists that the phenotype and function of the immune system in patients before kidney transplantation affects the risk for subsequent acute rejection after transplantation, but no biomarker has been identified to quantify or otherwise assess this risk. Following transplant, clinicians use a standardised approach to managing immunosuppression, slowly reducing drug levels to a maintenance level over the first 3 to 6 months. There are currently no biomarkers available to indicate if a patient is under or over immunosuppressed. Manifestation of clinical acute rejection via measurement of serum creatinine is the current indicator used to determine that a patient is under-immunosuppressed, which means measuring the damage to the kidney by observing the effects of the damage *after* it has happened increasing the risk of rejection. There is no generally accepted mechanism to identify patients with subclinical acute rejection, except to find evidence of rejection on a surveillance biopsy. Furthermore, there is no clinically available mechanism to identify a patient that is at risk of developing graft injury, either inflammation or fibrosis or both, and therefore at risk of long-term graft failure.

Our Strategy and Business Model *(continued)*

Verici's proposed solution

To address this "one size fits all approach" the Company is developing tests to understand how a patient is likely and may be responding to organ transplant. The recipient's immune system poses a threat to the grafted organ. Patients' immune systems vary in their response to the presence of the transplanted organ; characterising this immune response is called immuno phenotyping. The Company's products and solutions are underpinned by extensive scientific research into how the recipient's immune phenotype is likely to respond to the transplanted organ and how that response further influences acute rejection, chronic injury and, ultimately, failure of the transplant. These immuno-profile signatures may also assist clinicians as to their assessment of the optimal strategy for immunosuppressive and other therapies to enable successful graft acceptance at the lowest compatible level of treatment-induced side effects.

The research underpinning our technology is driven by a deep understanding of cell-mediated immunity and is facilitated by access to expertly curated, collaborative studies in highly informative cohorts in organ transplant. The Company has an exclusive worldwide patent and a non-exclusive technical information licence with Mount Sinai derived from the work of Professor Barbara Murphy's and collaborators in transplant immunology, focusing on the use of high throughput genomic technologies to understand better the immune system mechanisms that lead to graft injury and loss. The Company's current and planned clinical development programmes are not only directed by an extensive Science Advisory Board of key opinion leaders in the fields of clinical transplant and transplant immunology, but also will be conducted at an expanding list of key transplant centres in the US and beyond for the multi-centre validation trials being funded.

We are developing two leading products for clinical validation and commercialisation:

- Clarava™, which is a pre-transplant prognosis for the risk of early acute rejection ("**EAR**"); and
- Tuteva™, a post-transplant diagnostic focused upon acute cellular rejection ("**ACR**") including sub-clinical rejection not being diagnosed through the current standard of care of rising serum creatine levels.

These products are planned to be offered as laboratory developed tests ("**LDT**") in the US, taking advantage of the lighter regulatory burden of authorisation under the CLIA regime which is administered by CMS, in partnership with state health departments, rather than seeking clearance from the FDA. In Europe the company will be seeking CE marking. CE marking issued by an EEA Notified Body will remain valid in the UK market until 30 June 2023. To address the UK market post-Brexit, the Company will be seeking for UKCA (UK Conformity Assessed) mark as well. In addition to obtaining CE and UKCA markings, the products (medical devices) will be registered with MHRA (as required by MHRA since 1 January 2021).

The Company is planning on complementing this commercial path with an efficient route through reimbursement coding, pricing and coverage determinations in the US. For inclusion into NICE guidelines in the UK, evidence-based data (such as health economic cost-effectiveness and patient outcome/clinical-effectiveness data, along with diagnostic test accuracy data), shall be applied for review by NICE Diagnostic Assessment Programme.

Market opportunity

Globally there are approximately 95,000 transplants currently performed each year of which about 24,000 are performed in the US and 25,000 in Europe. In the US the comparatively low number of procedures compared to the numbers of individuals on the waiting list was recognised as an issue for patients waiting for a transplant for on average 3 to 5 years, and even longer in some geographical locations. It also formed part of the policy in the 2019 US Executive Order, *Advancing American Kidney Health* whereby transplant organizations were required to improve efficiencies in the transplant network and expand support for living donors with the further goal of doubling the number of available transplants by 2030. The Company's portfolio is likely to support the confidence for living donors from the increased success of transplantation.

Group and Company History

The Company was incorporated in England and Wales on 22 April 2020 as a wholly owned subsidiary of Renalytix AI plc ("Renalytix").

On 4 May 2020 the Company purchased the assets attached to the Fractal DX portfolio of patents previously licensed to Renalytix by Mount Sinai, for a consideration of $2,000,000. The consideration was satisfied by the issuance of a non-interest-bearing Convertible Loan Notes ("CLNs") from the Company to Renalytix. The CLN instrument provided for a total of up to $3,000,000 of borrowing to be made available to the Company.

On 17 January 2020, ResolveDx Inc was incorporated in the state of Delaware, USA as a wholly owned subsidiary of Renalytix. On 14 August 2020, ownership of ResolveDx Inc was transferred to the Company and, on 21 August 2020 ResolveDx Inc changed its name to Verici Dx Inc.

Pursuant to the terms of the CLN's, notice was given by Renalytix on 28 October 2020 to convert all of its existing debt of $2,500,000 by the Company into 9,831,681 ordinary shares of £0.001 each at the IPO issue price.

In anticipation of a distribution in specie by Renalytix of its entire shareholding in the Company on 7 July 2020 the entire issued share capital of the Company was sub divided to create 1,000 ordinary shares of £0.001 each. Additionally, 59,415,135 ordinary shares of £0.001 each were allotted. Those 59,416,135 shares were then immediately reclassified as 59,416,134 A shares and 1 Golden Share and all the A shares and Golden Share were converted into new ordinary shares at the time of the Company's admission to AIM, a market operated by the London Stock Exchange, on 3 November 2020.

Risks and uncertainties

Set out below are the risks which the Directors believe could materially affect the Group's ability to achieve its financial and operating objectives and control or mitigating activities adopted to manage them. The risks are not listed in order of significance.

(a) The Company does not yet have all collaborations in place with institutions that it needs for its validation and for utility studies and there is no guarantee that the Company will be able to demonstrate clinical utility of the Clarava™ or Tuteva™ product

Following the validation study for its products, the Company intends to run a clinical utility study to support applications for reimbursement, which is necessary for successful commercialisation and to provide further evidence to support marketing claims.

The Company has identified some initial institutions which will carry out the utility studies and has not yet entered into the relevant agreements with these institutions. There is a risk that the Company will not be able to secure these collaborations, which would impact the Company's ability to proceed to the utility study stage. Whilst the utility study is not a source of continuing revenue, it is a short-term revenue stream from sales of the Clarava™ and Tuteva™ tests following the validation study.

Risks and uncertainties *(continued)*

Furthermore, there is a risk that the Company will not be able to demonstrate the clinical utility of the Clarava™ and Tuteva™ products in a real-world setting, which would impact the Company's ability to secure reimbursement. If such reimbursement is not achieved, it will make commercialisation of the Clarava™ and Tuteva™ tests significantly more challenging and would impact the Company's ability to generate revenue.

(b) There are risks associated with offering the Clarava™ and Tuteva™ tests as an LDT that are outside the Company's control

The Clarava™ and Tuteva™ tests do not as yet have status as an LDT and the Company does not yet have a CLIA-certified laboratory. The Company may be able to generate revenue from offering the Clarava™ and Tuteva™ tests as an LDT. However, there are inherent risks associated with offering the Clarava™ and Tuteva™ tests as an LDT that are outside the Company's control, including test uptake, which would have an impact on the amount of revenue the Company could generate

(c) The Company is dependent on other third parties who provide certain resources and services to the Company as the Company has limited resources in the short-term

The Company relies in part on external resources to conduct the research, development, supply of supplies and clinical testing of its Clarava™ and Tuteva™ products, including in relation to the Company's laboratory systems which rely on software developed by external manufacturers. The future development of the Clarava™ and Tuteva™ products and other products will partly depend upon the performance of these third parties. The Company cannot guarantee that the relevant third parties will be able to carry out their obligations under the relevant arrangements.

(d) The Company is reliant upon the expertise and continued service of a small number of key individuals of its management, board of directors and scientific advisors

The Company relies on the expertise and experience of a small number of key individuals. The retention of their services cannot be guaranteed. Accordingly, the departure of these key individuals could have a negative impact on the Company's operations, financial conditions, its ability to execute the Company's business strategy and future prospects.

Going forwards, the Company will rely, in part, on the recruitment of appropriately qualified personnel, including personnel with a high level of scientific and technical expertise in the industry. The Company may be unable to find a sufficient number of appropriately highly-trained individuals to satisfy its growth rate which could affects its ability to develop products as planned.

