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hVIVO PLC
10 April 2025

hVIVO plc
("hVIVO", the "Company" or the "Group")

Final results
Record revenue and EBITDA
Key strategic progress post year end in diversification of business

hVIVO plc (AIM: HVO), a full-service Contract Research Organisation ("CRO") and the world leader in human challenge clinical trials, announces its audited results for the year ended 31 December 2024.

Financial highlights
- Revenue up 11.9% to £62.7 million (2023: £56.0 million)
- EBITDA up 25.9% to £16.4 million (2023: £13.0 million)
- EBITDA margin of 26.2% (2023: 23.3%)
- Underlying EBITDA of £13.4 million (23.0%) excluding the Canary Wharf facility fee and overlapping facility costs
- Basic adjusted earnings per share up 33.3% to 1.69p (2023: 1.27p)
- Cash of £44.2 million as at 31 December 2024 (31 December 2023: £37.0 million)
- Weighted contracted orderbook of £67 million as at 31 December 2024 (31 December 2023: £80 million) post-delivery of £62.7 million in the year
- Dividend for the year of 0.2p per Ordinary Share (2023: 0.2p)*

*Excludes special dividend of £3.1m (0.45p/share) paid in June 2023

Operational highlights

Key Contracts
- £6.3 million Human Rhinovirus (HRV - common cold virus) human challenge trial ("HCT") contract signed with biotech client
- £2.5 million Omicron characterisation study contract with mid-sized pharma client
- £11.5 million Respiratory Syncytial Virus ("RSV") HCT contact with existing top-tier global pharma client
- Master Services Agreement ("MSA") signed with mid-sized pharma client for HCT services
- Five hLAB contracts signed post standalone services launch and a 99% growth in hLAB proposals within a 12-month period
- Venn expanded its multi-year consultancy agreement with a major global pharma client

Enhanced Operations
- Record number of participants inoculated in 2024 across nine challenge trials and seven challenge agents
- Outstanding delivery of largest field trial to date with 817 participants recruited in just 43 days, following launch of clinical site services offering
- Greater automation at FluCamp resulting in significant efficiency gains and reduced cost of volunteer/patient recruitment despite record number of trial participants
- Flu B challenge model established and world's first Flu B HCT completed
- FluCamp volunteer and patient recruitment service offering launched with first contracts executed
- Investment in new "off-the-shelf" models with new H1N1, H3N2, RSV A, and RSV B models

Post-period end highlights
- Letter of Intent (LOI) signed with ILiAD Biotechnologies ("ILiAD") for world's first pivotal Phase III HCT to assess BPZE1, ILiAD's whooping cough vaccine candidate - expected to be the Group's largest HCT to date
- Synergistic acquisition of two Clinical Research Units from CRS, a German-based full-service early-stage clinical development CRO, for €10.0 million in cash funded from hVIVO's existing cash resources. Expected to be earnings enhancing following the first full year of ownership and adds a significant new revenue stream
- Immediately earnings enhancing acquisition of Cryostore, a provider of temperature-controlled storage solutions for biological and clinical materials in London, for up to £3.2 million, bolstering hLAB offering
- RSV HCT contract signed with new client, Inhalon Biopharma, to test an inhaled (mucosal) antiviral candidate
- Successful pilot characterisation study for hVIVO's human metapneumovirus (hMPV) challenge agent, validating the viability of the model
- £2.0 million contract with a new biopharmaceutical client to complete the final stage of the hMPV characterisation study ahead of future HCTs
- £3.2 million hLAB contract signed with US-based biotech for an international, multi-site Phase II field trial
- Shionogi & Co., Ltd. ("Shionogi"), a major Japanese pharmaceutical company, reported positive results from a Phase IIa RSV HCT conducted by hVIVO

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- Memorandum of Understanding signed with the UK Heath Security Agency (UKHSA) with the aim of sharing preclinical insights, supporting vaccine innovation, working on human challenge trials, pandemic preparedness and promoting greater collaboration

Annual dividend

As part of the Company's annual dividend policy, a dividend of c.£1.4 million, being 0.2p per Ordinary Share will be payable on 11 June 2025 to shareholders on the register on 16 May 2025. The corresponding ex-dividend date is 15 May 2025.

Outlook

- Revenue guidance of £73 million for 2025 with H2 2025 weighting reflecting the scheduling of HCT contracts and the timing of the two acquisitions
- EBITDA profit margins anticipated to be mid-high teens (excluding one-off costs), reflecting integration of CRS into the Group
- Excluding potential ILiAD Phase III HCT, 70% of 2025 revenue guidance already contracted with good visibility into 2026
- The vast majority of the medium-term potential opportunities of c£40 million announced in September 2024 have now been signed, with the exception of the final contract with ILiAD
- In 2025, the Group is managing an increasingly active pipeline of opportunities which includes a number of hMPV HCTs
- Integration of the acquisition of two Clinical Research Units from CRS underway, with the units expected to be earnings accretive in 2026
- Focus on integration and delivery against guidance
- Reiterating medium-term target of growing Group revenue to £100 million by 2028
- Robust cash position with continued profitability and cash generation in 2025 and beyond

Director Change

Since co-founding the business in 2017, and having been Chair for the past eight years, Cathal Friel has informed the Company that he does not intend to seek re-election to the Board of the Company at the Annual General Meeting in 2025. The Nominations Committee has already initiated a process to appoint a new Chair and the Company will announce the results of this process in due course.

Dr Yamin 'Mo' Khan, Chief Executive Officer of hVIVO, said: *"2024 demonstrated further evidence of the strength of our long-term sustainable growth model, with record revenue and EBITDA coupled with strong cash generation. An increasing number of global biopharma companies have expressed their interest in our world-leading services, with additional models in various new indications underlining the value that HCTs can offer to the development of innovative new therapies.*

"To meet this demand, we have built a world class organisation in personnel and infrastructure, with our new cutting-edge facility in Canary Wharf, which was largely funded by our clients, enabling the execution of larger more complex trials. The facility has also opened the door to new revenue streams such as laboratory, participant recruitment, and clinical site services. I would like to thank all of our employees across the Group who work diligently every day to efficiently deliver our services, to speed up drug development and bring important new therapies to patients in need. We look forward to delivering further progress in 2025 as we integrate our new revenue streams and build towards our £100 million revenue target in 2028.

"Finally, I would like to take this opportunity to thank our Chair, Cathal Friel. Cathal identified two loss making companies, Venn and hVIVO, and at personal risk, invested in the combined entity and transformed it into a long- term sustainable business model. He foresaw an opportunity and helped grow the business to where it stands today. It has been a pleasure to work with Cathal over the last three years and I would like to thank him, on behalf of everyone at the hVIVO Group, for his vision and leadership. We all wish him the best for the future."

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") EU no.596/2014. Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Notes to Editors

hVIVO plc (Ticker: HVO) is a full-service Contract Research Organisation (CRO) and the global leader in human challenge trials. The Company delivers end-to-end clinical development services to a diverse and expanding client base, including seven of the world's ten largest biopharma companies.

hVIVO specialises in conducting human challenge trials across multiple infectious and respiratory indications, leveraging its state-of-the-art quarantine facility in London-the largest of its kind worldwide. The company also offers comprehensive virology and immunology laboratory services under the **hLAB** brand.

Through its German subsidiary, **CRS**, hVIVO operates a 120-bed capacity across Mannheim and Kiel, providing early-phase clinical trial services, including first-in-human and proof-of-concept studies. Its second subsidiary, **Venn Life Sciences**, offers Early Drug Development Consulting and Biometry services to the biopharma sector.

The Group provides fully integrated drug development solutions from preclinical stages through Phase II trials, alongside patient recruitment via **FluCamp**. Additionally, its five clinical sites support outpatient Phase II and III trials, ensuring a seamless and efficient pathway from discovery to late-stage development.

Chair Statement
For the year ended 31 December 2024

A long-term sustainable growth model

2024 saw hVIVO deliver another year of record growth across all financial and operational metrics. An increasing number of global biopharma companies continue to express interest in our world-leading services, with additional models in various new indications underlining the value that HCTs can offer to the development of innovative new therapies. To meet this demand, we have strengthened our world class organisation, completing the move to our new facility in Canary Wharf, with 50 containment level 3 (CL-3) quarantine rooms, cutting-edge virology, immunology and CL-3 laboratories, and an outpatient unit. The new facility, which was largely funded by our clients, has enabled the execution of larger, more complex, and a wider range of trials than ever before, and has also opened the door to new revenue streams across the business, underpinning our growth strategy to 'Optimise, Scale and Diversify' the business.

We previously stated our intention to pursue M&A growth opportunities, underpinned by our excellent cash position. I was delighted that post-period end we executed on two acquisitions - two Clinical Research Units from CRS in Germany and London-based biobank service provider Cryostore. These businesses are synergistic with our existing operations and will support our long-term growth strategy, diversifying our revenue streams and providing incremental growth opportunities across the Group.

A diversified full-service specialist CRO

hVIVO continues to cement its position as the world leading human challenge trial (HCT) provider, further expanding its human challenge model portfolio and delivering larger and more complex trials for its diverse and global client base. The move to Canary Wharf has led to rapid growth in new revenue streams, with hLAB revenue up considerably following the launch of its standalone services, and clinical site services delivering its largest contract to date. In combination with the CRS Mannheim and Kiel and Cryostore acquisitions, we believe we have significantly underpinned hVIVO's aim of achieving its target of £100 million Group revenue by 2028. These achievements are a testament to the world-class expertise of our team and the world-leading science that we deliver for our Big Pharma and biotechnology clients.

