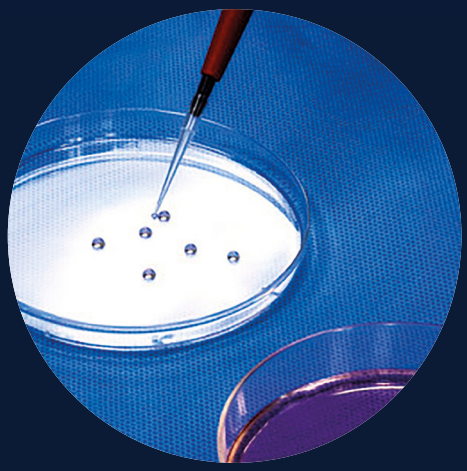
Tissue Regenix
Group plc

Annual Report and Financials

for year ended 31 December 2022



Contents

Business Overview

Tissue Regenix Group plc (AIM: TRX) is an international, pioneering medical technology company focussed on commercialising our two platform technologies, dCELL®, addressing soft tissue needs, and BioRinse®, providing sterile bone and soft tissue allografts.

We are currently helping to transform the treatment of patients in key surgical applications: Orthopaedics (sports medicine/spine), Dental, General, Foot & Ankle, Plastic Surgery, Urology/Gynaecology, and Ophthalmology.

More details on our operating segments and operations are contained below:

dCELL®

Our patented decellularisation ('dCELL') technology platform removes DNA and other cellular material from animal and human soft tissue leaving an acellular tissue scaffold which is not rejected by the patient's body and can then be used to repair diseased or damaged body parts. Current applications address many critical clinical needs, such as foot and ankle surgery, sports medicine, urological-gynaecological and wound care. This business segment operates primarily under the TRX BioSurgery brand.

BioRinse®

Our proprietary BioRinse technology platform is primarily utilised to provide sterile tissue prepared in a manner to minimise the negative effects of processing. One application of the technology provides a natural bone filler solution, tested for osteoinductivity which can stimulate and regenerate native bone growth. This product has the potential to provide superior clinical outcomes as it contains 100% allograft bone, tested to demonstrate the presence of the key natural bone growth factors, and available in various physical forms. Current applications address many critical clinical needs, such as spine surgery, sports medicine, dental, ophthalmology and wound care. This business segment operates primarily under the CellRight Technologies brand.

GBM-V

Our controlled joint venture company, GBM-V, is a regional tissue bank based in Rostock Germany. It currently produces tissue preparations for ophthalmology, primarily cornea, using conventional, classical methods.

Operations

The Group's main facility is in San Antonio, Texas, and is used for processing dCELL and BioRinse products. As part of the Phase 1 expansion, completed in 2021, we relocated facilities designated for distribution and frozen tissue storage as well as adding two clean rooms at the existing San Antonio facility, bringing the total number of clean rooms to seven. We also have facilities in Leeds, United Kingdom ('UK'), for processing dCELL porcine tissue including OrthoPure® XT, as well as our controlled joint venture GBM-V in Rostock Germany for human tissue in the EU. The Group had an average of 79 employees and 6 Directors in 2022.

Chair & Chief Executive Officer's Statement

"During what has been a year of immense progress with some notable milestones achieved, we have continued to demonstrate and realise operational and commercial growth. This has been the result of our continued focus on our 4S strategy - Supply, Sales Revenue, Sustainability and Scale. We have experienced over 20% revenue growth across the Group, resulting in a positive adjusted EBITDA for the fourth quarter of 2022. Execution of this strategy will continue to provide us with the opportunity to build shareholder value as we broaden our opportunities in regenerative medicine, addressing many critical unmet clinical needs around the globe."

Jonathan Glenn, *Chair*

2022 performance

2022 has been a solid year of growth, marked by achieving several new milestones for the Group. As we had forecast, our top-line revenues exceeded the prior year and continued a positive growth trajectory. Our three main business units all demonstrated growth building on the strong and sustainable market position we have built for our company. As a result, the Group has demonstrated sales growth greater than its peers over the past three years and succeeded in meeting market expectations. This is despite the significant headwinds faced by commercial healthcare organisations in 2022. We are pleased that the Group continued to execute on its plans to deliver further operational and commercial growth. We have continued to expand our distribution network with new products and increased the number of strategic partners and distributors we work with to broaden the adoption of our innovative products. All of this could not have happened without the talented and dedicated employees of the Group, which we would like to thank for their hard work.

Strategy

Our focus remains on the 4S strategy which continues to be the foundation for how we operate, execute and drive our growth:

- **Supply** – highlighted by the fundamental ability to source donor tissue and having the capacity to produce various graft products
- **Sales Revenue** – to distribute the finished grafts to the clinicians and institutions that need these products to treat patients
- **Sustainability** – to manage sales revenue along with expenses to be a profitable entity that does not need additional external capital to operate
- **Scale** – to utilise the first three S's to continue to invest in and grow the business, license or acquire new products, technologies and companies

We believe any significant issues with tissue supply are now behind us and have stabilised, given that capacity has been increased to service our needs through to 2025. Our sales growth continues across all divisions, highlighted by achieving an important milestone for the Group of an adjusted EBITDA profitable fourth quarter of 2022. Sustainability remains a key focus and by delivering this we will create new opportunities for the Group with respect to scale, internally and externally.

BioRinse

Through a primary focus on the United States ('US') orthopaedics and dental markets, our BioRinse portfolio reported a strong performance in 2022 with sales of USD16,049k (2021:USD12,711k). The 26% growth was led by confidence in our ConCelltrate® demineralised bone matrix, and AmnioWorks™ birth tissue product families. Our strategic partners continue to have confidence in the superior performance of our products and our ability to deliver products in the required quantities and timeframes due to our elevated processing capacity. Since the completion of the Phase 1 expansion, we have been able to supply products and adjust to unanticipated customer needs in half the amount of time. Achieving these service levels with our partners and distributors across all the surgical specialties we serve (orthopaedics, sports medicine, spine, dental, trauma, others), has earned us a solid and much improved reputation in the industry. Our growth rate is above the market rate for the period (see Market Overview for more details on underlying market growth rates), with our top five product families demonstrating a greater

than 18% year-on-year revenue growth. We believe we are taking market share, with the opportunity to deliver further significant and sustainable growth in the years ahead.