In addition, if the Company fails to succeed in pre-clinical or clinical studies, it may make it more challenging to recruit and retain appropriately qualified personnel. The Company's inability to recruit key personnel or the loss of the services of key personnel or consultants may impede the progress of the Company's research and development objectives as well as the commercialisation of its lead and other products.

Risks and uncertainties *(continued)*

(e) The Company may need to raise additional funding to take advantage of future opportunities

The Company may need to raise additional funding to take advantage of future opportunities. No assurance can be given that any such additional funding will be available or, if available, that it will be on terms that are favourable to the Company or shareholders. If the Company is unable to obtain additional funding as required, it may be required to reduce the scope of its operations or anticipated expansion.

(f) The Company's strategy involves generating additional commercially valuable IP that can be protected

The Company intends to build further its intellectual property portfolio. No assurance can be given that any future patent applications will result in granted patents, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged or that third parties will not claim rights in or ownership of the patents and other proprietary rights held by the Company.

(g) Positive results from pilot trials and early clinical studies of the Company's Clarava™ and Tuteva™ products are not necessarily predictive of the results of later clinical studies. If the Company cannot replicate the positive results from earlier tests or studies in its later-stage clinical studies, it may be unable to successfully develop, obtain regulatory approval for, and commercialise its products

Positive results from early stage clinical studies may not necessarily be predictive of the results from later-stage clinical studies. Many companies in the pharmaceutical biotechnology and medical device industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and the Company cannot be certain that it will not face similar setbacks. These setbacks have been caused, among other things, by pre-clinical findings made while clinical trials were underway. Moreover, pre-clinical and clinical data is often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials nonetheless failed to obtain regulatory approval.

(h) The Company is subject to research and product development risk

The Company may not be able to develop new products or to identify specific market needs that can be addressed by tests or solutions developed by the Company. Product development will be a key ongoing activity in the Company. However, there can be no guarantee that further products will be developed, successfully launched, or accepted by the market. All new product development has an inherent level of risk and can be a lengthy process and suffer unforeseen delays, cost overruns and setbacks, such as difficultly recruiting patients into clinical trials. The nature of the diagnostics industry may mean new products may become obsolete as a result of competition or regulatory changes which could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, research and development may subject to various requirements, such as research subject protection for individuals participating in clinical evaluations of new products, institutional review board oversight, regulatory authorisations, and design control requirements. Failure to comply with requirements could result in penalties, delay, or prevent commercialisation of products.

Risks and uncertainties *(continued)*

(i) The Company is subject to risks associated with medical and technological change and obsolescence

Demand for the Company's products could be adversely impacted by the development of alternative technology and alternative medicines with similar applications. There can be no assurance that the technology and products currently being developed by the Company will not be rendered obsolete. As a result, there is the possibility that new technology or products may be superior to, or render obsolete, the technology and products that the Company is currently developing. Any failure of the Company to ensure that its products remain up to date with the latest advances may have a material adverse impact on the Company's competitiveness and financial performance. The Company's success will depend, in part, on its ability to develop and adapt to these technological changes and industry trends.

(j) The Company's failure to maintain compliance of its clinical laboratory operations with applicable laws could result in substantial civil or criminal penalties

The operation of a clinical laboratory by the Company will be in a highly regulated environment which, among other things, will require maintaining compliance with CLIA certification and state clinical laboratory licensing requirements. Failure to maintain compliance with these requirements may result in a range of enforcement actions, including certificate or licence suspension, limitation, or revocation, directed plan of action, onsite monitoring, civil monetary penalties and criminal sanctions. Such failure may also result in significant adverse publicity. Any of these consequences could limit or entirely prevent continued operation of the Company and therefore impact its financial performance.

(k) The Company is subject to various health regulatory laws pertaining to fraud and abuse and related matters, and any failure to comply with such laws could result in substantial civil or criminal penalties

The Company's employees, independent contractors, consultants, and collaborators may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could cause significant liability for the Company and harm the Company's operations and reputation.

The Company is exposed to the risk that the Company's employees, independent contractors, consultants, and collaborators may engage in fraud or other misconduct to comply with manufacturing standards the Company has established, to comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable non-US regulatory authorities, to report financial information or data accurately or to disclose unauthorised activities to the Company. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. It is not always possible to identify and deter misconduct, and the precautions the Company will take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws, standards or regulations. If any such actions are instituted against the Company, or the Company's key employees, independent contractors, consultants, or collaborators, and the Company is not successful in defending itself or asserting the Company's rights, those actions could have a significant impact on the Company's business and results of operations, including the imposition of significant criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, additional reporting requirements and oversight if the Company becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, reputational harm, and the Company may be required to curtail or restructure the Company's operations.

Risks and uncertainties *(continued)*

(l) The Company's failure to prevent a data breach would result in serious reputational damage to the Company and may result in civil or criminal lawsuits and associated penalties

The Company takes its responsibility to maintain patient confidentiality and protect patient data extremely seriously. By its nature, the de-identified data that is being processed is highly sensitive and includes genetic and demographic information, the processing of which is subject to the most onerous obligations of applicable data protection legislation. If, due to a technical oversight, human error or malicious action by an employee or third party, the privacy, security or integrity of the data were compromised, the Company may be obliged to report such breach once it became aware of under applicable laws and regulations such as Health Insurance Portability and Accountability Act 1996 ("HIPAA"), EU General Data Protection Regulation (EU) 2016/679 ("GDPR"), Data Protection Act 2018 ("DPA") or other US state or EU member state specific laws as well as the data privacy laws of other countries such as Japan, Singapore, Hong Kong and China.

Depending on the nature and extent of the breach, the Company may become subject to a regulatory investigation, which would divert time and financial resources from the day-to-day operation of the business and may result in civil or criminal lawsuits and financial fines and penalties as well as adverse publicity. If third parties and/or customers of the Company become aware of such breaches, they may opt to cancel existing contracts or not enter new contracts with the Company, reducing revenue. The Company may also be required to personally inform the patients whose data was released or accessed as a result of a data breach, which may increase the severity of the reputational damage and may lead to patients revoking their consent for the data to be used by the Company. In addition, patients may have the right to bring claims for compensation for such breaches which might be brought by way of class or representative actions and claim significant sums as damages. To mitigate the risk of a data breach or related issue, the Company will employ technical security measures to protect data and work closely with its data providers to ensure that each party understands its obligations to protect personal data.

Financial Performance

The financial performance of the Group in the period from incorporation on 22 April 2020 to 31 December 2020 reflects the initial acquisition of the FractalDX, licence and related assets, the costs incurred up to and including the IPO on 3 November and the operating costs of the business since IPO.

Income Statement

As the Company is in development phase, it is not yet generating revenues from its operating activities. The main components of the Administrative expenses of US$1,595,161 were professional costs of US$553,454, employee related costs of US$258,852 (excluding the share-based payment charge), laboratory and development costs of US$355,107 and foreign exchange losses of US$159,538. Due to a dollar denominated cash balance in the parent company the appreciation in the value of sterling against the dollar resulted in this foreign exchange loss. Total depreciation and amortisation was US$192,235.

Of the total costs of IPO of US$1,235,501, US$275,508 has been charged to the Income Statement and shown separately on the face on the Income Statement given its size and non-recurring nature. Also disclosed separately is the share-based payments charge of US$2,794,625. As many of the options granted vested immediately the full benefit is reflected in these financial statements, as opposed to being spread over the period of vesting, which for the other option holders is a weighted average of 2.78 years.

The finance expense in the period is almost exclusively arising from the imputed interest cost of the Convertible Loan Note issued to Renalytix for both the purchase of the initial license and other related tangible assets, and to fund the initial working capital requirements of the Company prior to IPO. The Convertible Loan Notes were non-interest bearing but a charge is required under International Financial Reporting Standard Number 9 "Financial Instruments".

Financial Performance *(continued)*

Statement of Financial Position and Cash Flow Statement

The principal asset of the Group is the licence acquired from Renalytix and relating to the FractalDx patents, purchased for US$1m, together with related tangible assets. The aggregate purchase price paid for the acquired assets was US$2,000,000. In the period since acquisition of the assets on 4 May 2020, legal fees incurred in the further prosecution and development of the patents has been incurred and certain additional equipment purchased.

The net proceeds from the IPO were US$17,559,999, after accounting for those IPO costs charged to the Income Statement, from which the total spend on operations and investing activities was US$1,012,427. Due to the appreciation in the value of sterling against the US dollar in the time from IPO to year end, and the substantial funds held in sterling at year end, a foreign exchange gain of US$928,007 increased the year end cash balance to US$17,751,087.