We have also benefitted from increasing awareness of HCTs with existing and new client demand for the development of new challenge models, especially in indications such as Flu B where disease seasonality is irregular, making the achievement of suitable infection rates in traditional field trials very challenging. It is also very promising to see the LOI signed with ILiAD Biotechnologies for the world's first Phase III HCT for a whooping cough vaccine candidate. ILiAD signed the LOI with us after consultation with the FDA - this is a potentially pivotal development for the Company, and a very exciting sign of regulator acceptance of HCTs as an effective means of demonstrating efficacy and accelerating marketing authorisation. This would also represent our first bacterial human challenge trial, which could open doors to exciting new indications, supported by the capacity for a bacterial lab at Canary Wharf. Coupled with growth in the core business, the team have done an excellent job of growing new revenue streams for hLAB and our clinical site services which we expect to make an increasing contribution to Group revenue going forward.

The integration of the two Clinical Research Units in Mannheim and Kiel as well as Cryostore into the wider Group is ongoing with the initial audit complete. We believe we have secured a fantastic business in CRS at an excellent price, around 0.5x revenue, and together the Group now boasts a full service early clinical development offering, including first-in-human and proof-of-concept studies with a footprint in both the UK and Germany, two important European countries for the biopharma industry. We have identified a large number of cost synergies and cross selling opportunities across hVIVO, Venn and CRS, and returning CRS to profitability is a core objective for the Board and management team. The Board has a track record of successfully integrating loss-making businesses (including Venn and hVIVO) and implementing successful operational improvement programmes to bring businesses to profitability. We certainly expect CRS to be earnings accretive from 2026 as previously guided, supported by an experienced and motivated local management team in Germany.

Annual dividend

Annual dividend

As part of the Company's annual dividend policy, we will pay an annual dividend to shareholders reflecting the cash generative qualities of the business and the substantial cash balances on hand. A dividend of c.£1.4 million, being 0.2p per Ordinary Share will be payable on 11 June 2025 to shareholders on the register on 16 May 2025, subject to shareholder approval at the AGM. The corresponding ex-dividend date is 15 May 2025.

Outlook

hVIVO entered 2025 with a healthy weighted contracted orderbook of £67 million, bolstered by a stream of new contract wins in the first quarter, with good visibility over revenue into 2026 and a very strong cash position due to our continued strong cash generation. We also note that a number of pharma service providers have echoed our sentiment in recent months that there are positive signs that activity levels are returning which is evidenced by the momentum of contract wins we have seen within hVIVO in recent weeks. This is also a reflection of the continued demand for HCTs and increasingly positive attitudes from regulators, such as the FDA, towards HCTs. Additionally, we expect our new service lines of clinical site services and hLAB, enhanced by CRS and Cryostore, to continue their strong growth trajectory and diversify and strengthen our world-leading business. Following the two M&A deals we closed earlier in the year, hVIVO is firmly focussed on the integration of these two new businesses into the Group and delivering continued growth across the Group. We will continue to consider further small bolt-on acquisitions that meet the Company's strategic and financial criteria, but integration is the key focus in the short term.

As a result of the outlook and robust operational performance of the Company, the Board expects to achieve Group revenue of £73 million in 2025, anticipated to be weighted towards the second half, reflecting the scheduling of HCT contracts and the timing of the two acquisitions. As indicated at the time of the acquisition, the integration of CRS into the wider Group is expected to result in EBITDA margins in the mid-high teens in 2025 (excluding any one-off costs) and the Group expects to remain highly cash generative. CRS is expected to be earnings accretive from 2026 and following its successful integration into the Group, is expected to contribute towards a significant improvement in EBITDA margins going forward. Alongside a world-class team, hVIVO now boasts state-of-the-art facilities at Canary Wharf with world-leading capabilities, which underpins our target of growing Group revenue to £100 million by 2028.

Over the past eight years since co-founding the Company, I am incredibly proud of the progress we have made. Leveraging my twenty years of corporate finance and M&A experience, I have overseen the successful acquisition and integration of two loss-making businesses (Venn Life Sciences plc and hVIVO plc), transforming them into a strong, profitable, and cash-generative company. Since acquiring hVIVO and Venn, Group revenue has grown by 181% and Group EBITDA has grown from a loss of £6.7 million to a profit of £16.4 million-a testament to the exceptional team in London and Dublin whose efforts have established hVIVO as the world leader in human challenge trials. A defining moment in my tenure as Chair was initiating discussions and successfully contracting and executing the world's first COVID-19 human challenge trial with the UK Government, which generated significant global interest in both human challenge trials and also giving hVIVO brand recognition in many parts of the world, which was pivotal in the Company's evolution.

Having co-founded Open Orphan (now named hVIVO) in 2017 I have decided that it is the right time for me to step down from the Board, and as such, I will not be seeking re-election at this year's Annual General Meeting. The Nominations Committee has already initiated a process to appoint a new Chair and the Company will announce the results of this process in due course.

With hVIVO having successfully completed two acquisitions in early 2025, and having strategically diversified its services, the Company is well positioned for sustainable growth in the years ahead. Having completed five IPOs on the AIM market in the past decade, I see significant opportunities for growth and value creation in the public markets and I look forward to working across further opportunities on AIM in the years ahead.

Cathal Friel
Chair

9 April 2025

CEO Statement
For the year ended 31 December 2024

A record set of results

2024 has been a transformational year for hVIVO - from record financial performance to the move to the largest state-of-the-art facility of its kind, the Company has laid the foundations for long-term growth. During 2024, the Group inoculated a record number of volunteers across nine challenge trials and seven challenge agents. This was reflected in hVIVO's record revenue of £62.7 million (2023: £56.0 million), an increase of 11.9% versus the prior period. The Company also saw a strong increase in EBITDA to £16.4 million (2023: £13.0 million), an increase of 25.9%, and recorded an EBITDA margin of 26.2% (2023: 23.3%). This was primarily driven by the expedited delivery of multiple projects and the recognition of the £4.3 million client funding towards our new Canary Wharf facility. The funding for the facility was provided by our clients to expedite these projects to meet their timelines, during 2024 we were able to concurrently utilise multiple sites to maximise capacity and conduct trials faster. Excluding the benefit of the client funding towards the new Canary Wharf facility and overlapping facility costs, underlying EBITDA is £13.4 million with an EBITDA margin of 23.0%. Our cash position also grew to £44.2 million, a reflection of the strong operational execution of our contracts and our highly optimised cash generative business model - we remain free of any debt. Despite a record conversion of our orderbook to revenue in 2024, we have a healthy weighted orderbook of £67 million, excluding

the potential pivotal Phase III HCT with ILiAD, we have 70% of 2025 revenue guidance already contracted with good visibility into 2026.

These record operational and financial results were achieved in a year when the Company completed the move to the world's largest commercial human challenge trial unit, developed a number of new challenge models, launched three new service lines, and began implementation of several new software systems. This is a testament to the hard work and commitment of our world-leading team. I would like to thank each and every colleague for their dedication and adaptability in evolving circumstances. The team has never lost sight of our mission of delivering today's healthcare by empowering tomorrow's innovation.

The world's largest HCT CL-3 quarantine facility

I am delighted that we achieved our key operational goals for 2024 by delivering on our contracted orderbook while also completing the fit out and the move to our new facility on time and on budget. The facility provides significant advantages with larger quarantine capacity, expanded laboratories including a CL-3 laboratory, outpatient beds, and the ability to expand further if required. This bespoke fit-for-purpose facility ensures the efficient running of multiple challenge trials concurrently, even with different challenge agents. The facility includes the a dedicated air handling system, negative air pressure and multiple power redundancies. It allows for improved clinician to participant ratio, a tiered two-way call system increasing efficiency in interactions with participants, faster transfer of laboratory samples, and efficiencies related to resource assignment. In July 2024, we hosted an open day for our clients and a capital markets event to showcase the facility's capabilities, and I have been thrilled with the feedback received from clients and investors alike. Looking to the future, we believe the facility provides a robust foundation to our growth strategy to 'Optimise, Scale and Diversify' the business.

Delivering on our growth strategy: Optimise, Scale and Diversify

Optimising the delivery of challenge trials

The key driver of efficiency gains was the efficient use of overlapping facilities during the first half of 2024 when we benefitted from the availability of three quarantine facilities, resulting in the expedited delivery of several key projects. Since we have settled into our new Canary Wharf facility, we have also seen additional benefits as the space has been optimised to our needs. While our previous quarantine facilities included an adapted former boutique hotel, every detail of our new facility has been designed by our operational team and is specifically fit-for-purpose for the efficient delivery of HCTs. We strongly believe the devil is in the detail, and features such as our pneumatic chute system that delivers samples to our labs in c.30 seconds and our tiered volunteer communications system that allows participants to efficiently communicate their needs will have a meaningful positive impact. This is an important feature as it leads to additional participant recruitment efficiencies, as we are able to test volunteer serosuitability across many different challenge agents, meaning their likelihood of being recruited onto a trial increases.

We have also introduced several new technologies and software upgrades that will either automate or improve our existing operations. These include a laboratory information management system (LIMS) which went live with the first phase of its launch in April 2025. Also launching in 2025 is our new Clinical eSource system, which will streamline our data management processes in the trials we deliver, and upgrades to automation and the cloud-based Volunteer Management System at FluCamp, our participant recruitment platform. Coupled with the improved participant experience delivered by our new facility which maximises comfort for those participating in our HCTs (earning a 4.4 out of 5.0 score on TrustPilot), FluCamp has also continued to improve the efficiency with which it recruits participants. Despite recruiting a record number of participants onto our trials in 2024, our advertising spend has seen a significant fall versus 2023. Efficient recruitment remains a key driver for the business, and it is pleasing to see the efficiencies we have made to date.