Our additional capacity provides for further opportunities both in the US and the rest of the world. In the period, we began our discussions and efforts to distribute allograft tissue outside the US, identifying target markets and distribution partners. We also engaged a third-party logistics partner and began the required regulatory approvals to expand into Europe. We expect to initiate commercial distribution in select markets in 2023 and are excited about the opportunities that we can see.

dCELL

In 2022, the dCELL commercial business was restructured to bring our commercial leadership closer to our customers, distributors and clinicians. One objective was to increase our distribution footprint in areas where we had established business by adding a further 32 distributors. We exceeded that goal by adding 41 distributors by the end of the calendar year, and as a result sales revenue for this division was USD5,301k (2021:USD4,246k) an increase of 25%. The demand for dCELL products with our urological/gynecological partner increased during 2022 driven by continued market penetration of Dermapure, non-oriented DermaPure and increased utilisation of the pre-shaped VNEW product. We launched VNEW™ Fascia Lata in late 2022 and anticipate this product will develop significant traction in 2023.

During the period, the market for elective surgeries in the EU rebounded, so our efforts to set up distribution of OrthoPure XT started to gain momentum. OrthoPure XT is the only non-human biologic tissue graft available to the market for certain anterior cruciate ligament reconstruction procedures. This product was introduced into Italy and Germany in 2022 and we expect more significant revenue contributions in 2023.

Advancing the clinical science of a new and novel product such as OrthoPure XT provides benefits to growth in the product's life cycle. In April 2022, the four-year clinical experience with OrthoPure XT was presented at the 20th European Society of Sports Traumatology, Knee Surgery & Arthroscopy Congress in Paris. The continued positive long term safety and performance of OrthoPure XT has important implications in this high demand application. A manuscript on the five-year clinical experience is in preparation and planned for submission to a major European publication.

GBM-V

The GBM-V joint venture operates in a Good Manufacturing Practices facility which has been producing commercial corneal products since 2016. In 2022, the combination of increased supply and yield improvements resulted in the achievement of a record year of distributed corneal grafts, with revenues up 12% (up 24% at constant currency) to USD3,126k (2021: USD2,789k).

New strategic partners and distributors

We continued to meet operational milestones, support the growth of our commercial partners and secure additional strategic partnerships or distributorships in 2022.

For BioRinse, our top customers change annually due to market dynamics but we continued to bring on additional strategic partners and distributors, signing 10 agreements in 2022, for specialties such as spine and dental. Across the BioRinse portfolio we experienced a 5% increase in the number of orders we processed.

For dCELL, we increased the number of distributors, substantially ahead of our internal targets. Overall revenue was up 25% versus prior year and neared the levels seen pre-pandemic. Orders for dCELL products increased by 20% versus the prior year which translated into 29% more units shipped. The addition of new distributors also enabled us to penetrate existing accounts more deeply, with revenue up 80% in some existing hospital systems.

In 2022, we introduced VNEW Fascia Lata produced for our Urological/gynaecological partner ARMS Medical. The fascia lata tissue is underutilised so this product enabled us to use tissue which would otherwise be discarded and meets with our mission of maximising the gift of human tissue donation whilst also helping us to improve our gross margin. This type of tissue is used as a sling in stress urinary incontinence procedures, which affects

about 10% of the female population. We currently await the introduction of two other new products through our strategic partners.

The pandemic impacted the launch of OrthoPure XT into the UK and selected European markets, however the market for elective surgeries in the EU has rebounded since, and our efforts to setup distribution of the product has started to gain momentum. In March 2022, we signed an agreement with Geistlich Biomaterials Italia, a subsidiary company of Geistlich Pharma AG, which included a commitment to advance the clinical science for OrthoPure XT. Sales and clinical use of OrthoPure XT have begun in Italy and initial feedback has been positive. In November 2022, we signed an agreement with 2Med GmbH to be our exclusive distributor in Germany and we filled an initial stocking order. To aid us in bringing on distribution partners as part of our European growth strategy, we have engaged a seasoned sports medicine commercial consultant to identify these partners for OrthoPure XT.

Post year end, we signed an agreement with Kingsung Medical Group ('Kingsung') for the exclusive distribution of OrthoPure XT into China and Hong Kong. As part of the agreement, Kingsung will share the cost to obtain regulatory approval in China. It is estimated that the current market for ligament reconstruction procedures in China and Hong Kong is approximately 200k - 250k procedures and growing. This opportunity compares favourably to the size of the United States market, with ligament reconstruction procedures there estimated to be in the range of 250k-400k.

Further product line extensions or product improvements are anticipated during 2023 which will continue to drive our organic growth, efficiently utilising our facility and tissues and supporting the commercial efforts of our organisation and strategic partners.

Operations

2022 was a successful year for the Group following the completion of the Phase 1 capacity expansion programme in San Antonio in 2021, which provided additional space for donor storage, processing and production, and distribution and laid the foundation for future growth.

To meet the need of our commercial partners and our focus on supply, in 2022 we sourced 124% more donors overall. Though we processed fewer Musculoskeletal donors in 2022, our capacity shifted to the fluctuating demands for Dermis and Amnion where processing increased by 135% and 130%, respectively.

The additional capacity for storage has alleviated our concerns for tissue supply for use in producing products. In 2022 we implemented a programme to help us manage the inventory of released donor tissue by making some of it available to other processing companies, subsequently establishing a number of ongoing relationships with other tissue processors. This programme aligns with our responsibility to honour the gift of tissue donation through utilisation in a timely manner for products that can help patients.