Section 172 Statement

The Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Section 172(1)(a) to (f) requires each Director to act in the way he or she considers would be most likely to promote the success of the company for the benefit of its members as a whole, with regard to the following matters:

(a) the likely consequences of any decision in the long term

(b) the interests of the Company's employees

(c) the need to foster the Company's business relationships with suppliers, customers and others.

(d) the impact of the Company's operations on the community and the environment

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

The Company's activities and progress regarding these matters since our IPO on 3 November 2020 have been described above in the other sections of the Strategic Report, and in the Directors' Report and Corporate Governance Statements below.

This report was approved by the Board of Directors on 13 April 2021 and signed on its behalf by:

Julian Baines
Non-executive Chairman

The Directors present their report on the affairs of Verici Dx plc (the "Company") and its subsidiary, referred to as the Group, together with the audited Financial Statements and Independent Auditors' Report for the period ended 31 December 2020.

Principal activities

The main activity of the Group is the development of a prognostic and diagnostic test for kidney transplant patients.

Results and dividends

During the period ended 31 December 2020 the Group recorded a loss after tax of US$4,635,007and a net cash outflow from operating activities of US$845,317

The Directors do not recommend the payment of a dividend.

Going concern

The Group is in the development phase of its business and has not generated any revenues. At 31 December 2020 the Group has available cash resources of $17,751,087 following its listing on AIM, a market operated by the London Stock Exchange on 3 November 2020

In considering the appropriateness of this basis of preparation, the Directors have reviewed the Company and Group working capital forecasts for a minimum of 12 months from the date of the approval of this financial information. Based on their consideration the Directors have reasonable expectation that the Group has adequate resources to continue for the foreseeable future and that carrying values of intangible assets are supported. Thus, the adoption of the going concern basis of accounting in preparing this financial information is considered appropriate.

Political donations

The Group made no political donations in the period.

Future developments

The Group's future developments are outlined in the Strategic Report on pages 7 to 14.

Financial risk management

Financial risk management policies and objectives for capital management are outlined in the principal risks and uncertainties section of the Strategic Report on pages 7 to 14 and in note 4 to the financial statements.

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the period and remain in force at the date of this report.

Events after the reporting period

Details of significant events since the reporting period are contained in note 22 of the financial statements.

Directors

The directors of the company throughout the year and to the date of this report were:

Julian Baines MBE (appointed 22 April 2020)
Sir Ian Carruthers OBE (appointed 19 August 2020)
James McCullough (appointed 22 April 2020)
Sara Barrington (appointed 19 August 2020)
Dr Erik Lium (appointed 19 August 2020)
Dr Barbara Murphy (appointed 22 April 2020)

Directors' shareholdings

The holdings in the share capital of the Company of those Directors serving at 31 December 2020 and as at the date of signing of these financial statement, all of which are beneficial, were as follows:

	On 31 December 2020 Ordinary Shares of £0.001 each
Julian Baines	1,351,713
Sir Ian Carruthers	100,000
James McCullough	2,870,110
Sara Barrington	-
Dr Erik Lium	-
Dr Barbara Murphy	150,800

All of the shares were acquired during the period.

Substantial shareholdings

As of 30 March 2021, the following interests in 3% or more of the issued Ordinary Share capital had been notified to the Company:

Shareholder	Number of shares	Percentage of issued share capital
Christopher Mills	23,722,501	16.7%
Icahn School of Medicine at Mount Sinai	18,427,216	13.0%
Renalytix AI plc	9,831,681	6.9%
Unicorn Asset Management Limited	5,739,660	4.0%
Amati Global Investors	4,964,533	3.5%
Hargreaves Lansdown PLC	4,397,085	3.1%

Christopher Mills is partner and Chief Investment Officer of Harwood Capital LLP. Harwood Capital LLP is Investment Manager to North Atlantic Smaller Companies Investment Trust plc and investment advisor to Oryx International Growth Fund Limited. Christopher Mills' shareholding is made up of 16,500,000 ordinary shares held by North Atlantic Smaller Companies Investment Trust plc, 5,500,000 ordinary shares held by Oryx International Growth Fund Limited and 1,722,501 ordinary shares are held by Harwood Capital LLP.

Corporate Social Responsibility

The Board recognises its employment, environmental and health and safety responsibilities. It devotes appropriate resources towards monitoring and improving compliance with existing standards. The Executive Directors are responsible for these areas at Board level, ensuring that the Group's policies are upheld and providing the necessary resources.

The Directors consider that the nature of the Group's activities is not inherently detrimental to the environment. The Group is committed to identifying and minimising any effect on the environment caused by its operations and the Board recognises that the Group has a duty to be a good corporate citizen and to respect and comply with the laws, regulations, and where appropriate the customs and culture of the territories in which it operates.

Employees

The Group is committed to achieving equal opportunities and to complying with relevant anti-discrimination legislation. It is established Group policy to offer employees and job applicants the opportunity to benefit from fair employment, without regard to their sex, sexual orientation, marital status, race, religion or belief, age or disability. Employees are encouraged to train and develop their careers.

The Group has continued its policy of informing all employees of matters of concern to them as employees, both in their immediate work situation and in the wider context of the Group's well-being. Communication with employees is affected through the Board, the Group's management briefings structure, formal and informal meetings and through the Group's information systems.

Directors Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 'the financial statements on the going concern basis unless 'it is inappropriate to presume that the company and Group will continue in business.

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

Directors Responsibilities *(continued)*

They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Verici Dx plc website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Group and the Group's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Crowe U.K. LLP has expressed its willingness to continue in office and a resolution to reappoint the firm as Auditor and authorising the Directors to set their remuneration will be proposed at the forthcoming Annual General Meeting

This report was approved by the Board of Directors on 13 April 2021 and signed on its behalf by:

Julian Baines
Non-executive Chairman

Verici Dx plc

Corporate governance statement
for the period ended 31 December 2020

Compliance

The Company recognises the value of good corporate governance in every part of its business. The Board has adopted the corporate governance principles of the 2018 Quoted Companies Governance Code. Details of the Code can be obtained from the Quoted Companies Alliance's website (www.theqca.com).

The following statement describes how the Group seeks to address the principles underlying the Code.

Board composition and responsibility

The Board currently comprises one Executive Director and five Non-Executive Directors. Julian Baines has been appointed as Non-Executive Chairman.

It is the Board's opinion that Julian Baines, Sir Ian Carruthers, James McCullough, Dr Erik Lium, and Dr Barbara Murphy are independent in character and judgement and that there are no relationships or circumstances which could materially affect or interfere with the exercise of their independent judgement.

All Directors are subject to election by Shareholders at the first Annual General Meeting after their appointment and are subject to re-election at least every three years. Non-Executive Directors are appointed for a specific term of office which provides for their removal in certain circumstances, including under section 168 of the Companies Act 2006. The Board does not automatically re-nominate Non-Executive Directors for election by Shareholders. The terms of appointment of the Non-Executive Directors can be obtained by request to the Company Secretary.

The Board's primary objective is to focus on adding value to the assets of the Group by identifying and assessing business opportunities and ensuring that potential risks are identified, monitored and controlled. Matters reserved for Board decisions include strategic long-term objectives and capital structure of major transactions. The implementation of Board decisions and day to day operations of the Group are delegated to Management.

There is a division of responsibilities between the Non-Executive Chairman, who is responsible for the overall strategy of the Group and running the Board, and the CEO, who is responsible for implementing the strategy and day to day running of the Group.

Board meetings

Three Board meetings were held during the period. The Directors' attendance record during their period of office is as follows:

Julian Baines (Non-Executive Chairman)	3/3
Sara Barrington (Chief Executive Officer)	3/3
Sir Ian Carruthers (Senior Independent Non-Executive Director)	3/3
James McCullough (Non-Executive Director)	3/3
Dr Erik Lium (Non-Executive Director)	3/3
Dr Barbara Murphy (Non-Executive Director)	3/3

During the period, the Board has not performed an evaluation of their performance and that of the Chairman, as well as the effectiveness of the Board committees. This being a first period the evaluation was not possible and will be completed in the coming financial year.

Audit Committee

The Audit Committee comprises Sir Ian Carruthers, who acts as chair, and Dr Barbara Murphy. The Audit Committee will, among other things, determine and examine matters relating to the financial affairs of the Company including the terms of the engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review the reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and the internal control systems in use throughout the Company.

The committee has not met during the period ended 31 December 2020. There have been no significant matters communicated to the Committee by the auditors and no interaction with the Financial Reporting Council.

Remuneration Committee

The Remuneration Committee comprises Dr Erik Lium, who acts as chair, and Julian Baines and James McCullough. The Remuneration Committee review and makes recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee also make recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Committee has not met during period ended 31 December 2020.