Scaling our existing and new services

Our new facility expands the number of pathogens that we can work with given the CL-3 designation of the site and increases our quarantine rooms to 50-beds. Demand for our services has been supported by an MSA signed with a mid-sized pharma company, highlighting this client's intention to use HCTs as part of their drug development pathway across their portfolio of infectious disease assets, as well a steady stream of positive client announcements reporting the results of their HCTs with hVIVO. Post-period end, Shionogi, a major Japanese pharmaceutical company, reported positive results from a Phase IIa RSV HCT conducted by the Company. The positive announcements from our clients provide strong validation of our unique capabilities and help to grow global biopharma's awareness of HCTs. The Company has also signed a Memorandum of Understanding (MoU) with the UK Heath Security Agency (UKHSA) to collaborate going forward with the aim of sharing preclinical insights, supporting vaccine innovation, working on human challenge trials, pandemic preparedness and promoting greater collaboration. This is a further demonstration of the recognition of HCTs and the benefits they can bring to global health security.

Flu and RSV continued to be hVIVO's leading indications, and even with several RSV vaccines being approved in recent years, there remains considerable demand for our services to help bring an effective RSV antiviral to market, as highlighted by a number of recent RSV contract wins. Effective therapeutics for RSV remain a key focus of the industry, with a market projected to reach US$3.6 billion by 2032[1]. Post-period end we saw contract wins and commercial progress in some areas we previously highlighted as key growth areas including mucosal therapies, hMPV, and bacterial challenge.

Canary Wharf offers three times the usable lab space compared to our previous facility for our newly launched virology and immunology laboratory services under the hLAB banner, where we are targeting a global virology testing market which expected to reach >$14.2 billion by 2029[2]. We have already seen a significant rise in contract wins and work at hLAB. In the past year, standalone hLAB study proposals have doubled and the team were awarded five standalone lab services contracts in 2024 - with the largest standalone project to date in early 2025 for £3.2 million. The growth of the hLAB offering has been bolstered by the acquisition of Cryostore post-period end, with multiple services benefitting from the added capacity that Cryostore can

provide. Additionally, given clinical sample storage timelines typically range from two to 15 years, this represents an earnings enhancing, highly stable and recurring revenue stream. As the Group's standalone lab services, field trial offering, and HCT business continues to grow, this ancillary service will further support the future growth of the business whilst adding an additional revenue and profit stream.

As part of the move to Canary Wharf and the launch of our clinical site services, we converted our former corporate office at Plumbers Row to an enlarged outpatient site. Post-period end, our acquisition of two Clinical Research Units from CRS has allowed us to scale our clinical site services offering across multiple sites in the UK and Germany. Given the strong delivery of our largest Phase II field trial contract to date last year, in which we enrolled 817 participants in just over six weeks, we are particularly excited about the potential for further growth in this new service line with our expanded footprint, therapeutic expertise, and client base. With the acquisition of CRS, we expect to realise significant cross-selling opportunities and for this to positively impact the average size of contracts the Group can win given our ability to now cover two key geographies. Specifically, we expect this to be of substantial benefit to Venn and its ability to expand its early drug development consulting services package to a larger pool of non-overlapping clients. As we expand our FluCamp brand and participant recruitment offering across to CRS we expect to see both efficiency gains and further growth in our tiered participant recruitment offering, which successfully delivered its first two standalone contracts in 2024.

A diversified full-service specialist CRO

Across the Group, we have continued to progress towards our strategic long-term goal of becoming a diversified full service CRO, whilst maintaining and strengthening our core specialism in HCTs. Within our HCT business, we have continued to diversify our portfolio of challenge models, with a new model and first HCT completed for Flu B, and a contract signed with a new biopharmaceutical client to complete the final stage of an hMPV characterisation study ahead of potential future hMPV HCTs. We also signed a contract to conduct an Omicron BA.5 characterisation study, a study which would not have been possible to conduct in our previous facilities, and are developing several new challenge models including influenza H1N1 and a new H3N2, and RSV A and RSV B.

Our diversified human challenge model portfolio is a strong indicator of the growing awareness of HCTs and their ability to generate valuable efficacy data in new disease areas, especially within indications where there are considerable yearly variations in global infection rates, making traditional field trials more costly and challenging. This has been further underlined by the post-period end signing of an LOI with ILiAD to perform the world's first Phase III HCT for a whooping cough vaccine candidate - this would also be hVIVO's first bacterial HCT. HCTs can overcome the difficulties associated with conducting traditional Phase III field studies for whooping cough due to unpredictability of the disease outbreaks - after consultation with the FDA, ILiAD decided to conduct a pivotal Phase III HCT. Both hVIVO and ILiAD are working to finalise the definitive agreement as ILiAD actively advances its financing initiatives to support the collaboration.

The development of new service lines and revenue streams continued in 2024, with the launch of three new service lines - hLAB standalone services, FluCamp's tiered recruitment services and our clinical site services offering. Our strategy has been to develop new services within our areas of core competence where we have an established market reputation, existing expertise and capacity to deliver for our clients, and this strategy has been rewarded with immediate contract wins largely using existing Group infrastructure, benefitting our margins. The addition of CRS and Cryostore also broadens our offering to include a number of new services, including:

- Multi-site capabilities acting as a clinical site for inpatient or outpatient trials and Phase I-III trials with 200 beds
- New therapeutic areas of expertise in cardiometabolic, immunology, dermatology, and in renal and hepatic impaired patient population
- International capabilities in trial participant recruitment with a database of over 400,000 active participants
- Phase I-II field trials, Single Ascending Dose/ Multi Ascending Dose trials, Proof of Concept trials and BE/BA, QTc and DDI studies
- Industry standard, temperature-controlled storage solutions for biological and clinical materials

The Board is pleased to have completed two strategic acquisitions as part of its M&A strategy and strongly believes CRS and Cryostore are significantly synergistic with the Group - together, we are a diversified full-service specialist CRO with increased cross-selling and growth opportunities in existing and new service areas.

Realising CRS and Cryostore's potential

After completing the acquisition of CRS and Cryostore, our focus for 2025 is on integrating the businesses into the Group. The integration of Cryostore is expected to realise enhanced cross-selling opportunities across our existing hLAB services, field trial offerings, and HCT business. This will be supported by our strong focus on active business development and marketing.

An investment and restructuring programme has commenced to support the integration of CRS into the business, which, as previously indicated, is expected to cost c.€2.5 million in 2025. Prior to the acquisition, CRS Mannheim and Kiel had already introduced a new business development team and commercial leadership which has seen early success in building a stronger sales pipeline. We have further strengthened this by integrating our own business development team to support cross-selling opportunities across the Group which now has a larger and broader geographical client base than ever before. We also believe that by deploying hVIVO's existing systems to CRS, such as our Volunteer Recruitment Management system, Clinical eSource and LIMS, we can quickly realise efficiency gains without considerable additional costs. CRS outsources a number of services, such as laboratory, biometry, consulting, and regulatory services, some of which the Group will now be able to provide in-house, benefitting the bottom line. We have identified EUR1.6 million opportunities for Venn in CRS' current pipeline. We also expect to implement our own high-performance culture that has been the backbone to our success to date, which focuses on innovation, business performance, KPI monitoring and rewarding success. To date we have identified £0.8 million in annualised cost savings and as we

progress, we expect to identify further cost savings. This process is led by our cross-company integration team which is making strong progress, and we look forward to providing further updates to the market in due course. Overall, we are very confident in our ability to successfully integrate the businesses in 2025, with Cryostore expected to enhance earnings in the current year and CRS Mannheim and Kiel becoming earnings accretive in 2026.

Building on our track record of delivery

The Company's strong performance over the past few years demonstrates solid execution of our long-term growth strategy, which has been supported by the team's superb operational delivery coupled with a growing evidence base of how HCTs can accelerate the pathway to market for new therapies, including pivotal Phase III trials. While significant progress was made across our entire growth strategy, 2024 saw considerable transformation in the business with regards to broadening and diversifying our revenue streams. Our new facility has enhanced our ability to deliver three new service lines in hLAB, clinical site services, and FluCamp tiered recruitment services. These service lines have been enhanced by the addition of CRS and Cryostore which have cemented our position as a diversified full-service CRO.

Looking forward, we are confident that our track record of delivery is a strong indicator of our ability to continue to execute on the Company's growth strategy to 'Optimise, Scale and Diversify' the business. We believe the tide is turning with regards to converting our substantial sales pipeline into signed contracts, and following integration, we believe CRS will be earnings accretive in 2026, with additional growth opportunities and synergies realised across the Group. We believe that the continued execution of our growth strategy, combined with our excellent cash position and dividend paying status means that we are well-positioned to create further value for shareholders as investors seek profitable AIM Healthcare companies with strong, long-term fundamentals as the wider market sentiment improves. We remain confident in the outlook for hVIVO and look forward to further progress in 2025.

Finally, I would like to take this opportunity to thank our Chair, Cathal Friel. Cathal identified two loss making companies, Venn and hVIVO, and at personal risk, invested in the combined entity and transformed it into a long- term sustainable business model. He foresaw an opportunity and helped grow the business to where it stands today. It has been a pleasure to work with Cathal over the last three years and I would like to thank him, on behalf of everyone at the hVIVO Group, for his vision and leadership. We all wish him the best for the future.

Dr Yamin 'Mo' Khan
CEO

9 April 2025

References

1 Credence Research, Human Respiratory Syncytial Virus (RSV) Treatment Market By Treatment, Dec 2024

2 Mordor Intelligence, Virology Testing Market- Size & Growth

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	**2024** **£'000**	2023 £'000
Operations			
Revenue, from contracts with customers	4	**62,725**	56,043
Other operating income	5	**3,492**	2,623
Direct project and administrative costs	6	**(49,802)**	(45,629)
EBITDA before exceptional items		**16,415**	13,037
Depreciation & amortisation	13, 14, 16	**(3,559)**	(2,716)
Exceptional items	6	**-**	(219)
Operating profit		**12,856**	10,102
Net finance income	10	**462**	1,055
Share of loss of associate using equity method		**(29)**	(10)
Profit before income tax		**13,289**	11,147
Income tax (charge)/credit	11	**(2,637)**	4,968
Profit for the year		**10,652**	16,115
Profit for the year is attributable to:			
Shareholders		**10,652**	16,115
Other comprehensive income			
Items that will not be subsequently reclassified to income statement:			
Currency translation differences		**219**	(49)
Total comprehensive income for the year		**10,871**	16,066
Earnings per share attributable to shareholders during the year:			
Basic earnings per share	12	**1.57p**	2.38p
Diluted earnings per share	12	**1.55p**	2.35p
Adjusted earnings per share attributable to shareholders during the year:			
Basic adjusted earnings per share	12	**1.69p**	1.27p
Diluted adjusted earnings per share	12	**1.67p**	1.25p

All activities relate to continuing operations.