Following the addition of two sterile packaging rooms at our San Antonio facility, we have realised some unanticipated gains to our overall capacity for processing and production. This additional capacity is estimated to add c.USD10 million of revenue generation potential. This has effectively delayed our need for the 10 additional clean rooms in the Phase 2 expansion from 2024 until 2025. The expansion has also provided more flexibility in terms of how we can schedule processing and production. As a result, we have been able to respond to orders or unanticipated changes in almost half the amount of time required prior to the Phase 1 expansion.

All of the Group's tissue operations in the US are regulated by the Food and Drug Administration ('FDA') and need to comply with American Association of Tissue Banks ('AATB') certification requirements. Following reinspection by the AATB, we received recertification in December 2022 till March 2025.

Our UK Operations in Garforth received ISO 13485 recertification in January 2022 and also completed a surveillance audit by our notified body. As a result of a change in medical device regulation in the European Union from the Medical Device Directive to the Medical Device Regulation ('MDR') our UK team submitted our MDR update in mid-2022 and have been informed that review will not begin till mid 2023 due to the backlog created by the MDR requirement. The team has processed and shipped the OrthoPure XT device to meet the commercial demands of our European partners.

The impact of the pandemic

The prolonged effects of the pandemic are evident and we still see issues with staff shortages at healthcare institutions impacting elective procedures and we are still seeing component and material supply chain issues affecting our operations or those of our material or equipment providers due to global supply issues. These supply chain issues have indirect effects as they have also lengthened the timelines of our third party vendors and services. Wage inflation and the tight labour market have made it competitive for all to retain or recruit talented personnel. Our resilience and resourcefulness will continue to minimise the impact of any lasting pandemic related issues.

Organisational changes

In January 2022 Kirsten Lund was appointed into the Europe, Middle East and Africa ('EMEA') Business Director role and remains as our Corporate Secretary. Capitalising on her experiences within the organisation, Kirsten will coordinate and drive our efforts to establish commercial distribution focused in the EMEA region.

We will continue to invest in resources which will grow our organisation across all divisions. Additions to our commercial team in BioRinse and dCELL will bring further opportunities to our organisations and spread our footprint in the US and the rest of the world.

Outlook

We will continue to build on our 4S Strategy to provide a solid foundation for the future, with sales revenue and sustainability becoming the priorities in 2023. The Group is well prepared for additional market fluctuations as markets continue to normalise post-pandemic.

The BioRinse products will remain the dominant revenue contributor in 2023 whilst growth will come from existing and new partners as well as new products. We anticipate growth from our dCELL as we continue to invest and expand into markets which historically have been underrepresented, while our GBM-V joint venture consistently identifies opportunities to increase its tissue supply or other opportunities to maintain growth.

Our geographic outreach with our human tissue dCELL and BioRinse portfolios will expand as we sign agreements with additional distributors. Alongside this, OrthoPure XT will be introduced into additional EU and other markets in 2023.

Thus in 2023, we aim to pursue the commercialisation of those products which utilise our core technology platforms, provide product line extensions that are fast to market, and address a specific clinical or commercial need. Whilst we will continue to assess when we need to invest in further capacity expansion, we will develop further efficiencies and be creative in our business practices, whilst looking at all opportunities to scale the business for additional longer term growth.

A combination of the team that we have in place; the products we currently have and the pipeline of new products we are developing; the commercial relationships we have and the distribution base that we have established all give the Board optimism about the future, both short and long term, for the Company. We believe that we are extremely well positioned to take advantage of the opportunities in front of us and to create a profitable, sustainable, generative company for shareholders.

We are all excited by the significant opportunities.

Jonathan Glenn
Chair

Daniel Lee
Chief Executive Officer

20 March 2023

Financial Review

Revenue

During the year ended 31 December 2022, revenue increased by 24% to USD24,476k (2021: USD19,746k).

The Group experienced growth across all three key business segments for the year as more fully described below:

- The BioRinse segment increased top line sales by 26% to USD16,049k (2021: USD12,711k) driven by growth across the allograft segments led by the ConCelltrate and AmnioWorks product families.
- Revenue from the dCELL division increased 25% to USD5,301k (2021: USD4,246k) as the commercial reorganisation implemented in 2022 gained traction.
- The Group's joint venture, GBM-V, based in Rostock, Germany, increased sales by 12% (up by 24% at constant currency) to USD3,126k (2021: USD2,789k) as a result of increased tissue supply.

Cost of sales and gross profit

Gross profit for the year was USD11,258k (2021: USD8,476k). Gross margin percentage increased to 46% (2021: 43%). In early 2022, a price increase was put in place in the BioRinse division to address the cost pressures associated with the inflationary environment. The benefits of this increase were offset slightly due to a margin reduction in the dCELL segment caused by a one-off provision (c. USD447k) related to a supply contract termination.

Included in costs of sales is cost of product USD10,053k (2021: USD10,348k) and third-party commissions USD1,205k (2021: USD922k).

Administrative expenses

During 2022, administrative expenses before exceptional items increased by USD769k, or 6%, to USD13,268k (2021: USD12,499k) driven primarily by additional staffing costs.

Exceptional items

There were no exceptional items recorded during the year ended 31 December 2022 (2021: USD355k).

Finance income/charges

Finance income of USD8k (2021: USD3k) represented interest earned on cash deposits. Finance charges for the year were reported at USD826k (2021: USD767k) and related primarily to interest charges and associated costs in respect of the MidCap Financial Trust ('MidCap') loan arrangement.

Loss for the year

The loss for the year was USD2,596k (2021 loss: USD4,985k) resulting in a basic loss per share of 0.04 cents (2021 loss per share: 0.07 cents). The reduction in the loss for the year was driven by the increases in sales revenue and gross margin percentage.

Taxation

The Group continues to invest in developing its product offering, and as such is eligible to submit enhanced research and development tax claims, enabling it to exchange tax losses for a cash refund. In the year to December 2022, a refund of USD401k was receivable (2021: USD534k). The year-on-year reduction was a result of the business continuing to move its resources away from research and development to more commercial activities.