Nomination Committee

The Nomination Committee comprises Sir Ian Carruthers, who acts as chair, and James McCullough. The Nomination Committee will review and recommend nominees as new Directors to the Board.

Internal control

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded. There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business, has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Group's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the above organisation structure and authority levels and the identification of the major business risks.

Internal financial reporting

The Directors are responsible for establishing and maintaining the Group's system of internal reporting and as such have put in place a framework of controls to ensure that on-going financial performance is measured in a timely and correct manner and that risks are identified as early as is practicably possible. There is a comprehensive budgeting system and monthly management accounts are prepared which compare actual results against both the budget and the previous year. They are reviewed and approved by the Board and revised forecasts are prepared on a regular basis.

Relations with shareholders

The Company will report to Shareholders twice a year. The Company dispatches the notice of its Annual General Meeting, together with a description of the items of special business, at least 21 clear days before the meeting. Each substantially separate issue is the subject of a separate resolution and all Shareholders have the opportunity to put questions to the Board at the Annual General Meeting.

The Chair(s) of the Audit and Remuneration Committees normally attend the Annual General Meeting and will answer questions which may be relevant to their work. The Chairman advises the meeting of the details of proxy votes cast on each of the individual resolutions after they have been voted on in the meeting. The Chairman and the Non-Executive Directors intend to maintain a good and continuing understanding of the objectives and views of the Shareholders.

Shareholders may contact the Company as follows:

Tel: +44 (0)20 7933 8780

Email: investors@vericidx.com

Corporate social responsibility

The Board recognises that the Group has a duty to be a good corporate citizen and is conscious that its business processes minimise harm to the environment, that it contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices.

The Corporate Governance Statement was approved by the Board on 13 April 2021 and signed on its behalf by:

Salim Hamir
Company Secretary

Statement of compliance

This report does not constitute a Directors' Remuneration Report in accordance with the Directors' Remuneration Regulations 2007 which do not apply to the Company as it is not fully listed. This report sets out the Group policy on Directors' remuneration, including emoluments, benefits and other share-based awards made to each Director.

Policy on Executive Directors' remuneration

Remuneration packages are designed to motivate and retain the Executive Director to ensure the continued development of the Group and to reward them for enhancing value to shareholders. The main elements of the remuneration package for the Executive Director are basic salary, performance-related bonuses, benefits and share based incentives.

Directors' remuneration - Audited

The remuneration of the Directors for the period ended 31 December 2020 is shown below:

	Base Salary and fees US$	Pension US$	**Period to 31 December 2020 US$**
Executive Director			
Sara Barrington	92,292	-	**92,292**
	92,292	-	**92,292**
Non-Executive Directors			
Julian Baines	6,721	-	**6,721**
Sir Ian Carruthers	5,602	-	**5,602**
Dr Erik Lium	5,602	-	**5,602**
James McCullough	5,602	-	**5,602**
Dr Barbara Murphy	5,602	-	**5,602**
	29,129	-	**29,129**
Total fees and emoluments	121,421	-	**121,421**

Dr Erik Lium is not entitled to receive remuneration as he sits on the Board as a representative of the Icahn School of Medicine at Mount Sinai and his fees are paid to Mount Sinai.

Share option plan

On 28 October 2020 share options were granted to a number of directors and other parties under the Company's unapproved share-option scheme. The options held by Directors as of 31 December 2020 were as follows:

Option holder	Option price per ordinary share	Number of Ordinary Shares under option	Exercise period
Icahn School of Medicine at Mount Sinai	£0.20	708,739	28 October 2020 – 27 October 2030
Dr Barbara Murphy	£0.20	4,252,434	28 October 2020 – 27 October 2030
Sara Barrington	£0.20	5,669,913	28 October 2020 – 27 October 2030

Directors' interests in the share capital of the Company are disclosed in the Directors' Report on pages 15 to 18.

Approved by the Board on 13 April 2021 and signed on its behalf by:

Julian Baines
Non-executive Chairman

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VERICI DX PLC

Opinion

We have audited the financial statements of Verici Dx plc (the "parent company") and its subsidiary (the "group") for the period ended 31 December 2020 which comprise the Statement of Consolidated Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosures Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosures Framework (United Kingdom Generally Accepted Accounting Practice); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

The going concern assessment period used by the Directors was at least 12 months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment.

We evaluated the Directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment. Additionally, we reviewed and challenged the results of management's stress testing, to assess the reasonableness of economic assumptions in light of the impact of Covid-19 on the Group's solvency and liquidity position.

Further details of the Directors' assessment of going concern is provided in Note 2.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the group financial statements as a whole to be $39,000 based on 5% of the expected normalised loss before tax at the planning stage. We did not consider it appropriate subsequently to amend our assessment. Profit or loss before tax is a generally accepted auditing benchmark.

We use a different level of materiality ("performance materiality") to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

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

We agreed with the Audit Committee to report to it all identified errors in excess of $1,170. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

The parent company materiality was assessed as $16,000 based on approximately 5% of its loss. Parent company triviality was $500.

Overview of the scope of our audit
The company's operations are based in the UK and the USA. In view of the early stage of development of the group's business activities the audit team performed a full scope audit on the group from the UK as a single component.

Key audit matters

There were no matters which we consider should be separately reported as key audit matters.

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation. Technical, clinical or regulatory laws and regulations which are inherent risks in drug development are mitigated and managed by the Board and management in conjunction with expert regulatory consultants in order to monitor the latest regulations and planned changes to the regulatory environment.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

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

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock
(Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP Statutory Auditor, London
13 April 2021

Verici Dx plc

Consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2020

	Note	Period 22 April to 31 December 2020 US$
Administrative expenses	5	**(1,595,161)**
Exceptional expense – share based payments	19	**(2,794,625)**
Exceptional expense – costs of listing		**(275,508)**
Loss from operations		**(4,665,294)**
Finance expense	9	**(69,713)**
Loss before tax		**(4,735,007)**
Tax expense	10	**-**
Loss from continuing operations		**(4,735,007)**
Other comprehensive income:		
Exchange gains arising on translation of foreign operations		**1,028,907**
Loss and total comprehensive income attributable to the owners of the Company		**(3,706,100)**
Earnings per share attributable to the ordinary equity holders of the parent	11	
Loss per share		
Basic and diluted (US$ cents)		**($0.0546)**

The results reflected above relate to continuing operations

The notes on pages 35 to 55 form part of these financial statements.

Verici Dx plc

Consolidated statement of financial position
as at 31 December 2020

	Note	2020 US$
Assets		
Current assets		
Trade and other receivables	15	**323,224**
Cash and cash equivalents		**17,751,087**
		18,074,311
Non-current assets		
Property, plant and equipment	12	**464,042**
Intangible assets	13	**1,767,424**
		2,231,466
Total assets		**20,305,777**
Liabilities		
Current liabilities		
Trade and other payables	16	**681,890**
NET ASSETS		**19,623,887**
Issued capital and reserves attributable to owners of the parent		
Share capital	17	**181,614**
Share premium reserve	18	**20,353,748**
Share-based payments reserve	18	**2,794,625**
Convertible debt option	18	**-**
Foreign exchange reserve		**1,028,907**
Retained earnings		**(4,735,007)**
TOTAL EQUITY		**19,623,887**

The financial statements on pages 28 to 55 were approved and authorised for issue by the Board of Directors on 13 April 2021 and were signed on its behalf by:

Julian Baines – Director **Sara Barrington - Director**

Company Number 12567827

The notes on pages 35 to 55 form part of these financial statements.

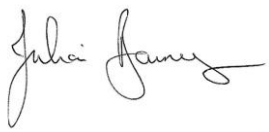
Verici Dx plc

Company statement of financial position
as at 31 December 2020

	Note	2020 US$
Assets		
Current assets		
Trade and other receivables	15	**1,263,856**
Cash and cash equivalents		**17,578,901**
		18,842,757
Non-current assets		
Property, plant and equipment	12	**441,803**
Intangible assets	13	**1,651,109**
Investment in subsidiary undertaking	14	**10**
		2,092,922
Total assets		**20,935,679**
Liabilities		
Current liabilities		
Trade and other payables	16	**187,979**
NET ASSETS		**20,747,700**
Issued capital and reserves attributable to owners of the parent		
Share capital	17	**181,614**
Share premium reserve	18	**20,353,748**
Share-based payments reserve	18	**189,523**
Foreign exchange reserve		**1,073,823**
Retained earnings		**(1,051,008)**
TOTAL EQUITY		**20,747,700**

The Company has taken advantage of the exemptions under section 408 of the Companies Act 2006 not to present the Company profit or loss statement. The loss of the Company for the period ended 31 December 2020 was US$1,051,008.