All activities relate to continuing operations.

The notes following the financial statements are an integral part of these financial statements.

Consolidated and Company Statements of Financial Position
As at 31 December 2024

	Note	**Group 2024 £'000**	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Assets					
Non-current assets					
Intangible assets	13	**5,701**	5,667	**-**	-
Property, plant and equipment	14	**7,500**	6,203	**-**	-
Investments in subsidiaries	15	**-**	-	**22,377**	22,377
Right of use asset	16	**11,801**	13,835	**-**	-
Deferred Tax Asset	11	**3,662**	5,519	**-**	-
Total non-current assets		**28,664**	31,224	**22,377**	22,377
Current assets					
Inventories	17	**804**	426	**-**	-
Trade and other receivables	18	**15,245**	14,605	**1,573**	1,527
Cash and cash equivalents	19	**44,180**	36,973	**42**	2,281
Total current assets		**60,229**	52,004	**1,615**	3,808
Total assets		**88,893**	83,228	**23,992**	26,185
Equity attributable to owners					
Share capital	25	**680**	680	**680**	680
Share premium account	26	**516**	516	**516**	516
Merger reserves	26	**(6,856)**	(6,856)	**(2,241)**	(2,241)
Foreign currency reserves	26	**1,528**	1,309	**2,014**	2,014
Retained earnings		**48,807**	38,677	**19,570**	21,970
Total equity		**44,675**	34,326	**20,539**	22,939
Liabilities					
Non-current liabilities					
Lease liabilities	16	**10,391**	12,163	**-**	-
Leasehold provision	21	**1,912**	1,559	**-**	-
Total non-current liabilities		**12,303**	13,722	**-**	-
Current liabilities					
Trade and other payables	20	**29,405**	34,228	**3,453**	3,246
Lease liabilities	16	**2,510**	367	**-**	-
Leasehold provision	21	**-**	585	**-**	-
Total current liabilities		**31,915**	35,180	**3,453**	3,246
Total liabilities		**44,218**	48,902	**3,453**	3,246
Total equity and liabilities		**88,893**	83,228	**23,992**	26,185

The notes following the financial statements are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 9 April 2025.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company's Statement of Comprehensive Income. The loss for the parent Company for the year was £1,878,000 (2023: loss of £11,567,000).

Consolidated and Company's Statement of Changes in Shareholders' Equity
For the year ended 31 December 2024

Group	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign currency reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2023	**671**	**4**	**(6,856)**	**1,358**	**25,041**	**20,218**
Changes in equity for the year ended 31 December 2023						
Profit for the year	-	-	-	-	16,115	16,115
Currency differences	-	-	-	(49)	-	(49)
Total comprehensive income for the year	**-**	**-**	**-**	**(49)**	**16,115**	**16,066**
Transactions with the owners						
Share based payments (note 27)	-	-	-	-	575	575
Shares issued	9	512	-	-	-	521
Dividends paid	-	-	-	-	(3,054)	(3,054)
Total contributions by and distributions to owners	**9**	**512**	**-**	**-**	**(2,479)**	**(1,958)**
At 31 December 2023	**680**	**516**	**(6,856)**	**1,309**	**38,677**	**34,326**
Changes in equity for the year ended 31 December 2024						
Profit for the year	-	-	-	-	10,652	10,652
Currency differences	-	-	-	219	-	219
Total comprehensive income for the year	**-**	**-**	**-**	**219**	**10,652**	**10,871**
Transactions with the owners						
Share based payments (note 27)	-	-	-	-	836	836
Dividends paid	-	-	-	-	(1,358)	(1,358)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(522)**	**(522)**
At 31 December 2024	**680**	**516**	**(6,856)**	**1,528**	**48,807**	**44,675**

	Share	Share	Merger	Foreign currency	Retained	Total

Company	capital £'000	premium £'000	reserve £'000	reserve £'000	earnings £'000	£'000
At 1 January 2023	671	4	(2,241)	2,014	36,016	36,464
Changes in equity for the year ended 31 December 2023						
Loss for the year	-	-	-	-	(11,567)	(11,567)
Share based payments (note 27)	-	-	-	-	575	575
Shares issued	9	512	-	-	-	521
Dividends paid	-	-	-	-	(3,054)	(3,054)
Total contributions by and distributions to owners	**9**	**512**	**-**	**-**	**(14,046)**	**(13,525)**
At 31 December 2023	**680**	**516**	**(2,241)**	**2,014**	**21,970**	**22,939**
Changes in equity for the year ended 31 December 2024						
Loss for the year	-	-	-	-	(1,878)	(1,878)
Share based payments (note 27)	-	-	-	-	836	836
Dividends paid	-	-	-	-	(1,358)	(1,358)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(2,400)**	**(2,400)**
At 31 December 2024	**680**	**516**	**(2,241)**	**2,014**	**19,570**	**20,539**

Consolidated and Company's Statement of Cash Flows
For the year ended 31 December 2024

	Note	**Group 2024 £'000**	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Cash used in operations					
Profit/(loss) before income tax		**13,289**	11,147	**(1,651)**	(11,565)
Adjustments for:					
- Depreciation & amortisation	6	**3,559**	2,716	**-**	-
- Impairment of intangible assets	13	**-**	254	**-**	-
- Exceptional items	6	**-**	219	**-**	-
- Net finance income	10	**(462)**	(1,055)	**226**	(182)
- Share based payment charge	27	**836**	575	**-**	-
- R&D credit incl. in other income	5	**(3,356)**	(2,432)	**-**	-
- Share of associate loss		**29**	10	**-**	-
- Impairment of intercompany balances		**-**	-	**-**	10,428
Changes in working capital:					
- (Decrease)/increase in provisions		**(326)**	155	**-**	-
- Decrease/(increase) in trade and other receivables		**1,745**	(1,158)	**336**	3,325
- (Increase)/decrease in inventories		**(378)**	73	**-**	-
- (Decrease)/increase in trade and other payables		**(4,755)**	5,187	**206**	15
Cash generated from/(used in) operating activities		**10,181**	15,691	**(883)**	2,021
Income tax (R&D credit) received/(paid)		**155**	1,548	**-**	(24)
Net cash generated from/(used in) operating activities		**10,336**	17,239	**(883)**	1,997
Cash flow from investing activities					
Purchase of property, plant and equipment	14	**(2,416)**	(5,177)	**-**	-
Purchase of intangible assets	13	**(44)**	-	**-**	-
Interest received		**1,800**	1,181	**2**	21
Net cash (used in)/generated from investing activities		**(660)**	(3,996)	**2**	**21**
Cash flow from financing activities					
Lease payments	16	**(984)**	(2,044)	**-**	-
Dividends paid	28	**(1,358)**	(3,054)	**(1,358)**	(3,054)
Proceeds from issue of shares	25	**-**	521	**-**	521
Finance costs		**(63)**	(127)	**-**	-
Net cash used in financing activities		**(2,405)**	(4,704)	**(1,358)**	(2,533)
Net increase/(decrease) in cash and cash equivalents		**7,271**	8,539	**(2,239)**	(515)
Cash and cash equivalents at beginning of year		**36,973**	28,444	**2,281**	2,799
FX translation		**(64)**	(10)	**-**	(3)
Cash and cash equivalents at end of year	19	**44,180**	36,973	**42**	2,281

Notes to the financial statements
For the year ended 31 December 2024

1. Presentation of the financial statements

Description of business

The hVIVO plc Group is a rapidly growing specialist CRO pharmaceutical services group which is the world leader in the testing of vaccines and antivirals using human challenge clinical trials.

hVIVO plc (the "Company") is a company incorporated in England and Wales. The Company is a public limited company, limited by shares, listed on the AIM market of the London Stock Exchange.

Basis of preparation

The financial statements have been prepared in accordance with the Group's accounting policies approved by the Board and described in Note 2, 'Summary of significant accounting policies'. Information on the application of these accounting policies, including areas of estimation and judgement is given in Note 3, 'Critical accounting estimates and judgements'. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements have been prepared in accordance with UK adopted international accounting standards (IFRS), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Figures are presented in thousands of pounds sterling (£'000), unless otherwise indicated.

These financial statements comprise the accounts of hVIVO plc and its subsidiaries (the "Group") for the year ended 31 December 2024. A list of subsidiaries is set out in note 15.

Parent company financial statement

The financial statements of the parent company, hVIVO plc, have been prepared in accordance with UK adopted international accounting standards (IFRS), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going concern

The financial statements have been prepared using the historical cost convention modified by the revaluation of certain items, as stated in the accounting policies, and on a going concern basis. The Directors consider the use of the going concern basis to be appropriate given the significant cash reserves at year end and strong contracted order book. The Directors have prepared working capital projections which show that the Group and Company will be able to continue as a going concern for the foreseeable future.

2. Summary of significant accounting policies

Consolidation

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries. Where the Group has the ability to exercise significant influence over entities, they are accounted for as associates. Interests acquired in entities are consolidated from the date the Group acquires control and interests sold are de-consolidated from the date control ceases.

Transactions and balances between subsidiaries are eliminated and no profit before tax is taken on sales between subsidiaries until the products are sold to customers outside the Group. The relevant proportion of profits on transactions with associates is also deferred until the products are sold to third parties.