Corporation tax payable in the US amounted to USD nil (2021: USD nil). A corporation tax credit of USD232k (2021: USD157k) was recognised in the period. Gross tax losses carried forward in the UK were USD58,900k (2021: USD60,779k). The Group does not currently pay tax in the UK. A deferred tax asset has not been recognised as the timing and recoverability of the tax losses remain uncertain.

Financial Review

continued

Statement of Financial Position

At December 2022, the Group had net assets of USD30,401k (2021: USD33,392k) of which cash in hand totalled USD5,949k (2021: USD7,709k).

Inventory levels increased 12% against the 24% sales revenue increase at USD10,882k (2021: USD9,719k) as the BioRinse and dCELL segments managed stock levels closely to increase inventory turnover while also keeping adequate stock levels to meet customer demand.

Intangible assets decreased slightly to USD15,061k (2021: USD15,064k) in the year. A further USD709k of development costs were capitalised in the year. The balance of movements in this account relate to amortisation.

The Directors carried out the annual impairment review, as required by IAS 36, to determine whether there was any requirement for an impairment provision in respect of its non-current assets at 31 December 2022.

The results of the test indicated that the recoverable amount of the Group's non-current assets was at least equal to the carrying amount of those assets and, therefore, no provision for impairment was required at 31 December 2022 (2021: USD nil). See notes 4 and 14.

Working capital decreased slightly in the year to USD9,365k (2021: USD9,992k), driven by an increase in inventory from continued growth in manufacturing activities and an increase in trade receivables due to sales growth, offset by an increase in trade and other payables and an increase in the current portion of loans and borrowings. (See subsequent development paragraph below for more information on the Group's credit facilities.) The Statement of Financial Position included corporation tax receivable of USD401k (2021: USD534k) in respect of UK research and development tax credits.

Borrowings and lease liability

Borrowings include the USD6,258k debt facility through MidCap and the USD3,350k lease liability related to the Group's leasehold in San Antonio, TX (2021: USD4,465k and USD3,482k respectively). The MidCap debt facility includes USD2,000k in respect of the term loan and USD4,387k in respect of the revolving credit facility, net of USD129k of capitalised debt issue costs. More information on these obligations is provided on page 60.

Dividend

No dividend has been proposed for the year to 31 December 2022 (2021: Nil).

Accounting policies

The Group's consolidated financial information has been prepared in accordance with UK adopted International Accounting Standards ('UK adopted IAS'). The Group's significant accounting policies, which have been applied consistently throughout the year, are set out on page 42.

Going concern

The Group financial statements have been prepared on a going concern basis based on cash flow projections approved by the Board for the Group for the period to 31 December 2024 (the 'Cash Flow Projections'). Funding requirements are reviewed on a regular basis by the Group's Chief Executive Officer and Chief Financial Officer and are reported to the Board at each Board meeting, as well as on an ad hoc basis, if requested. The Cash Flow Projections show that the Group will continue to consume cash over the forecast period. Until sufficient cash is generated from its operations, the Group remains reliant on cash reserves of USD5.9 million at 31 December 2022 and the ongoing support of MidCap (borrowings of USD6.3 million at 31 December 2022) to meet its working capital requirements, capital investment programme and other financial commitments. As of December 31, 2022, repayment on the MidCap borrowings is scheduled to begin in July 2023 (See subsequent development paragraph below for more information on the MidCap borrowings).

In compiling the Cash Flow Projections, the Board has considered a downside scenario regarding the effect of reduced and delayed revenues due to slower market uptake of the Group's product offering. The Cash Flow Projections prepared by the Board, including the downside scenario, indicate that the Group will still have cash reserves at the end of the forecast period. The Group's Cash Flow Projections assume that the MidCap revolving credit facility is available throughout the forecast period and the term loan repayment begins in 2024 (see subsequent development paragraph below for more information on the MidCap borrowings). The availability of these facilities is dependent upon compliance with a rolling twelve-month revenue covenant which is measured on a monthly basis. The Cash Flow Projections, including the downside scenario, indicate compliance with this covenant throughout the forecast period. In summary, the Directors have considered their obligations in relation to the assessment of the going concern basis for preparation of the financial statements of the Group and have reviewed the Cash Flow Projections, including the downside scenario. On the basis of their assessment, they have concluded that the going concern basis remains appropriate for use in these financial statements.

Subsequent developments

In January 2023, the Group elected to increase its current revolving credit facility from USD5 million to USD10 million and extend the maturity until 2028. Repayment of the term loan will be made in equal instalments commencing in 2024. Although this financing is not dictated by the current business plan, which is fully funded by the Group's year end cash position, the additional liquidity is a prudent measure.

The Board believes that a consolidation of the Company's Ordinary Share Capital will result in a more appropriate number of shares in issue for the Company. Accordingly, the Board has proposed a capital reorganisation in early 2023, which will result in shareholders holding one new Ordinary Share for every 100 existing Ordinary Shares ('the Consolidation').

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are set out on page 10.

Cautionary statement

The strategic report, containing the strategic and financial reports of the Group contains forward-looking statements that are subject to risk factors associated with, amongst other things, economic and business circumstances occurring from time to time within the markets in which the Group operates. The expectations expressed within these statements are believed to be reasonable but could be affected by a wide variety of variables beyond the Group's control. These variables could cause the results to differ materially from current expectations. The forward-looking statements reflect the knowledge and information available at the time of preparation.

David Cocke
Chief Financial Officer

20 March 2023

Market Overview

The Group addresses two main segments of the healthcare market, both of which are billion-dollar opportunities and forecast to grow rapidly over the next five years: the Bone Graft Substitute market and the Soft Tissue market.

Bone Graft Substitutes market

The BioRinse division primarily competes in the global Bone Graft Substitutes market.