The financial statements on pages 28 to 55 were approved and authorised for issue by the Board of Directors on 13 April 2021 and were signed on its behalf by:



Julian Baines - Director

Sara Barrington - Director

Company Number 12567827

The notes on pages 35 to 55 form part of these financial statements.

Verici Dx plc

Consolidated statement of cash flows
for the period ended 31 December 2020

	Note	Period 22 April to 31 December 2020 US$
Cash flows from operating activities		
Loss for the period		**(4,665,294)**
Adjustments for:		
Depreciation of property, plant and equipment		123,242
Amortisation of intangible fixed assets		68,993
Finance expense		(69,713)
Share-based payment expense		2,794,625
		(1,748,147)
Increase in trade and other receivables		(323,224)
Increase in trade and other payables		681,890
Settled by Convertible Loan Note	23	535,164
Income taxes paid		-
Net cash outflow from operating activities		(854,317)
Cash flows from investing activities		
Purchases of property, plant and equipment		(25,851)
Purchase of intangibles		(132,259)
Net cash used in investing activities		(158,110)
Cash flows from financing activities		
Issue of ordinary shares		18,795,500
Expenses of share issue		(959,993)
Net cash from financing activities		17,835,507
Net increase in cash and cash equivalents		16,823,080
Cash and cash equivalents at beginning of year		-
Exchange gains on cash and cash equivalents		928,007
Cash and cash equivalents at end of year	4	**17,751,087**

The notes on pages 35 to 55 form part of these financial statements.

Verici Dx plc

Company statement of cash flows
for the period ended 31 December 2020

	Note	Period 22 April to 31 December 2020 US$
Cash flows from operating activities		
Loss for the period		**(981,295)**
Adjustments for:		
Depreciation of property, plant and equipment		119,630
Amortisation of intangible fixed assets		68,274
Finance expense		(69,713)
Share-based payment expense		189,523
		(673,581)
Increase in trade and other receivables		(1,263,867)
Increase in trade and other payables		187,979
Settled by Convertible Loan Note		535,164
Income taxes paid		
Net cash outflow from operating activities		(1,214,305)
Cash flows from investing activities		
Purchases of property, plant and equipment		-
Purchase of intangibles		(15,225)
Net cash used in investing activities		(15,225)
Cash flows from financing activities		
Issue of ordinary shares		18,795,500
Expenses of share issue		(959,993)
Net cash from financing activities		17,835,507
Net increase in cash and cash equivalents		16,605,977
Cash and cash equivalents at beginning of year		
Exchange gains on cash and cash equivalents		972,924
Cash and cash equivalents at end of year	4	**17,578,901**

The notes on pages 35 to 55 form part of these financial statements.

Verici Dx plc

Consolidated statement of changes in equity
for the period ended 31 December 2020

	Share capital US$	Share premium US$	Share-based payment reserve US$	Convertible debt option US$	Foreign exchange reserve US$	Retained earnings US$	Total attributable to equity holders of parent US$	Total equity US$
22 April 2020	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Comprehensive income for the period								
Loss	**-**	**-**	**-**	**-**	**-**	(4,735,007)	(4,735,007)	(4,735,007)
Other comprehensive Income	**-**	**-**	**-**	**-**	**1,028,907**	**-**	**1,028,907**	**1,028,907**
Total comprehensive Income for the period	**-**	**-**	**-**	**-**	**1,028,907**	(4,735,007)	(3,706,100)	(3,706,100)
Contributions by and distributions to owners								
Issue of share capital	181,613	20,283,029	-	-	-	-	20,464,642	20,464,642
Issue of Convertible Loan Note	-		-	165,138	-	-	165,138	165,138
Conversion of Convertible Loan Note into shares	-	-	-	(94,419)	-	-	(94,419)	(94,419)
Transfer of balance following conversion of Convertible Loan Note	-	70,719	-	(70,719)	-	-	-	-
Share-based payment	-	-	2,794,625	-	-	-	2,794,625	2,794,625
Total contributions by and distributions to owners	181,613	20,353,748	2,794,625	-	-	-	23,329,986	23,329,986
31 December 2020	**181,614**	**20,353,748**	**2,794,625**	**-**	**1,028,907**	**(4,735,007)**	**19,623,887**	**19,623,887**

Verici Dx plc

Company statement of changes in equity for the period ended 31 December 2020

	Share capital US$	Share premium US$	Share-based payment reserve US$	Convertible debt option US$	Foreign exchange reserve US$	Retained earnings US$	Total attributable to equity holders of parent US$	Total equity US$
22 April 2020	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Comprehensive income for the period								
Loss	-	-	-	-	-	(1,051,008)	(1,051,008)	(1,051,008)
Other comprehensive Income	-	-	-	-	1,073,823	-	1,073,823	1,073,823
Total comprehensive Income for the period	**-**	**-**	**-**	**-**	1,073,823	(1,051,008)	22,815	22,815
Contributions by and distributions to owners								
Issue of share capital	181,613	20,283,029	-	-	-	-	20,464,642	20,464,642
Issue of Convertible Loan Note	-	-	-	165,138	-	-	165,138	165,138
Conversion of Convertible Loan Note into shares	-	-	-	(94,419)	-	-	(94,419)	(94,419)
Transfer of balance following conversion of Convertible Loan Note	-	70,719	-	(70,719)	-	-	-	-
Share-based payment	-	-	189,523	-	-	-	189,523	189,523
Total contributions by and distributions to owners	181,613	20,353,748	189,523	-	-	-	20,724,884	20,724,884
31 December 2020	**181,614**	**20,353,748**	**189,523**	**-**	**1,073,823**	**(1,051,008)**	**20,747,700**	**20,747,700**

1 General information

The principal activity of Verici Dx plc (the "Company") is the development of prognostic and diagnostic tests for kidney transplant patients.

The Company is a public limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is Avon House, 19 Stanwell Road, Penarth, Cardiff CF64 2EZ and the company number is 12567827.

The Company was incorporated as Verici Dx Limited on 22 April 2020 as a private company and on 9 September 2020 the Company was re-registered as a public company and changed its name to Verici Dx plc.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the historical financial information of the Company, which have been applied consistently to the period presented, are set out below:

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC") as adopted by the European Union ("IFRS").

The functional currency and the presentational currency of the Company is United States dollars ("USD" or "US$") as this is the currency of the primary economic environment that the Company operates in.

a) Standards, interpretations and amendments effective from 1 January 2020

New standards impacting the Group that will be adopted in the annual financial statements for the period ended 31 December 2020, and which have given rise to changes in the Group's accounting policies are:

- IFRS 16 *Leases* (IFRS 16); and
- IFRIC 23 *Uncertainty over Income Tax Treatments* (IFRIC 23)

Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

2 Summary of significant accounting policies *(continued)*

Basis of preparation *(continued)*

b) Standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these is are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment – Definition of Material)
- IFRS 3 *Business Combinations* (Amendment – Definition of Business)

The Company is currently assessing the impact of these new accounting standards and amendments.

Other

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

Measurement convention

The financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the financial information in compliance with IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

2 Summary of significant accounting policies *(continued)*

***Basis of consolidation** (continued)*

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Going concern

The Group is in the development phase of its business and has not generated any revenues. At 31 December 2020 the Group has available cash resources of $17,751,087 following its listing on AIM, a market operated by the London Stock Exchange on 3 November 2020.

The Board has considered the impact of the ongoing COVID-19 pandemic. There has been minimal impact on the Company to date. Given the impact of COVID-19 in the economy generally, the Board has performed a number of stress tests to assess the ability of the Company to continue as a going concern.

The Directors have prepared cash flow forecasts for the Group for a review period of 12 months from the date of approval of this historical financial information. These forecasts reflect an assessment of current and future market conditions and their impact on the Company's future cash flow performance.

The forecasts have been sensitised for additional costs which may be incurred in the review period. In the sensitised scenario, the forecasts indicate the Company would still have sufficient cash to continue as a going concern.

Having considered the points above, the Directors remain confident in the long-term future prospects for the Group, and their ability to continue as a going concern for the foreseeable future. They therefore adopt the going concern basis in preparing the historical financial information of the Group.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the reporting end date.

2 Summary of significant accounting policies *(continued)*

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Foreign currency translation

a) Function and presentational currency

Items included in the financial statements of the Group are measured using USD, the currency of the primary economic environment in which the entity operates ('the functional currency'), which is also the Company's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies to USD, are recognised in the income statement.