Associates

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost less any fair value adjustment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

New accounting requirements

Amendments to accounting standards issued by the IASB and adopted in the year ended 31 December 2024 did not have a material impact on the results or financial position of the Group. Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been adopted early by the Group. These standards, amendments and interpretations are not expected to have a material impact on the results or financial position of the Group in future reporting periods.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in pounds sterling, which is the functional and presentation currency of the main operating entities.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions where items are re-measured. 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 are recognised in the Statement of Comprehensive Income within 'direct project and administrative expenses', except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentational currency as follows:

- assets and liabilities presented are translated at the closing rate at the date of that reporting period;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the Statement of Comprehensive Income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Segmental reporting

Operating segments are reported in a manner consistent with the internal monthly management reporting provided to the chief operating decision-makers (CODM). The CODM have been identified as the Executive Directors and Non-Executive Chair.

Internal management reporting provided to the CODM is on a consolidated basis. Management therefore considers the Group to be one business unit and therefore one reporting segment for disclosure in these financial statements.

Revenue from contracts with customers

The Group enters into fixed-price and multi-service contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services and is shown net of Value Added Tax. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Payment terms tend to vary between 30 and 90 days.

Provisions for losses to be incurred on contracts are recognised in full in the period in which it is determined that a loss will result from the performance of the contractual arrangement.

The difference between the amount of revenue from contracts with customers recognised and the amount invoiced on a particular contract is included in the Statement of Financial Position as either deferred income or accrued income. Amounts become billable in advance upon the achievement of certain milestones, in accordance with pre-agreed invoicing schedules included in the contract or on submission of appropriate detail. Any cash payments received as a result of this advance billing are not representative of revenue earned on the contract as revenues are recognised over the period during which the specified contractual obligations are fulfilled. Amounts included in deferred income are expected to be recognised within one year and are included within current liabilities.

In the event of contract termination, if the value of work performed and recognised as revenue from contracts with customers is greater than aggregate milestone billings at the date of termination, cancellation clauses provide for the Group to be paid for all work performed to the termination date.

Other operating income (mainly research & development tax credits)

R&D tax credits are government backed tax incentives that allows companies to claim back some of the costs they have incurred on research, development and innovation. Credits which are taxable receipts are shown in other operating income. Credits which reduce the amount of income tax due are included in the income tax charge/(credit).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Exceptional items

These are items of an unusual or non-recurring nature incurred by the Group and include transactional costs and one-off items relating to business combinations, such as acquisition expenses, restructuring and redundancy costs.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the asset and bringing the asset to its working condition for its intended use.

All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate asset cost to its residual value over its estimated economic useful life, as follows:

- Leasehold improvements the expected life of the lease, three to ten years
- Plant & machinery four years
- Fixtures & fittings three to ten years

The assets' residual values and useful economic lives are reviewed annually, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on the disposal of assets are determined by comparing the sale proceeds with the carrying amount and are recognised in direct project and administrative costs in the Statement of Comprehensive Income.

Intangible assets

Goodwill

Goodwill is stated at cost less impairments. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually.

Other intangible assets

Intangible assets are stated at cost less provisions for amortisation and impairments.

Development costs are capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- technical feasibility of the completed intangible asset has been established;
- it can be demonstrated that the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development;
- the expenditure attributable to the intangible asset can be reliably measured; and
- management has the ability and intention to use or sell the intangible asset.

Development costs recognised as assets are amortised over their expected useful life.

Impairment of non-financial assets

Assets that have an indefinite life such as Goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's 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.

Impairment of goodwill is not reversed. For other intangible assets, where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of

subsequently reverses, the carrying amount of the asset 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.

Leases

The Group recognises right of use assets under lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, which are charged to the Statement of Comprehensive Income as incurred. Right of use assets owned by third parties under lease agreements are capitalised at the inception of the lease and recognised in the Statement of Financial Position. The corresponding liability to the lessor is recognised as a lease liability. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Finance costs are charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the remaining balance of the lease liabilities for each accounting period.

If modifications or reassessments of lease obligations occur, the lease liability and right of use asset are remeasured.

Inventories

Inventories are reported at the lower of cost (purchase price and/or production cost) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

The Group recognises specific costs of developing a new challenge model virus as Virus inventory once technical and commercial feasibility are certain. Costs of development prior to confirmed feasibility are expensed as incurred.

Financial instruments

Financial assets

The financial assets of the Group consist of trade receivables, other receivables, accrued income and cash and cash equivalents. The Group's financial assets are measured at amortised cost. The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. A lifetime expected credit loss (ECL) allowance is recorded on initial recognition of a financial asset. If there is subsequent evidence of a significant increase in the credit risk of an asset, the allowance is increased to reflect the full lifetime ECL. If there is no realistic prospect of recovery, the asset is written off. ECLs are recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months.

Financial liabilities

The financial liabilities of the Group consist of trade payables, other payables, accrued expenses and lease liabilities. The Group's financial liabilties are measured at amortised cost.

Fair value hierarchy

Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items.
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

The level of fair value hierarchy for the Group's financial assets and liabilities is shown below:

Financial assets:	
Trade receivables	Level 3
Other receivables	Level 3
Accrued income	Level 3
Cash and cash equivalents	Level 1
Financial liabilities:	
Trade payables	Level 3
Other payables	Level 3
Accrued expenses	Level 3
Lease liabilities	Level 3

Current and deferred income tax

The tax expense comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income where the associated tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting period date in the countries where the Company and its subsidiaries operate and generate taxable income. Management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and tax losses, to the extent that they are regarded as recoverable. They are regarded as recoverable where, on the basis of available evidence, there will be sufficient taxable profits against which the future reversal of the underlying temporary differences can be deducted.

The carrying value of the amount of deferred tax assets is reviewed at each reporting period date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been substantively enacted at the reporting period date.

Share capital

Ordinary Shares and Deferred Shares are classified as equity. Proceeds in excess of the nominal value of shares issued are allocated to the share premium account and are also classified as equity. Incremental costs directly attributable to the issue of new Ordinary Shares or options are deducted from the share premium account.

Merger reserve

The reserve represents a premium on the issue of the Ordinary Shares for the acquisition of

The reserve represents a premium on the issue of the Ordinary Shares for the acquisition of subsidiary undertakings. Merger reserve is non-distributable.

Employee benefits

Pension obligations

Group companies operate a pension scheme with defined contribution plans, under which the Group pays fixed contributions into a separate entity with the pension cost charged to the Statement of Comprehensive Income as incurred.

The Group has no further obligations once the contributions have been paid.

Share-based payment

Where equity-settled share options and warrants are awarded to Directors and employees, the fair value of the options and warrants at the date of grant is charged to the Statement of Comprehensive Income over the vesting period and the corresponding entry recorded in the share-based payment reserve. Non-market vesting conditions are reflected by adjusting the number of equity instruments expected to vest at each reporting date so that, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

3. Critical accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made accounting judgements in the determination of the carrying value of certain assets and liabilities. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes may differ from those assumptions and estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements.

(a) Impairment of goodwill and cost of investments and associates

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amount of the cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates as set out in note 13. In addition, the Group has also considered the impairment of the investments in subsidiary undertakings and associates as set out in note 15. No impairments of subsidiaries or associates were recognised in the current or prior years.

(b) Impairment of receivables

Trade and other receivables are carried at the contractual amount due less any estimated provision for non-recovery. Provision is made based on a number of factors including the age of the receivable, previous collection experience and the financial circumstances of the counterparty. In the prior year, an impairment was recognised in the Company accounts for receivables from subsidiaries that are no longer trading. The impairment will only be reversed if the amounts are later paid.

(c) Deferred tax assets

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. See note 11. In the current and prior years, only losses relating to hVIVO Services Ltd have been recognised as a deferred tax asset.

(d) Revenue

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. At each period end, management reviews each material individual contract to assess whether any anticipated losses should be recognised immediately.

(e) Virus inventory

In valuing virus inventory, management is required to make assumptions in relation to the future commercial use of the inventory, which is primarily for external client revenue engagements. This includes consideration of both the current business pipeline and management's estimates of the future virus requirements, based on its significant knowledge and experience in the field of virology.

(f) Research and development tax credits

The Group's research and development tax credits claims in its various jurisdictions are complex and require management to make assumptions, with appropriate external tax advice, in building the methodology for the claim, interpreting research and development tax legislation in relation to the Group's specific circumstances, and agreeing the basis of the Group's tax computations with relevant Tax Authorities.

(g) Leasehold provisions

Provisions for dilapidations and onerous lease commitments are recognised when the Group has a present or constructive obligation as a result of past events. The recognition of provision requires management to make best estimates of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. There is reasonable uncertainty around the likelihood and timing of the exit of the lease. The provision is discounted for the time value of money.

4. Segmental analysis

The Directors are responsible for resource allocation and the assessment of performance. In the performance of this role, the Directors review the Group's activities, in the aggregate. The Group has therefore determined that it has only one reportable segment under IFRS 8 Operating Segments, which is 'medical and scientific research services'.

The following table summarises the external revenue generated from customers and information about the Group's segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location. The Group has identified its geographical segments for revenue from external customers based on the regions in which its customers are incorporated.

	Revenue from external customers		Non current assets	
	2024	2023	**2024**	2023
Geographical Region	**£'000**	£'000	**£'000**	£'000
UK	**2,277**	5,896	**24,649**	25,199
Europe	**17,394**	9,663	**354**	506
North America	**43,054**	40,484	**-**	-
Total	**62,725**	56,043	**25,003**	25,705

During the year ended 31 December 2024, the Group had four customers who each generated revenue greater than 10% of total revenue (2023: two customers). These customers generated 31%, 16%, 14% and 13% of revenue (2023: 34% and 21% of revenue).