According to Fortune Business Insights, the global Bone Graft Substitutes market, comprising allograft, Demineralised Bone Matrix ('DBM'), synthetic (e.g., polymer, ceramic) and xenograft, is projected to grow from c. USD3.8 billion in 2022 (+13% compared with 2021, which benefited from higher elective surgery rates post-pandemic) to c. USD5.7 billion by 2029, at a compound annual growth rate ('CAGR') of 6.1%. The US market accounted for c.45% of this (USD1.53 billion) and is forecast to grow to USD2.7 billion in 2029 (CAGR of 7.5%). The market is being driven by:

- Rising prevalence of disorders in which a bone graft is necessary, including spinal fusion, complex fractures, trauma surgeries and dental implants, with spinal fusion expected to drive the market.
- Rising incidence of bone diseases such as bone infections and bone tumours.

The Group currently addresses two segments of this market, namely allograft and DBM products, with the latter estimated to have been worth USD0.8 billion in 2021 and growing at c.4.3%, with allograft accounting for 11.1% of the market in 2021 (i.e. USD0.39 billion) and anticipated to grow at a higher rate.

Soft Tissue market

The dCELL division primarily competes in the Soft Tissue market with focus areas being wound management, sports related injuries (Achilles tendon repair and rotator cuff repair) and uro-gynaecology surgery through its partnership with ARMS Medical.

According to Grand View Research, the US wound care market in 2021 was c. USD11.3 billion in a global advanced wound care market worth c. USD20.6 billion, comprising surgical wound care (USD9.1 billion), rotator cuff and Achilles tendon repair (USD1 billion - 250,000 and 40,000 annual procedures, respectively) and outpatient use of skin substitutes for advanced wound management (c. USD2 billion). The US market is forecast to grow to c. USD15.5 billion by 2027 (5% CAGR over the period) with the outpatient wound care segment forecast to grow at 10% annually to c. USD2.1 billion.

Principal risk and uncertainties

The Directors continually identify, monitor, and manage the risks and uncertainties of the Group. The Group maintains a comprehensive risk register that is regularly reviewed by the Board as part of these risk management responsibilities. Risk is inherent in all businesses and the Group acts to manage these risks. Set out below are certain risk factors which could have an impact on the Group's long-term performance and mitigating factors adopted to alleviate these risks. This list does not purport to be an exhaustive summary of the risks affecting the Group.

Commercial

Competition risk

Should there be a competitive product that outperforms one of the Group products we could lose customers and distribution opportunities. Should a competitor bring a product to market before us they could potentially have an advantage in gaining market share. We continually monitor the commercial and competitive landscape and look to stay ahead of the trend with innovative product development and line extensions. The Group works with partners to identify potential market opportunities. The Group also collects post-marketing clinical data to ensure that the product offering remains differentiated.

Customer concentration
The Group has a number of key customers, however, should the Group be overdependent on a single customer and not maintain a diversified customer base, it could become exposed if that customer reduced their ordering pattern or move their business elsewhere. In this case, the Group could be subject to material sales revenue losses and also experience an excess of inventory that had been processed in line with expectations. The Group continues to augment its product portfolio with line extensions and new product launches providing diversified clinical applications. During 2022, the Group announced three new products for the dCELL and BioRinse segment. The Group can reduce this risk with distribution of its products into multiple disciplines and in some cases with multiple customers in the same discipline and with a hybrid network of strategic partners, distributors as well as direct sales.

Operational

Human resources
The Group has a high level of reliance on the skills and knowledge of its management and employees, many of whom have considerable sector experience or other specialist expertise, making them attractive to competitors and not always easy to replace. As the business continues to scale and to expand its market presence, our requirements for high-calibre people continue to increase. The loss of key staff could potentially weaken the Group's operational/management capabilities, potentially impeding its ability to grow or maintain efficient operations. To mitigate this risk, the Group maintains competitive incentive and reward structures which are benchmarked against industry standards. The compensation levels are designed to be attractive to existing employees and enable us to continue to attract high quality applicants for new roles. As a regulated business, we have clearly defined roles and responsibilities, supported by documented systems and procedures, to provide a level of continuity in the event an employee leaves the Group. Finally, suitable legal agreements are in place with management and employees to include necessary confidentiality and non-compete clauses.

Tissue supply
As our products are based around human and animal tissues, failure to source good quality, ethically handled tissues could result in the inability to produce products in line with specifications and therefore incur lost sales revenue, reputational damage, customer dissatisfaction and potential regulatory breaches. To address this risk, we have an experienced donor services department in the US who has expanded the number of donor agencies that we work with in the US. All suppliers are comprehensively qualified to meet the Group's internal standards and those imposed by third party moderators.

Manufacturing capacity
Our commercial strategy is built around the establishment of successful strategic and distribution partnerships, which increase the demand on our production and manufacturing capabilities. If we are unable to expand in line with this demand this could result in a loss of business through customer dissatisfaction and reputational damage. To address this potential constraint, the Group completed a capacity expansion in 2021 which provides processing capacity of c. USD40 million.

Finance and IT

Finance
We require investment into our working capital and infrastructure to bring our product portfolio to market and service the increasing demand from our current and future customers. Without this, the Group will be unable to deliver the anticipated future revenue growth. The equity fundraise in June 2020 provided both investment and working capital, which is expected to fund the Group to profitability, however, the lingering effect of COVID-19 on elective surgeries has, and may continue to, alter the timeline to profitability. The Group has elected to increase its revolving credit facility from USD5 million to USD10 million, and extend the maturity to 2028, which can provide non-dilutive financing. To the extent that additional funds are required, there are no assurances that these funds could be raised, and if they could, if those terms would be non-dilutive to current shareholders. To address these risks, the Board has oversight of all significant cash spends and a well-established control environment, which includes internal forecasting, monthly reporting and approval limits on all purchase orders. To maintain the cash

position, The Company reviews business priorities and demands to ensure that funds are invested in the most appropriate manner to deliver a return on investment and grow the business.