2 Summary of significant accounting policies *(continued)*

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Patents are recognised at fair value at the acquisition date. Patents have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The Company amortises intangible assets with a limited useful life on a straight-line basis. The following rates are applied:

Licence - the shorter of the remaining life of the licence and 15 years

Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses. Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Plant and machinery - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

2 Summary of significant accounting policies *(continued)*

Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

a) Financial assets

Financial assets are classified, at initial recognition, at amortised cost or carrying value. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

As at the reporting date, the Company did not have any financial assets subsequently measured at fair value.

b) *Financial liabilities*

All financial liabilities are initially measured at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. They are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

c) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and deposits with a maturity of less than three months at balance sheet date.

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probably that an outflow of economic benefits will be required to the settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Financing expenses

Financing expenses comprise interest payable and finance charges on shares classified as liabilities. Foreign exchange gains and losses arising on foreign currency transactions are reported within administrative expenses in the statement of comprehensive income.

Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Exceptional items

Items considered of such significance to enable the reader to better understand the results for the period presented as separately disclosed as exceptional items on the face of the statement of comprehensive income.

2 Summary of significant accounting policies *(continued)*

Operating segments

The directors are of the opinion that the business of the Group comprises a single activity, that of the development of prognostic and diagnostic tests for kidney transplant patients. Consequently, all activities relate to this segment.

All the non-current assets of the Company are located in, or primarily relate to, the USA

3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities and costs in the historical financial information. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

- Whether impairment is required against the carrying value of tangible and intangible assets
- Amortisation period of license is an estimate based on the expected useful life and is assessed annually for any changes based on current circumstances
- A change in the functional currency from US dollar

4 Financial instruments - Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk and
- Capital disclosures

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other payables

4 Financial instruments - Risk Management *(continued)*

Principal financial instruments (continued)

(ii) Financial instruments by category

Financial asset

	Group Amortised cost 2020 US$	Company Amortised cost 2020 US$
Cash and cash equivalents	17,751,087	17,578,901
Trade and other receivables	323,224	236,508
Total financial assets	**18,074,311**	**17,815,409**

Financial liabilities

	Group Amortised cost 2020 US$	Company Amortised cost 2020 US$
Trade and other payables and loan	681,890	187,979
Total financial liabilities	**681,890**	**187,979**

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, and trade and other payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

4 Financial instruments - Risk Management *(continued)*

(iv) Financial instruments measured at fair value

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Due to the absence of revenue, the Group's exposure to credit risk is on cash at bank. The Company only deposits cash with major banks with high quality credit standing for amounts in excess of US$250,000 and limits exposure to any one counterparty.

Cash in bank and short-term deposits

The credit quality of cash has been assessed by reference to external credit rating, based on Standard and Poor's long-term / senior issuer rating:

	Group 2020 Rating	Group 2020 Cash at bank US$	Company 2020 Rating	Company 2020 Cash at bank US$
Bank A	A+	**17,578,901**	**A+**	**17,578,901**
Bank B		**172,186**		**-**
		17,751,087		**17,578,901**

4 Financial instruments - Risk Management *(continued)*

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency. In the period before commercial revenues US dollars are transferred from the Company to its US subsidiary to enable it to meet its local obligations. Currently the Group's liabilities are either US dollar or UK sterling. No forward contracts or other financial instruments are entered into to hedge foreign exchange movements, with funds being transferred from the Company to its US subsidiary using spot rates.

As at 31 December 2020 assets held in Sterling amounted to US$15,844,022 and liabilities held in Sterling amounted to US$187,979.

The effect of a 5% strengthening of the Sterling against US dollar at the reporting date on the Sterling denominated net assets carried at that date would, all other variables held constant, have resulted in a decrease in post-tax loss for the period and increase of net assets of US$782,802. A 5% weakening in the exchange rate would, on the same basis, have increased post-tax loss and decreased net assets by US$782,802.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This risk is managed by the production of annual cash flow projections. The Group's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generating revenue.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities which can all be met from the cash resources currently available:

Group **At 31 December 2020**	**Up to 3 months US$**	**Between 3 and 12 months US$**
Trade and other payables	**608,342**	**-**
Loan	**73,548**	**-**
Total	**681,890**	**-**

Company **At 31 December 2020**	**Up to 3 months US$**	**Between 3 and 12 months US$**
Trade and other payables	**114,431**	**-**
Loan	**73,548**	**-**
Total	**187,979**	**-**

4 Financial instruments - Risk Management *(continued)*

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, and accumulated losses).

The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern.

5 Expenses by nature

	Period 22 April to 31 December 2020 US$
Employee benefit expenses (see note 7)	**2,852,641**
Depreciation of property, plant and equipment	**123,242**
Amortisation of intangible assets	**68,993**
Laboratory and development costs	**355,107**
Professional costs	**553,454**
Share-based payment expense for non-employees	**200,836**
Foreign exchange losses	**159,538**
Other costs	**75,975**

6 Auditors' remuneration

During the year the Group obtained the following services from the Company's auditor:

	Period 22 April to 31 December 2020 US$
Fees payable to the Company's auditor for the audit of the parent Company and consolidated financial statements	**47,049**
Fees payable to the Company's auditor for other services:	
Tax compliance services	**6,933**
Service for finance related transactions	**57,024**
Total	**111,006**

7 Employee benefit expenses

	Period 22 April to 31 December 2020 US$
Employee benefit expenses (including directors) comprise:	
Wages and salaries	**244,848**
Benefits	**9,223**
Share-based payment expense (note 19)	**2,593,789**
Social security contributions and similar taxes	**4,781**
	2,852,641

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company.

	Period 22 April to 31 December 2020 US$
Salary	**121,421**
Share based payment expense	**2,577,826**
	2,699,247

The average number of employees (including Directors) in the Group in the period was 8.

8 Segment information

The Group has one division being the development of prognostic and diagnostic tests for kidney transplant patients.

9 Finance expense

	Period 22 April to 31 December 2020 US$
Finance expense	
Interest expense on Convertible Loan Note	**68,807**
Loan interest	**906**
Total finance expense	**69,713**

10 Tax expense

	Period 22 April to 31 December 2020 US$
Current tax expense	
Current tax on loss for the period	-
Total current tax	-
Deferred tax asset	
On losses generated in the period	-
	-

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	Period 22 April to 31 December 2020 US$
Loss for the period	**(4,735,007)**
Tax using the Company's domestic tax rate of 19%	**(899,651)**
Expenses not deductible for tax purposes	**41,987**
Unrecognised deferred tax assets	**931,344**
Different tax rates applied in overseas jurisdictions	**(73,680)**
Total tax expense	-

The Finance Act 2015 which was substantively enacted in 2015 included legislation to reduce the main rate of UK corporation tax to 19% from 1 April 2017 and the Finance Act 2016 which was substantively enacted in 2016 included legislation to reduce the main rate of UK corporation tax to 17% from 1 April 2020. On 18 November 2019, the government pledged to put the planned corporation tax reduction from 19% to 17% on hold. This was substantively enacted on 17 March 2020.

The unrecognised deferred tax relates to two elements: the unrecognised deferred tax arising on share-based payments of US$583,081 and unrecognised deferred tax on taxable losses of US$348,263, based on total taxable losses carried forward of US$1,718,986. No deferred tax asset is recognised for these losses due to early stage in the development of the Group's activities. The losses do not expire but can only be used against trading profits from the same trade.

11 Earnings per share

Numerator	Period 22 April to 31 December 2020 Total US$
Loss for the period used in basic EPS	**(4,735,007)**
Denominator	
Weighted average number of ordinary shares used in basic EPS	**86,728,156**
Resulting loss per share	**(US$0.0546)**

The Company has one category of dilutive potential ordinary share, being share options (see note 19). The potential shares were not dilutive in the period as the Group made a loss per share in line with IAS 33.