31%, 16%, 14% and 15% of revenue (2023: 34% and 21% of revenue).

5. Other operating income

Other operating income mainly represents research and development tax credits (R&D tax credits) received to fund research and development activities around the Group.

	2024 £'000	2023 £'000
Gross RDEC credits	**3,044**	2,267
Other R&D related credits	**312**	165
Recharge of staff to third parties	**136**	191
	3,492	2,623

hVIVO Services Limited, can claim UK R&D incentives under both the RDEC scheme and the SME scheme in the UK. Venn Life Sciences Biometry Services S.A.S. can claim Credit Tax Research ('CIR') payments in France and Venn Life Sciences ED B.V. can claim R&D credits against payroll taxes in the Netherlands

6. Expenses - analysis by nature

The following items have been included in operating profit:

	2024 £'000	2023 £'000
Employment benefit expense (note 8)	**22,838**	20,884
Share based payments (note 27)	**836**	575
Other expenses	**26,128**	24,170
Total direct project and administrative costs	**49,802**	45,629
Also included within operating profit are the below depreciation and amortisation charges:		
PPE depreciation (note 14) and amortisation (note 13)	**1,128**	827
Depreciation related to right of use assets (note 16)	**2,434**	1,889

Also included within operating profit are exceptional items as shown below:

	2024 £'000	2023 £'000
Exceptional items include:		
- Write off of receivables from associates	**-**	219
Total exceptional items	**-**	219

Services provided by the Company's auditor and its associates. During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	2024 £'000	2023 £'000
Fees payable to Company's auditor for the audit of the parent Company and consolidated financial statements	**62**	53
Fees payable to Company's auditor for the audit of subsidiaries and their consolidated financial statements	**65**	42
Total paid to the Company auditor	**127**	95
Fees payable to the auditors of subsidiaries for services:		
- The audit of Company's subsidiaries pursuant to legislation paid to other auditors	**21**	55
- Tax services paid to other auditors	**2**	2
Total paid to other auditors	**23**	57
Total auditor's remuneration	**150**	152

7. Directors' emoluments

	Group 2024 £'000	Group 2023 £'000
Aggregate emoluments	**1,282**	1,189
Social security costs	**203**	154
Contribution to defined contribution pension scheme	**66**	57
Total directors' remuneration	**1,551**	1,400

See further disclosures within the Report of the Remuneration Committee.

	Group 2024	Group 2023
Highest paid director	**£'000**	£'000
Total emoluments received	**657**	587
Defined contribution pension scheme	**40**	34
	697	621

8. Staff costs

	Group 2024 £'000	Group 2023 £'000
Wages and salaries	**19,056**	17,447
Social security costs	**2,757**	2,520
Pension costs	**1,024**	917
Employee benefits expense	**22,838**	20,884
Share based payments	**836**	575
Total staff costs	**23,674**	21,459

	Group 2024 £'000	Group 2023 £'000
Average number of people (including Executive Directors) employed was:		
Administration	**50**	48
Clinical research	**237**	218
Sales and marketing	**14**	8
Total average number of people employed	**301**	274

9. Pensions

The Group operates a number of defined contribution pension schemes whose assets are independently administered. The charge for the year in respect of these defined contribution schemes was £1,024,000 (2023: £917,000). Contributions of £85,000 were payable to the funds at the year end and are included within trade and other payables (2023: £100,000).

10. Finance income and costs

	2024 £'000	2023 £'000
Interest expense:		
Interest on Lease liabilities	**(955)**	(155)
Foreign exchange loss	**(259)**	-
Other finance costs	**(157)**	(21)
Finance costs	**(1,371)**	(176)
Finance income:		
Foreign exchange gain	**-**	50
Interest income on cash and short-term deposits	**1,833**	1,181
Finance income	**1,833**	1,231
Net finance income	**462**	1,055

11. Taxation

Group	2024 £'000	2023 £'000
Current tax:		
Current year research and development tax charge	**747**	537
Current year tax in foreign jurisdictions	**33**	14
Current tax charge	**780**	551
Deferred tax:		
Current year	**1,857**	2,588
Adjustment in respect of prior years	**-**	(8,107)
Deferred tax charge/(credit)	**1,857**	(5,519)
Income tax charge/(credit)	**2,637**	(4,968)

The income tax charge on the Group's results before tax differs from the theoretical amount that would arise using the standard tax rate applicable to the profits of the consolidated entities as follows:

Group	2024 £'000	2023 £'000
Profit before tax	**13,289**	11,147
Tax calculated at domestic tax rates applicable to UK standard rate of tax of 25% (2023: 23.5%)	**3,322**	2,620
Tax effects of:		
- Expenses not deductible for tax purposes	**230**	236
- Current Year R&D Tax credit	**(519)**	(190)
- Temporary timing differences	**(364)**	565
- Effect of tax rates in foreign jurisdiction	**(8)**	-
- Utilisation of losses not previously recognised	**(127)**	-
- Adjustments in respect of prior year	**-**	(8,107)
- Losses carried forward	**-**	(92)
- Current year losses for which no deferred tax asset is recognised	**103**	-
Income tax charge/(credit)	**2,637**	(4,968)

Management only recognises a deferred tax asset when there is evidence that recoverability of the asset is probable, taking into account business forecasts and tax regulations. The Group, and entity in which losses are recognised, has seen underlying profitability for both the current and prior year, and expects to continue to be profit making. Therefore, management considers it appropriate to recognise a deferred tax asset.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances on a net basis.

The reconciliation of the deferred tax asset is shown below:

Group	Tax losses £'000	Accelerated capital allowances £'000	Total £'000
At 1 January 2023	8,251	(144)	8,107
Statement of Comprehensive Income movement	(2,213)	(375)	(2,588)
At 31 December 2023	**6,038**	**(519)**	**5,519**
Statement of Comprehensive Income movement	(535)	(1,322)	(1,857)
At 31 December 2024	**5,503**	**(1,841)**	**3,662**

The current portion of the deferred tax asset cannot be reliably estimated.

12. Earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year.

	2024	2023
Basic earnings per share (p)	**1.57p**	2.38p
Basic adjusted earnings per share (p)	**1.69p**	1.27p
Diluted earnings per share (p)	**1.55p**	2.35p
Diluted adjusted earnings per share (p)	**1.67p**	1.25p

Diluted earnings per share has been calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares. A potentially dilutive share is a warrant or option where its exercise price is below the average market price of hVIVO shares during the year and any performance conditions attaching to the scheme have been met at the Statement of Financial Position date. The adjusted profit is used in the calculation of adjusted earnings per share as reconciled below:

	2024	2023
	£'000	£'000
Profit for the year	**10,652**	16,115
Initial recognition of deferred tax assets	**-**	(8,107)
Share based payments	**836**	575
Adjusted profit for the year	**11,488**	8,583

The numbers of shares used in calculating basic and diluted earnings per share are reconciled below.

	2024	2023
Weighted average number of shares in issue	**No.**	No.
Basic	**680,371,877**	677,444,133
Dilution for share options and warrants	**7,883,099**	8,403,182
Diluted	**688,254,976**	685,847,315

13. Intangible assets

	Goodwill	Software	Other Intangible Assets	Total
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 January 2023	7,228	2,286	685	**10,199**
Additions	-	-	-	**-**
At 31 December 2023	**7,228**	**2,286**	**685**	**10,199**
Transfer from property plant and equipment	-	63	-	**63**
Additions	-	44	-	**44**
Disposals	-	-	(685)	**(685)**
At 31 December 2024	**7,228**	**2,393**	**-**	**9,621**
Amortisation and impairment				**-**
At 1 January 2023	1,628	2,192	356	**4,176**
Charge for the year	-	27	75	**102**
Impairment	-	-	254	**254**
At 31 December 2023	**1,628**	**2,219**	**685**	**4,532**
Charge for the year	-	30	-	**30**
Transfer from property plant and equipment	-	43	-	**43**
Disposals	-	-	(685)	**(685)**
At 31 December 2024	**1,628**	**2,292**	**-**	**3,920**
Net book value				
At 1 January 2023	5,600	94	329	6,023
At 31 December 2023	5,600	101	-	5,667
At 31 December 2024	**5,600**	**101**	**-**	**5,701**

Goodwill was allocated to the Group's single cash-generating unit (CGU) identified according to a single operating segment.

	2024	2023
	£'000	£'000
hVIVO Group	**5,600**	5,600

Goodwill is tested for impairment at the Statement of Financial Position date. Management considers that there is adequate headroom when comparing the net present value of the cash flows to the carrying value of goodwill to conclude that no impairment of Goodwill is necessary.The key assumptions in the calculation to assess value in use are the future revenues and the ability to generate future cash flows. The most recent financial results and forecast approved by management for the next two years were used followed by an extrapolation of expected cash flows at a constant growth rate for a further seven years. The projected results were discounted at a rate which is a prudent evaluation of the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating units.

The key assumptions used for value in use calculations in 2024 were as follows:

Longer-term growth rate (from 2025 onwards) 5%

Discount rate	10%

The impairment review is prepared on the Group basis rather than a single unit basis.

The Directors have performed a sensitivity analysis to assess the impact of downside risk of the key assumptions underpinning the projected results of the Group. The projections and associated headroom used for the Group is sensitive to the EBITDA growth assumptions that have been applied.

The Company had no intangible assets at 31 December 2024 (2023: nil).