Information technology
The Group is reliant upon information systems in all aspects of its operations. Any failure of systems could impact the Group's ability to process and distribute products, lead to a data security breach, loss of financial information and have potential financial implications. The Group was subject to a cyber security incident in January 2020. No ongoing material impact to the business was experienced, however, processing and production was temporarily halted at the San Antonio facility while the restoration and testing of systems was completed. The Group has since upgraded its IT service providers and implemented additional security procedures. These procedures are continually reviewed and updated as required. The Group has an established disaster recovery plan and ensures that secure backups are held off-site in case of a breach. Finally, a global cybersecurity insurance policy has been put in place to help offset the financial impact of a future breach.

Clinical/Regulatory

Product liability risk
Should a product fail upon implantation or incur an adverse reaction due to the product properties, the Group would be at risk of legal action, potential loss of sales revenue through product retraction from the market and reputational damage. To address these risks, before commercialisation, a series of quality assurance, clinical and safety checks are run dependent on the nature of the product and comprehensive training is provided. In addition, the Group maintains quality management systems which are compliant with the local markets in which we operate. Product liability insurance is in place in case of adverse events.

Licensure/Accreditation
As the Group operates in a highly regulated environment, the loss of a license to manufacture or sell products within a territory would result in reputational and financial damage to the Company. The Group employs regulatory experts and consultants for each territory in which manufacturing takes place, or where the Group looks to navigate a regulatory clearance for a product. The Group maintains quality management systems and has a track record of positive feedback following external audits and operates in established controlled environments to minimise potential process variations.

Impact of regulatory changes
In line with licensure and accreditation, the Group operates in a highly regulated environment. Biologics is an area of high growth and additional regulatory standards and requirements are subject to change in any market in which we participate. Internally and with the help of regulatory experts, we seek to understand and review our compliance with any pending regulatory changes. As an example, May 2021 marked the end of the discretionary compliance and enforcement Policy for Certain Human Cells, Tissues, or Cellular or Tissue-based Products (HCT/Ps) by the US FDA. This did not require any changes for our Group at this time.

Political and economic risk
Group performance could be adversely impacted by factors beyond our control such as the economic conditions in key markets and political uncertainty. The macroeconomic climate and continued uncertainty surrounding the impact of Brexit on the UK economy, the US political and economic landscape, and the continued disruptions caused by the Ukraine conflict could negatively affect the Group's ability to commercialise its products. An economic downturn, fiscal or monetary policy changes, continued inflationary pressures, or unexpected developments linked to worsening economic conditions may have a negative impact on sales revenue and profit. The Group monitors macroeconomic developments to ensure that it responds swiftly as they materialise.

Market Overview

continued

COVID-19

The global economy continues to face uncertainty due to the lingering effects of the COVID-19 pandemic, which has, and may continue to have, a significant impact on global healthcare procedures, supply chains, capital markets and commodity prices as well as effects at the Group level with respect to staffing shortages and component and material supply chain shortages. During 2022, the Group remained flexible and proactive in responding to and addressing its needs by expanding its supply chain while still growing the sales line.

Financial risk management

The Group has instigated certain risk management policies covering financial assets and liabilities which are set out in note 26 to the financial statements.

Key performance indicators ('KPIs')

The Group's KPIs include a range of financial and non-financial measures. The Board considers the main financial KPIs for the Group to be sales revenue growth and cash resources (see the Chair and Chief Executive Officer's statement on pages 3 to 6). The Board also considers non-financial KPIs such as new distribution agreements signed, measuring clinical data collection, new account wins, improving the product development portfolio, and increasing manufacturing capacity and supply.

Section 172 Statement

The Directors acknowledge their duty under S.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

the likely consequences of any decision in the long term. The Group's long-term strategy is outlined on page 19 of this report. The principal risks and uncertainties are discussed on page 10 of this report. Throughout the year, management and Directors look to meet with, and update, institutional and retail investors through a variety of platforms, whether it be by face-to-face meeting, telephone conversation, the annual general meeting, retail investor forum, website, social media, or news announcements. Key topics of engagement for investors throughout the year were around: the increase capacity as a result of the completion of the Phase 1 expansion in the BioRinse segment, planned new product introductions, the commercial reorganisation of the dCELL division, the response and implications of the lingering effects of the COVID-19 pandemic, and full year and interim financial results and reports.

the interests of the Group's employees. The long-term success of the Group is built around our highly skilled and experienced workforce. Our technicians are highly specialised, and we have world class processing and development expertise at all facilities. We look to create an environment where all employees can excel and value both practical experience as well as academic qualifications. We believe in investing in our workforce to maintain a low turnover rate and build an agile and adaptive workforce who can successfully navigate the ever-evolving industry landscape to maintain our competitive positioning. We support employees with further education and qualifications and provide a remuneration and benefits framework that supports a healthy work/life balance and is competitive with industry standards. Key topics of engagement for employees throughout the year were around: the response to the lingering effects of the COVID-19 pandemic and the reorganisation of the dCELL division.

the need to foster the Group's business relationships with suppliers, customers and others. Suppliers are fundamental to the Group's ability to source high-quality raw materials and ethically sourced and handled tissues. We look to partner with suppliers who can augment our internal capabilities and build long-term relationships. Key topics of engagement for suppliers throughout the year were around: the implications of the lingering effects of the COVID-19 pandemic, availability of supplies, and any variances to payment practices. In addition, relationships with donor sources were expanded to include tissue types not commercially distributed by the Group, thereby maximising the gift of tissue donation. With respect to customers, they include prestigious key opinion leaders whose expertise assists with driving the clinical discussion around the differentiating properties of our product portfolio. This type of engagement and clinical advocacy is crucial as we work to grow our clinical data portfolio, improve product and brand recognition and increase the number of patients who can benefit from our portfolio. The needs of customers of the dCELL division were considered in its reorganisation strategy, as the new approach puts commercial management closer and therefore more responsive to customer needs. Key topics of engagement for customers and opinion leaders throughout the year were around: changing practices and expectations regarding performance of our clinical solutions and new product development opportunities.