12 Tangible assets

Group	Plant & machinery US$	Total US$
Cost or valuation		
At 22 April 2020		
Additions	25,851	25,851
Acquired business assets (Note 23)	531,484	531,484
Foreign exchange movements	36,565	36,565
At 31 December 2020	**593,900**	**593,900**
Accumulated depreciation and impairment		
At 22 April 2020		
Depreciation	(123,242)	(123,242)
Foreign exchange movements	(6,616)	(6,616)
At 31 December 2020	**(129,858)**	**(129,858)**
Net book value		
At 31 December 2020	**464,042**	**464,042**

12 Tangible assets *(continued)*

Company	Plant & machinery US$	Total US$
Cost or valuation		
At 22 April 2020		
Additions	-	-
Acquired business assets (Note 23)	531,484	531,484
Foreign exchange movements	36,565	36,565
At 31 December 2020	**568,049**	**568,049**
Accumulated depreciation and impairment		
At 22 April 2020		
Depreciation	(119,630)	(119,630)
Foreign exchange movements	(6,616)	(6,616)
At 31 December 2020	**(126,246)**	**(126,246)**
Net book value		
At 31 December 2020	**441,803**	**441,803**

13 Intangible assets

Group	License US$	Total US$
Cost		
At 22 April 2020		
Additions	234,095	234,095
Acquired business assets (Note 23)	1,468,516	1,468,516
Foreign exchange movements	136,584	136,584
At 31 December 2020	**1,839,195**	**1,839,195**
Accumulated amortisation and impairment		
At 22 April 2020		
Amortisation charge	(68,993)	(68,993)
Foreign exchange movements	(2,778)	(2,778)
At 31 December 2020	**(71,771)**	**(71,771)**
Net book value		
At 31 December 2020	**1,767,424**	**1,767,424**

13 Intangible assets *(continued)*

Company	License US$	Total US$
Cost		
At 22 April 2020		
Additions	117,061	117,061
Acquired business assets (Note 23)	1,468,516	1,468,516
Foreign currency movements	136,584	136,584
At 31 December 2020	**1,722,161**	**1,722,161**
Accumulated amortisation and impairment		
At 22 April 2020		
Amortisation charge	(68,274)	(68,274)
Foreign exchange movements	(2,778)	(2,778)
At 31 December 2020	**(71,052)**	**(71,052)**
Net book value		
At 31 December 2020	**1,651,109**	**1,651,109**

The licence was acquired from Renalytix AI Plc on 4 May pursuant to a purchase of business assets (see Note 23). This license in turn was granted to Renaltix AI Plc by the Icahn School of Medicine at Mount Sinai for rights to intellectual property and data to support the FractalDx families of diagnostic assays.

The Group has tested the carrying value for impairment at 31 December 2020. The recoverable amount was assessed in the basis of value in use. The assessed value exceeded the carrying value and no impairment loss was recognised. The key assumptions in the calculation to assess value in use are future revenues and costs and the ability to generate future cash flows. Recent working capital projections approved by the Board were used as well as forecasts for a further four years, followed by an extrapolation of expected cash flows and the calculation of a terminal value.

14 Subsidiary

The principal subsidiary of Verici Dx plc, which has been included in these consolidated financial statements at a cost of US$10, is as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December 2020
Verici Dx Inc	United States of America	100%

15 Trade and other receivables

	Group 2020 US$	Company 2020 US$
Prepayments	**202,546**	**115,830**
Other debtors	**120,678**	**120,678**
Amount due from wholly owned subsidiary undertaking	**-**	**1,027,350**
	323,224	**1,263,856**

16 Trade and other payables

	Group 2020 US$	Company 2020 US$
Trade payables	**394,331**	**44,912**
Accruals	**210,953**	**69,519**
Loan	**73,548**	**73,548**
Total financial liabilities classified as financial liabilities measured at amortised cost	**678,832**	**187,979**
Other payables - tax and social security payments	**3,058**	**-**
Total trade and other payables	**681,890**	**187,979**

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

The loan was interest bearing at 4% and is repayable by monthly instalment with the last instalment paid in March 2021.

17 Share capital

	Issued and fully paid	
	2020 Number	2020 US$
Ordinary shares of £1 each		
On incorporation	**1**	1
Ordinary shares of £0.001 each		
Sub-division of existing shares into 1,000 ordinary shares	**1,000**	**1**
Issue of new shares	**59,415,135**	**74,864**
Issue of shares on conversion of Convertible Loan Notes	**9,831,681**	**12,771**
Placing and offer of shares on admission to AIM	**72,500,000**	**93,978**
At 31 December	**141,747,816**	**181,614**

On 7 July 2020 the entire issued share capital of the Company was sub divided to create 1,000 ordinary shares of £0.001 each and 59,415,135 ordinary shares of £0.001 each were allotted pursuant to a dividend in specie by the then parent company, Renalytix AI Plc. Those 59,416,135 shares were then immediately reclassified as 59,416,134 A shares and one Golden Share and all A shares and the Golden Share converted into ordinary shares at the time of the Company's admission to AIM on 3 November 2020.

On 28 October 2020 pursuant to the conversion of the Convertible Loan Notes is issue at that time of $2,500,000, a further 9,831,681 new ordinary shares were issued.

On 3 November 2020 pursuant to the Company's shares being admitted to AIM, a market operated by the London Stock Exchange, 72,500,000 new ordinary shares were issued at an issue price of £0.20 per share raising gross proceeds of US$18,795,500 (£14,500,000).

18 Reserves

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

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of parent company operations into US dollars.
Convertible debt option reserve	Amount of proceeds on issue of convertible debt relating to the equity component (i.e. option to convert the debt into share capital).
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

19 Share-based payment

On 28 October 2020, the Board adopted the Share Option Plan to incentivise certain of the Group's employees and Directors. The Share Option Plan provides for the grant of both EMI Options and non-tax favoured options. Options granted under the Share Option Plan are subject to exercise conditions as summarised below.

The Share Option Plan has a non-employee sub-plan for the grant of Options to the Company's advisors, consultants, non-executive directors, and entities providing, through an individual, such advisory, consultancy, or office holder services and a US sub-plan for the grant of Options to eligible participants in the Share Option Plan and the Non-Employee Sub-Plan who are US residents and US taxpayers.

With the exception of options over 10,631,086 shares, which vested immediately on grant, the options vest equally over twelve quarters from the grant date. If options remain unexercised after the date one day before the tenth anniversary of grant such options expire. The Options are subject to exercise conditions such that they shall, subject to certain exceptions, vest in equal quarterly instalments over the three years immediately following the date of grant, which vesting shall accelerate in full in the event of a change of control of the Company.

	2020 Weighted average exercise price (p)	**2020 Number**
Outstanding at 22 April	**-**	**-**
Granted during the period	**0.32**	**14,574,782**
Exercised during the period	**0.20**	**(10,631,086)**
Outstanding at 31 December	**0.32**	**3,943,696**
Exercisable at 31 December	**0.32**	**3,943,696**

The exercise price of options outstanding at 31 December 2020 ranged between 20p and 45.5p and their weighted average contractual life was 2.78 years.

The weighted average fair value of each option granted during the year was 19p.

The fair value of each share option granted has been estimated using a Black-Scholes model and ranges from 10p to 23p. The inputs into the model are a share prices of 20p, 40p and 45.5p, exercise prices of 20p, 40p and 45.5p, expected volatility of 79%, no expected dividend yield, contractual life of between 2.9 and 1.9 years and a risk-free interest rate of 1.1%. As of 31 December 2020, none of the granted stock options have been exercised.

The Group recognised total expenses of $2,794,625 within administrative expenses relating to equity-settled share-based payment transactions during the period.

20 Related party transactions

As noted in Note 23, on 4 May the Company entered into an Asset Purchase Agreement with Renalytix AI Plc. Renalytix AI Plc is a shareholder on the Company and James McCullough, a Director of the Company, is also a Director and CEO of Renalytix AI Plc.

In connection with this transaction the Company also entered into a Convertible Loan Agreement to both fund this transaction and also provide working capital until the admission of the shares onto AIM. The total amount advanced under the Convertible Loan Note at the time of its redemption in full into ordinary shares of the Company was $2,500,000.

21 Loans and borrowings

	Group 2020 US$	Company 2020 US$
Issue of Convertible Loan Notes	2,500,000	2,500,000
Amount classified as equity	(165,138)	(165,138)
Accreted interest	68,807	68,807
Converted into common shares	(2,403,669)	(2,403,669)
As at 31 December 2020	**-**	**-**

The initial Convertible Loan Note Instrument of US$2,000,000 ("the Note") was issued on 4 May 2020. It had a nil % coupon, which has been accounted for at fair value at inception and the difference recognised as a capital contribution. As the conversion feature resulted in the conversion of a fixed amount of stated principal into a variable number of shares, it did not satisfy the 'fixed for fixed' criterion and, therefore, it was classified as a financial liability. The fair value of the financial liability was calculated using a market interest rate for an equivalent instrument without a conversion option. The discount rate applied was 9%.

22 Events after the reporting date

There have been no events subsequent to the period end that require disclosure in these financial statements.

23 Acquisition of business assets

On 4 May 2020 the Company entered into an Asset Purchase Agreement with Renalytix AI Plc. The fair value of the assets acquired, and the consideration paid were as follows:

	US$
Assets acquired	
Licence	1,468,516
Plant & Machinery	531,484
	2,000,000
Contractual repayment amount of Convertible Loan Note Instrument at inception	2,000,000
Consideration - repayment liability	**2,000,000**

Subsequent to the acquisition of the assets, further Convertible Loan Notes were issued by Renalytix AI Plc to provide working capital to the Company prior to its admission to the London Stock Exchange on 3 November 2020. The Convertible Loan Note was non-interest bearing.