14. Property plant and equipment

	Leasehold improvements	Plant & Machinery	Computer Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2023	1,292	2,957	1,441	**5,690**
Additions	4,808	414	194	**5,416**
Disposals	-	-	(58)	**(58)**
Exchange differences	-	(1)	(10)	**(11)**
At 31 December 2023	**6,100**	**3,370**	**1,567**	**11,037**
Additions	1,428	817	171	**2,416**
Disposals	(725)	(713)	(268)	**(1,706)**
Transfer to intangible assets	-	-	(63)	**(63)**
Exchange differences	-	-	(21)	**(21)**
At 31 December 2024	**6,803**	**3,474**	**1,386**	**11,663**
Depreciation				
At 1 January 2023	1,039	2,217	921	**4,177**
Charge for the year	189	292	244	**725**
Elimination on disposal	-	-	(58)	**(58)**
Exchange differences	-	-	(10)	**(10)**
At 31 December 2023	**1,228**	**2,509**	**1,097**	**4,834**
Charge for the year	451	436	211	**1,098**
Elimination on disposal	(725)	(713)	(268)	**(1,706)**
Transfer to intangible assets	-	-	(43)	**(43)**
Exchange differences	-	-	(18)	**(18)**
At 31 December 2024	**954**	**2,231**	**980**	**4,165**
Net book value				
At 1 January 2023	253	740	520	**1,513**
At 31 December 2023	4,872	861	470	**6,203**
At 31 December 2024	**5,849**	**1,243**	**406**	**7,500**

The Company had no property plant and equipment at 31 December 2024 (2023: nil).

15. Investments in subsidiaries and associates

	2024	2023
Company	**£'000**	£'000
Shares in Group undertakings		
At 1 January and 31 December	**22,377**	22,377

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid. Following review an impairment provision of nil (2023: nil) has been made to the investment in subsidiaries.

The subsidiaries of hVIVO plc are as follows:

Name of Company	Country of Registration	Principal activities	Proportion of ordinary shares and voting rights held (%) 2024	2023
hVIVO Holdings Limited*^	England & Wales	Intermediate holding company	100	100
hVIVO Services Limited*	England & Wales	Viral challenge and related laboratory services	100	100
hVIVO Inc.	USA	Sales & marketing services	100	100
Venn Life Sciences ED B.V^	Netherlands	Pre-clinical & early clinical research services	100	100
Venn Life Science Biometry Services S.A.S^	France	Data management & statistics services	100	100
Open Orphan DAC^	Ireland	Group services company	100	100

Venn Life Sciences Limited^	Ireland	Dormant	100	100
Venn Life Sciences (Germany) GmbH^	Germany	In liquidation	100	100
Venn Life Sciences (France) S.A.S^	France	Liquidated in 2024	-	100

*Registered address 40 Bank Street, Floor 24, London, E14 5NR
^Directly owned by hVIVO plc

These consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 31 December 2024.

The Group, via its holding in hVIVO Holdings Limited, has investments in two associated companies as follows:

Name of Company	Country of Registration	Principal activities	Proportion of ordinary shares held/voting rights held (%)
Imutex Limited(1)	England & Wales	Clinical development	49/49
PrEP Biopharm Limited(2)	England & Wales	In liquidation	62.62/49.98

(1) Carrying value of nil at 31 December 2024 (2023: nil). The registered office address is The Walbrook Building, 25 Walbrook, London, England, EC4N 8AF.
(2) Carrying value of nil at 31 December 2024 (2023: nil). The registered office address is Unit 2 Spinnaker Court 1c Becketts Place, Hampton Wick, Kingston Upon Thames, KT1 4EQ.

16. Leases and right of use assets

	Right of use assets		Lease Liabilities	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
As at 1 January	**13,835**	1,610	**12,530**	1,563
Additions	**417**	14,149	**417**	12,890
Leases exited	**-**	(22)	**-**	(24)
Depreciation expense	**(2,434)**	(1,889)	**-**	-
Interest expense	**-**	-	**955**	155
Payments	**-**	-	**(984)**	(2,044)
Exchange differences	**(17)**	(13)	**(17)**	(10)
As at 31 December	**11,801**	13,835	**12,901**	12,530
Current			**2,510**	367
Non-current			**10,391**	12,163

Maturity of lease liabilities:

Contractual undiscounted cash flows	**31 December 2024** **£'000**	31 December 2023 £'000
Within one year	**2,510**	367
Between one to two years	**2,088**	2,457
Between two to five years	**12,883**	9,706
Total undiscounted lease liability at 31 December	**17,481**	12,530

Short-term lease payments expensed during the year ended 31 December 2024 were £2,000 (2023: £19,000).

17. Inventories

	Group	Group	**Company**	Company
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Virus inventory	**641**	286	**-**	-
Consumables	**163**	140	**-**	-
Total inventories	**804**	426	**-**	-

Inventories expensed in the Consolidated Statement of Comprehensive Income are £800,000 (2023: 685,000) and are shown within direct project and administrative costs. No provision against inventories was required during 2024.

18. Trade and other receivables

	Group	Group	**Company**	Company
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade receivables	**4,467**	9,117	**-**	-
Prepayments	**1,288**	1,405	**286**	72
Accrued income	**4,843**	760	**-**	-
Amounts owed by subsidiary undertakings	**-**	-	**1,025**	1,445
Other receivables (incl. R&D tax credits)	**4,647**	3,323	**262**	10
	15,245	14,605	**1,573**	1,527

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The majority of the Group's contracts are based on milestone payments and the Group seeks to ensure that contract milestones are timed to result in invoicing occurring in advance where at all possible, prior to the satisfaction of performance obligations. Therefore, projects that are in progress are typically in a deferred income position. However, some smaller contracts are on a time and materials basis and consequently work is undertaken initially and invoiced subsequently, and this gives rise to an accrued income balance. The costs incurred to obtain or fulfil a contract which has been recognised as accrued income have been determined with reference to labour hours incurred to the period end as a percentage of the total estimated labour hours to complete specified performance obligations as stipulated by the relevant contracts. Accrued income is not amortised as it is of a short-term nature.

Contractual payment terms are typically 30 to 60 days from date of invoice.

The carrying amounts of the Group's trade and other receivables denominated in all currencies were as follows:

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
GBP£	**13,900**	13,167	**548**	90
Euro	**1,345**	1,438	**1,025**	1,437
Total	**15,245**	14,605	**1,573**	1,527

19. Cash and cash equivalents

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Cash at bank and on hand	**44,180**	36,973	**42**	2,281

The Directors consider that the carrying amount of cash and cash equivalents approximates to its fair value.

20. Trade and other payables

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Trade payables	**1,884**	2,088	**22**	51
Amounts due to subsidiary undertakings	**-**	-	**3,101**	2,890
Social security and other taxes	**851**	814	**28**	28
Other payables	**503**	525	**-**	-
Accrued expenses	**6,610**	5,857	**303**	277
Deferred income	**19,557**	24,944	**-**	-
	29,405	34,228	**3,453**	3,246

All balances are due within 1 year.

The Group seeks to ensure that study contract milestones are timed to result in invoicing occurring in advance where at all possible, prior to the satisfaction of performance obligations. Therefore, projects that are in progress are typically in a contract liability position which gives rise to a deferred income balance. Performance obligations of contracts with customers are satisfied on the delivery of study data to the customer along with a final study report. Due to the nature of the business, there are no warranties or refunds expected or provided for.

The Group is using the practical expedient not to adjust the amount of consideration for the effects of any financing component as the period between when the promised services are transferred and when the customer pays for the service is less than twelve months.

21. Leasehold provision

	2024 £'000	2023 £'000
As at 1 January	**2,144**	730
Additional provisions	**259**	1,484
Discount unwind	**94**	-
Utilisation of provisions	**(585)**	(70)
As at 31 December	**1,912**	2,144
Current	**-**	585
Non-Current	**1,912**	1,559
	1,912	2,144

Leasehold provisions relate to dilapidation provisions for the Group's various property leases.

22. Capital commitments

Group

The Group had capital commitments of £240,000 relating to the facility build in Canary Wharf at 31 December 2024 (2023: £1,248,000).

Company

The Company has agreed to act as surety to a lease agreement for its subsidiary, hVIVO Services Ltd. No liability has been recognised in the Company Statement of Financial Position.

23. Financial instruments

a) Assets

Group 2024	Group 2023	**Company 2024**	Company 2023

	£'000	£'000	£'000	£'000
31 December				
Assets				
Trade and other receivables	**9,946**	11,486	**1,287**	1,455
Cash and cash equivalents	**44,180**	36,973	**42**	2,281
Total	**54,126**	48,459	**1,329**	3,736

Assets in the analysis above are all categorised as 'other financial assets at amortised cost' for the Group and Company.

b) Liabilities

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
31 December				
Liabilities				
Lease liabilities (note 16)	**12,901**	12,530	**-**	-
Trade and other payables	**8,999**	8,470	**3,425**	3,218
Total	**21,900**	21,000	**3,425**	3,218

Liabilities in the analysis above are all categorised as 'other financial liabilities at amortised cost' for the Group and Company.

c) Credit quality of financial assets

The Group is exposed to credit risk from its operating activities (primarily for trade receivables and other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at 31 December 2024 and 31 December 2023, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying Statement of Financial Position.

Trade receivables

The credit quality of trade receivables that are neither past due date nor impaired have been assessed based on historical information about the counterparty default rate. The Group does not hold any other receivable balances with customers, whose past default has resulted in the non-recovery of the receivables balances.

Cash at bank

The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Company seeks to limit the level of credit risk on cash and cash equivalents by only depositing surplus liquid funds with counterparty banks that have high credit ratings.

24. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and cash flow interest rate risk), credit risk, liquidity risk and capital risk. The Group's risk management programme focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group does use derivative financial instruments to hedge specific client contracted currency risk exposures.

Risk management is carried out by the head office finance team. It evaluates and mitigates financial risks in close cooperation with the Group's operating units. The Board provides principles for overall risk management whilst the head office finance team provides specific policy guidance for the operating units in terms of managing foreign exchange risk, credit risk and cash and liquidity management.

(a) Market risk

(i) Foreign exchange - cash flow risk

The Group's presentation currency is pounds sterling (GBP) although it operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily between euro, US dollars and GBP such that the Group's cash flows are affected by fluctuations in the rate of exchange between GBP and the aforementioned foreign currencies.