the impact of the Group's operations on the community and the environment. The Board is mindful of the potential social and environmental impacts of the Group's activities. The Board is committed to minimising the environmental effect of the Group's activities wherever possible and seeks rigorous compliance with relevant legislation. More discussion on the Group's environmental initiatives is contained in the Corporate Governance Statement on page 19. The Group also looks to engage with the local communities and support relevant charities wherever possible.

the desirability of the Group maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance, as highlighted in the Corporate Governance Statement on page 19.

the need to act fairly as between members of the Group. The Group's intention is to behave responsibly towards all its shareholders and treat them fairly and equally, so that they too may benefit from the successful delivery of the Group's strategic objectives. The Group's website https://www.tissueregenix.com. has a section dedicated to investor matters that details, amongst other things, all financial reports, press releases and other regulatory filings.

The Strategic Report on pages 3 to 14 was approved by the Board on 20 March 2023.

On behalf of the Board

Daniel Lee
Chief Executive Officer

20 March 2023

Management Team

We have a senior management team with extensive experience in the healthcare industry. They are challenged and supported by an experienced and well-balanced Board of Non-Executive Directors ('NEDs'), together with the teams of employees that they lead.

Daniel Lee
Chief Executive Officer ('CEO')

Daniel Lee has over 30 years' experience in the medical device and biologics industry, ranging from product innovation to commercialisation to corporate management. Daniel was appointed CEO in November 2020 after initially joining the Group as President of US Operations in January 2019. Prior to this, Danny was the CEO for Scaffold Biologics and Aperion Biologics. His previous management roles include global marketing for Smith & Nephew Endoscopy (post-acquisition of Osteobiologics in 1996) and marketing activities for Regeneration Technologies (now RTI Surgical), a leading allograft tissue processor.

Danny spent the first 10 years of his career in R&D with the United States Surgical Corporation (now Medtronic). Danny received his B.E.S. degree in Materials Science and Engineering from the Johns Hopkins University, and his M.S. in Biomedical Engineering from the University of Alabama at Birmingham. He has 13 patents on implants and instruments used in orthopaedic and general surgery.

Danny is also a Certified Tissue Bank Specialist from the AATB.

David Cocke
Chief Financial Officer '(CFO')

David Cocke has over 30 years' experience in the medical device industry holding senior finance and operations positions. In 1997, David was a founding partner of NuPak Medical, Ltd., an ISO-certified contract manufacturer of sterile disposable medical devices. NuPak Medical, Ltd. Was acquired by Katena Products, Inc. in 2017 and David remained with the business post-acquisition until joining the Group in January 2021. David was also CFO at Aperion Biologics from 2008-2017. Prior to this, David was Senior Director for Finance and Operations at Kinetic Concepts from 1993-1996.

David began his career in the corporate finance sector, working at GE Capital in its Corporate Finance Group and at Salomon Brothers Inc in its Investment Banking Group.

David received his B.B.A in Business Honours (magna cum laude) from the University of Texas at Austin and his M.B.A from the University of Virginia's Darden Graduate School of Business Administration. He has two patents covering medical devices.

Gerald Sharpe
Vice President – Strategic Partnerships

Gerald Sharpe has over 12 years' experience in the orthobiologics industry, working for two differentiated allograft tissue processors. His focus is commercialisation and business development. He joined CellRight Technologies as Regional Sales Manager in September 2014, before being appointed as Vice President – Strategic Partnerships in January 2019. Gerald is proficient in the spine, sports medicine, foot and ankle, dental, and ocular markets of the business.

Prior to joining CellRight, Gerald was Regional Sales Manager and Director of Client Services for TissueNet. His previous sales roles include Vice President of Business Development for SolomonFX.

Gerald received his Bachelor of Science degree in Marketing from the University of Central Florida.

Christine Rowley
Technical and Operations Director, UK

Christine Rowley has over 18 years' experience in the medical device biologics industry, joining Tissue Regenix in 2010. She has worked in all areas of product development and commercialisation and has led the development of the OrthoPure XT device from product feasibility through to market approval and launch. Christine's experience covers a wide range of activities, including new product development, process optimisation and design transfer, design verification and validation, clinical trial design and execution, regulatory submissions, and quality control, almost exclusively working with class III xenograft implants.

Christine has held leadership roles within the product development, regulatory, clinical and quality sectors, and has achieved market clearance of xenograft medical devices in multiple countries worldwide. Christine has several patents associated with the decellularisation and manipulation of collagenous tissues for potential health care benefits. Christine has a Bachelor of Science degree in Biological Sciences from the University of Exeter (UK).

Tina Trimble
Vice President, Donor Services, US

Tina Trimble has over 30 years of tissue banking industry experience and joined CellRight Technologies as VP, Donor Services in March 2019. Tina has worked with other tissue banks in leadership roles such as Community Tissue Services, Regeneration Technologies, Tutogen Medical, University of Miami Tissue Bank, and most recently, Bone Bank Allografts.

Tina is a Certified Tissue Bank Specialist, and currently serves on the AATB Exam Committee, American Board of Accredited Tissue Banks, Birth Tissue Council and most recently on the AATB Board of Governors from 2018-2020 and Chair of the Processing and Distribution Council. Prior to that, Tina served on the AATB Accreditation Committee, VC Processing and Distribution Council, Education and Program committees and is currently a member of AORN and ASQ.

Lance Johnson
Vice President, Quality and Regulatory, US

Lance Johnson has over 30 years' experience in FDA Requirements and Quality Systems. His experience includes over 10 years at the executive level for primarily class III medical device implant companies. Prior to joining CellRight Technologies as VP, QA/RA, Lance was the Vice President of Quality for EndoStim Inc, an active implant device manufacturer located in Austin, TX. Lance also worked in the xenograft device industry as VP of Quality for Aperion Biologics, and in the orthopaedic spine industry as Quality Manager for Zimmer Spine and Abbott Spine.