On 28 October 2020 the total Convertible Loan Note of $2,500,000 was redeemed and converted into 9,831,681 ordinary shares.

Non-cash transaction

This transaction, together with the subsequent funding of working capital of the Company by further issuance of Convertible Loan Notes on the same terms until Admission to the AIM on 3 November 2020 represented the major non-cash transaction in the year.

Verici Dx plc

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (Meeting) of Verici Dx plc (**Company**) will be held at Avon House, 19 Stanwell Road, Penarth, Cardiff, United Kingdom, CF64 2EZ on 19 May 2021 at 12 p.m.

Introduction

In light of the COVID-19 related Government measures which are presently in place to restrict social gatherings, and overriding health and safety concerns, the Company has decided to hold this year's AGM partly by means of electronic facilities in accordance with Article 43 of the Company's articles of association, with only the minimum quorum of two shareholders physically present.

In the interests of safety, anyone seeking to attend in person (other than those forming the quorum) will be refused entry.
The Company will provide a facility for remaining shareholders to join the General Meeting either online or telephonically and there will be an opportunity for shareholders to listen and ask questions. In order to facilitate the process, the board of directors would request that Shareholders register for the meeting and submit questions in advance, before 12 p.m. on 17 May 2021. To register for dial-in details and to submit any questions please contact Walbrook PR via email at verici@walbrookpr.com or call +44 (0)20 7933 8780.

Shareholders wishing to vote on any of the matters of business are strongly advised to appoint the Chairman of the Meeting as their proxy. Shareholders must appoint a proxy through completion of a form of proxy. Shareholders can appoint a proxy by logging on to www.signalshares.com and following the instructions or lodging a proxy appointment by using the CREST Proxy Voting Service or requesting a hard copy proxy form by contacting our Registrars, Link Group, on 0371 664 0300 from the UK (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 – 17.30 Monday to Friday excluding public holidays in England and Wales) and returning it to the address shown on the form.

Annual General Meeting

The Annual General Meeting is being held to consider the following resolutions, of which resolutions 1 to 9 will be proposed as ordinary resolutions and resolution 10 as a special resolution:

Ordinary Resolutions

1. To receive and adopt the statement of accounts for the period ended 31 December 2020 together with the reports of the Directors and the auditors thereon.

2. To re-elect Julian Baines, who retires by rotation, as a Director.

3. To re-elect Sara Barrington, who retires by rotation, as a Director.

4. To re-elect Dr Erik Lium, who retires by rotation, as a Director.

5. To re-elect James McCullough, who retires by rotation, as a Director.

6. To re-elect Sir Ian Carruthers, who retires by rotation, as a Director.

7. To re-elect Professor Barbara Murphy, who retires by rotation, as a Director.

8. To re-appoint Messrs Crowe U.K. LLP as auditors to act as such until the conclusion of the next General Meeting of the Company at which the requirements of section 437 of the Companies Act 2006 are complied with and to authorise the Directors of the Company to fix their remuneration.

9. That in substitution for any existing such authority, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "2006 Act") to allot equity securities (as defined in section 560 of the 2006 Act) in the capital of the Company:
   (i)up to a maximum nominal amount of £14,375 (in pursuance of the exercise of outstanding share options and other potential shares granted by the Company but for no other purpose);
   (ii)up to an aggregate nominal amount of £35,436.95 (in addition to the authorities conferred in sub-paragraphs (i) above) representing approximately 25% of the Company's Issued Share Capital,

such authorities (unless previously renewed, revoked or varied) to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2022, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities (as defined in section 560 of the 2006 Act) to be allotted after such expiry and the directors may allot such equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Special Resolution

10. That, subject to the passing of Resolution 9 above the Directors be given the general power to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by Resolution 9 above as if section 561(1) of the 2006 Act did not apply to any such allotments provided that this power shall be limited to:
(i) the allotment of equity securities on the exercise of the share options granted by the Company;
(ii)the allotment of equity securities (otherwise than pursuant to sub-paragraphs (i) above) for cash in connection with any rights issue or pre-emptive offer in favour of holders of equity securities generally; and
(iii) the allotment (otherwise than pursuant to sub-paragraphs (i) and (ii) above) of equity securities for cash up to an aggregate nominal amount of £35,436.95 representing approximately [25]% of the Company's Issued Share Capital;

provided that such power (unless previously renewed, revoked or varied) shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2022, save that the Company may, before such power expires, make an offer or enter into an agreement which would or might require equity securities to be allotted after such power expires and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

BY ORDER OF THE BOARD  Salim Hamir Company Secretary	Registered Office: Avon House 19 Stanwell Road Penarth CF64 2EZ 14 April 2021

Additional Information Notes

1. As a result public safety measures introduced by the UK Government in response to the Covid-19 pandemic, shareholders are not permitted to attend the AGM in person. Every eligible shareholder is, however, entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. Shareholders who wish to participate in the meeting should appoint the Chairman of the Meeting as their proxy in order to do so. No other person(s) purported to be appointed as proxy will be permitted to attend the meeting in person.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered on the Company's register of members at close of business on 17 May 2021, or, if this general meeting is adjourned, members on the Company's register of members not later than 48 hours before the fixed time for the adjourned meeting, shall be entitled to attend and vote at the General Meeting. Please note that anyone seeking to physically attend the AGM (other than those forming the quorum) will be refused entry.

3. The Company will provide a facility for shareholders to join the General Meeting either online or telephonically and there will be an opportunity for shareholders to listen and ask questions. In order to facilitate the process, the Board would request that Shareholders register for the meeting and submit questions in advance, before 12 p.m. on 17 May 2021. To register for dial-in details and to submit any questions please contact Walbrook PR via email at ekf@walbrookpr.com or call +44 (0)20 7933 8780.

4. If you are a Shareholder of the Company at the time set out in note 2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. Please note that anyone seeking to physically attend the AGM (other than those forming the quorum) will be refused entry. Please note that as a result of the public safety measures introduced by the UK Government in response to the COVID-19 pandemic, shareholders are not permitted to attend the AGM in person and are strongly encouraged to appoint the Chairman of the Meeting as their proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the AGM. For more information, please see Note 1 above.

5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

7. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, please contact the Registrars, Link Group at shareholderenquiries@linkgroup.co.uk or on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 – 17.30 Monday to Friday excluding public holidays in England and Wales . You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. When two or more valid but differing appointments of proxy are received for the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share. Please note that as a result of the public safety measures introduced by the UK Government in response to the COVID-19 pandemic, shareholders are not permitted to attend the AGM in person and are strongly encouraged to appoint the Chairman of the Meeting as their proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the AGM. For more information, please see Note 1 above.

8. You can appoint a proxy either:

· by logging on to www.signalshares.com and following the instructions;

· You may request a hard copy form of proxy directly from the Registrars, Link Group at shareholderenquiries@linkgroup.co.uk or on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Line are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Any power of attorney or any other authority under which the proxy form is signed (or duly certified copy of such power of attorney) must be included with the proxy form.

· in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12 p.m. on 17 May 2021.

In light of the COVID-19 related Government measures which are presently in place, shareholders intending to appoint a proxy are strongly encouraged to do so electronically and appoint the "Chairman of the AGM".

9. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a '**CREST Proxy Instruction'**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 p.m. 17 May 2021, or, in the event of an adjourned of the Meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Group at the address noted in note 6 above.

14. In order to revoke a proxy instruction you will need to inform the Company by contacting Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 – 17.30 Monday to Friday excluding public holidays in England and Wales. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Group no later than 12 p.m. on 17 May 2021. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

15. Appointment of a proxy does not preclude you from attending the general meeting and voting in person. If you have appointed a proxy and attend the general meeting in person, your proxy appointment will automatically be terminated. Please note that anyone seeking to physically attend the AGM (other than those forming the quorum) will be refused entry. Shareholders are reminded to register to attend the AGM electronically as described in note 3 above.

16. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share.

17. Voting on the resolution will be conducted by way of a poll vote.

18. As at the close of business on the day immediately before the date of this notice of general meeting, the Company's issued share capital comprised 141,747,816 ordinary shares of nominal value 0.1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business, on the day immediately before the date of this notice of general meeting is 141,747,816.

19. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

20. Any shareholder attending the Meeting has the right to ask questions and shareholders are reminded to submit questions in advance of the Meeting, before 12 p.m. on 17 May 2021 by contacting Walbrook PR via email at verici@walbrookpr.com or call +44 (0)20 7933 8780. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

21. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 10.00 a.m. on the day of the Meeting until the conclusion of the Meeting:

- copies of the Directors' letters of appointment or service contracts.

22. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.vericidx.com

verici Dx

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