The Group does not speculate in foreign currencies and no operating Company is permitted to take unmatched positions in any foreign currency.

(ii) Foreign exchange - fair value risk

Translation exposures that arise on converting the results of overseas subsidiaries are not hedged. Net assets held in foreign currencies are hedged wherever practical by matching liabilities in the same currency. The principal exchange rates used by the Group in translating overseas profits and net assets into GBP are set out in the table below.

Rate compared to GBP£	Average rate 2024	Average rate 2023	Year end rate 2024	Year end rate 2023
Euro	**1.18**	1.15	**1.21**	1.15
USD$	**1.28**	1.25	**1.25**	1.27

As a guide to the sensitivity of the Group's results to movements in foreign currency exchange rates, a one penny movement in the GBP to euro rate would impact profit for the year by approximately £24,000 (2023: £21,000).

(iii) Cash flow and fair value interest rate risk

The Group has assets in the form of cash and cash equivalents. Where possible, the Group earns market interest rates on cash and cash equivalents on deposit. The Group does not speculate on future changes in interest rates.

The Group does not use interest rate swaps.

(b) Credit risk

Credit risk is managed at the operating business unit level and monitored at the Group level to ensure adherence to Group policies. Each local subsidiary and operating business unit is

ensure adherence to Group policies. Each local subsidiary and operating business unit is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. It is the Group policy to obtain prepayment deposits from customers where possible. If there is no independent rating, local management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. The Group manages this credit risk by holding deposits across multiple institutions.

(c) Liquidity risk

Cash flow forecasting is performed in the individual operating entities of the Group and is aggregated by the Head of Finance team. The Head of Finance team monitors cash and cash flow forecasts and it is the Group's liquidity risk management policy to maintain sufficient cash and available funding through an adequate amount of cash and cash equivalents.

The Group's policy in relation to the finance of its overseas operations requires that sufficient liquid funds be maintained in each of its territory subsidiaries to support short and medium-term operational plans. Where necessary, short-term funding is provided by the Company. Excess funds are placed as short-term deposits, to provide a balance between interest earnings and flexibility.

The maturity groupings of the Group's non-derivative financial liabilities, namely trade and other payables and lease liabilities, are disclosed in notes 20 and 16 respectively.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group has no borrowings at 31 December 2024.

25. Share capital

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
680,371,877 (2023 - 680,371,877) Ordinary shares of £0.001	**680**	680	**680**	680

During the year the Company did not issue any shares. During the prior year the Company issued 9,324,106 shares @ £0.056 per share resulting in an increase of £9,000 to share capital and £512,000 to share premium as a result of share options and warrants being exercised (see note 27).

26. Other reserves

Group and Company

Share premium

Share premium is the difference between the nominal value of shares issued and the actual cash received for the issued shares.

Merger reserve

This includes reverse acquisition reserve which resulted from the reverse takeover of Venn Life Sciences Holdings Plc by Open Orphan DAC on 28 June 2019. Also included is a Group re-organisation reserve relating to previous re-organisation of the Venn Group.

Foreign currency reserve

The foreign currency reserve arises from a one off transition of the Group from a presentational currency of euro to pounds sterling, and from the translation of subsidiaries' results on consolidation which have a functional currency other than pounds sterling.

27. Share options and warrants

Share options

The Group has various share option plans under which it has granted share options to certain Directors and senior management of the Group under its Long-Term Incentive Plan.

The number of outstanding share options remaining at 31 December 2024, along with the comparative period are as follows:

2024:

Date of issue	Exercise price	Vesting date	# of options at 01/01/2024	# of options granted	# of options exercised	# of options lapsed	# of options at 31/12/2024
2015	13p	2025	280,000	-	-	(280,000)	-
2020	2p	2024	277,792	-	-	-	277,792
2022	0.1p	2025	7,227,273	-	-	-	7,227,273
2024	0.1p	2026-2027	-	7,391,451	-	-	7,391,451
			7,785,065	**7,391,451**	**-**	**(280,000)**	**14,896,516**

2023:

Date of issue	Exercise price	Vesting date	# of options at 01/01/2023	# of options granted	# of options exercised	# of options lapsed	# of options at 31/12/2023
2015	13p	2025	280,000	-	-	-	280,000
2019	5.6p	2024	7,716,964	-	(7,716,964)	-	-
2020	2p	2024	277,792	-	-	-	277,792
2022	0.1p	2025	7,227,273	-	-	-	7,227,273
			15,502,029	**-**	**(7,716,964)**	**-**	**7,785,065**

The weighted-average exercise price of all options outstanding at year end is 0.14p (2023: 0.63p) and the weighted-average remaining contractual life is 6.8 years (2023: 1.0 years).

Share based payment charge for the year was £836,000 included in direct project and administration costs (2023: £575,000).

New share options granted during the year relate to grants to senior employees in the Long-Term Incentive Plan (LTIP). The weighted average fair value of the options at measurement date

was 22.9p per option (2023: 14.7p). The Company used the Black Scholes model to value the options. The following key assumptions were factored into the model when valuing these options at the date of grant (weighted average across all grants):

	2024	2023
Share price at grant date	**27.2p**	19.1p
Exercise price	**0.1p**	0.1p
Risk free rate	**4.0%**	3.1%
Expected volatility	**60%**	74%
Expected life	**3 years**	3 years
Dividend yield	**0.8%**	0.0%

A discount has been applied to the fair values to reflect market conditions contained in the option agreements.

Warrants

There were no warrants outstanding at 31 December 2024, or 31 December 2023. Movements in the number of warrants outstanding for the prior period are as follows:

2023:

Date of issue	**Exercise price**	**Expiry date**	**# of warrants at 01/01/2023**	**# of warrants expired**	**# of warrants exercised**	**# of warrants at 31/12/2023**
11/12/2018	0.1p	10/12/2023	232,696	(232,696)	-	-
11/12/2018	2.2p	10/12/2023	424,589	(424,589)	-	-
28/06/2019	0.1p	27/06/2024	1,607,142	-	(1,607,142)	-
			2,264,427	**(657,285)**	**(1,607,142)**	**-**

28. Dividends

	2024	2023
Equity dividends	**£'000**	£'000
Final dividend for 2023: 0.20p per ordinary share	**1,358**	-
Special dividend for 2022: 0.45p per ordinary share	**-**	3,054

A final dividend for the year ended 31 December 2024 of £1,374,000 (0.20p per ordinary share) is recommended by the Directors and is to be paid to all ordinary shareholders on the register at the close of business on 16 May 2025 with payment being made on 11 June 2025, subject to shareholder approval at the Annual General Meeting.

29. Related party disclosures

Directors

Directors' emoluments are set out in the Report of the Remuneration Committee Report.

Key management compensation for the year was as follows:

	2024	2023
	£'000	£'000
Aggregate emoluments	**1,295**	1,189
Employer contribution to pension scheme	**66**	57
	1,361	1,246

Key management includes the Directors only.

Other transactions with Directors

Prior period disclosure:

As disclosed in the 2023 report, in December 2018, Venn Life Sciences Holdings plc completed a £1 million financing from private individuals, including Cathal Friel who participated via his pension fund, the CMF Pension Fund. The financing was completed via the issue of a two-year loan note and as part of their investment, the holders of the loan notes received warrants to purchase shares in the Group with an expiry date in December 2023. Cathal Friel was unable to exercise these warrants prior to their expiry due to his knowledge of insider information for extended periods of time. As such, the Board agreed that the Group would pay 19.95p per warrant share (being the closing price on 8 December 2023, the last trading day prior to the Final Date of the Warrant Instrument) minus the subscription price of £9,573.65 to the CMF Pension Fund for a total of £121,554 in lieu of the unexercised warrants.

Group

Non-Executive Group Chairman, Cathal Friel, is a Director of Raglan Professional Services Limited which has provided advisory and administrative services to the Group (2024 charge £61,000; 2023 charge £4,000). The balance owed by the Group to Raglan Professional Services Limited at year end 2024 was nil (2023: £1,000).

There were no other related party transactions during the year.

Company

During the year the Company absorbed net management charges of £343,000 (2023: £344,000) from its subsidiaries. At 31 December 2024 the Company was owed £8,825,000 (2023: £11,874,000) by its subsidiaries, and the Company owed £3,101,000 (2023: £2,890,000) to its subsidiaries. The Company holds a provision of £7,800,000 against the receivable.

30. Post balance sheet events

In January 2025, the Company acquired 100% of the share capital of CRS Clinical Research Services Kiel GmbH and CRS Clinical Research Services Mannheim GmbH, which comprise a German full-service early-phase CRO providing early clinical development services, including first-in-human and proof-of-concept trials. The acquisition was completed for a cash consideration of €10.0 million. The acquired companies recorded unaudited revenues of €19.9 million in the financial year ended 31 December 2024. with an adjusted EBITDA loss of €1.8 million.

In February 2025, the Company acquired 100% of the share capital of Cryo Store Limited, a UK specialist provider of high industry standard, temperature-controlled storage solutions for biological and clinical materials. The acquisition has been completed for consideration of up to £3.2 million, comprising £2.7 million funded from the Group's existing cash resources and up to £0.5 million in equity subject to certain terms. Cryo Store Limited recorded unaudited revenues of £0.89 million in the financial year ended 31 December 2024, with an EBITDA of £0.52 million.

In March 2025, in order to satisfy the exercise of Yamin 'Mo' Khan's 2022 LTIP awards the Company issued 6,440,119 ordinary shares for a total consideration of £6,440.12.

In April 2025, hVIVO Holdings Ltd entered into a share exchange agreement with Conserv Bioscience Ltd to sell all of its shareholding in Imutex Ltd in exchange for 100 ordinary shares, representing 10% of the total share capital, of Conserv Bioscience Ltd.

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