In addition to his industry experience, he spent 16 years as an active investigator with the FDA. Lance specialised in medical device compliance and worked in both the San Francisco and Dallas districts.

He spent 12 years as the resident in charge of the Austin, Texas field office and as contributor to the FDA international cadre. Lance received his Bachelor of Science degree in Biotechnology from Oklahoma State University.

Kirsten Lund
EMEA Business Director and Company Secretary

Kirsten Lund has over a decade of finance experience with the Company and was promoted to the position of Group Finance Director in November 2019 after three years as Group Financial Controller. Kirsten has supported the CFO, led the finance teams in both the UK and US, and advised the Board on all financial matters relating to the Group. Starting January 2022 Kirsten has transitioned into the position of EMEA Director and works closely with the management team to help drive forward the strategy of the business into new markets. Utilising the knowledge acquired over the years in the healthcare sector, Kirsten provides invaluable experience and understanding around the Company structure and routes to market.

Kirsten received her Bachelor of Science degree from the University of Derby and successfully completed the ACCA qualification after joining Tissue Regenix in 2010, qualifying in 2015.

Patti Gary
Vice President, Clinical Affairs

Patti Gary has over 30 years of experience in the medical device and tissue industry. Her experience provides a unique combination of clinical and sales roles with increasing leadership responsibility. She joined Tissue Regenix as Senior Director of Clinical Affairs in July 2013, before being appointed to VP of Clinical Affairs in March 2015. In Patti's early years she was an RN in ICU before transitioning to industry. Her journey in industry began at Hill-Rom as an Account Manager. Patti was the owner of Positive Outcomes, Inc. where she developed clinical and financial tools (HealQuest, HealPROtocols and Healware) to drive standardised processes for wound management. HealPROtocols was acquired by Acelity (3M). Patti joined Acelity as Post-Acute District Sales Manager and was promoted to Post-Acute National Accounts Director. After leaving Acelity, Patti held various positions at Systagenix (3M). She was the Professional Education Manager, Corporate Healthcare Director, and Director of Clinical Services.

Patti is a Registered Nurse, and a Certified Wound Care Nurse. She graduated from Louisiana State University Health Sciences Center School of Nursing.

Board of Directors

Jonathan Glenn
Chair

Jonathan was most recently CEO of Consort Medical from December 2007 until its acquisition for £505m by Recipharm AB in early 2020. Jonathan originally joined Consort Medical as Group Finance Director from September 2006 to December 2007, and prior to this, Jonathan was global Head of Finance at Celltech Group plc, and later CFO of Akubio Ltd, a Cambridge-based developer of instrumentation for the life sciences industry. Jonathan is a member of the Institute of Chartered Accountants in England and Wales. Jonathan joined the Group in January 2016. He serves on the Audit Committee.

Daniel Lee
Chief Executive Officer
(see details in Management Team above)

David Cocke
Chief Financial Officer
(see details in Management Team above)

Shervanthi Homer-Vanniasinkam
Non-Executive Director

Professor Shervanthi Homer-Vanniasinkam BSc, MBBS, MD, FRCSEd, FRCS is an internationally renowned clinician-scientist, who is currently a Consultant Vascular Surgeon at Leeds Teaching Hospitals, the Founding Professor of Surgery at the University of Warwick, and Professor of Engineering & Surgery at University College London. Shervanthi joined the Board in June 2016 and serves on the Remuneration Committee.

Shervanthi has 170 publications, attracted significant research grants and has an outstanding track record of national (Universities of Leeds, London, Warwick) and international (Harvard, Singapore, India) collaborative research. She is a Visiting Scholar at Harvard University, the Yeoh Ghim Seng Visiting Professor of Surgery at National University of Singapore and the Brahm Prakash Visiting Professor at the Indian Institute of Science.

Trevor Phillips
Non-Executive Director

Trevor Phillips is the current Chairman of the Board at NEPeSMO and has extensive experience in the UK and US in corporate development, M&A and operations in the pharmaceutical and life science industries, including previously held positions as Executive Chairman of hVIVO (2017-2020), Chief Operating Officer for Vectura Group plc (2011-2017) and former CEO and COO of Critical Therapeutics, Inc. (2002-2008). Trevor holds a BSc, Microbiology from the University of Reading, a PhD, Microbial Biochemistry from Swansea University and an MBA from Henley Business School. Trevor joined the Group in January 2021. He is Chair of the Remuneration Committee and also serves on the Audit Committee.

Brian Phillips
Non-Executive Director

Brian Phillips is an entrepreneurial investment professional with over 25 years' experience. Brian is the current Principal of Ethos partners which he co-founded in 2018 to assist individuals in establishing a portfolio of assets under private equity investments. Prior to this, Brian was Chief Investment Officer at Greenhill Capital Partners Europe LLP where he was responsible for setting up their UK business (2006-2010) and Managing Director of LGV Capital (2000-2006). Brian holds a B.Acc from Glasgow University and qualified as a Chartered Accountant with KMPG. Brian joined the Group in January 2021. He is Chair of the Audit committee and also serves on the Remuneration Committee.

Corporate Governance Statement

The Board believes in the importance of good corporate governance and is aware of its responsibility for overall corporate governance, and for supervising the general affairs and business of the Company and its subsidiaries.

The Group is listed on the Alternative Investment Market ('AIM') of the London Stock Exchange and is subject to the continuing requirements of the AIM Rules. AIM-listed companies are required to apply a recognised corporate governance code. The Group applies the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The Board considers that it has complied with the QCA Code throughout the year. This section provides general information on the Group's adoption of the QCA Code.

Our strategy and business model and approach to risk

Through our platform technologies, we commercialise regenerative medicine products, helping to transform the treatment of patients in key surgical applications. We aim to implement a business model that ensures our product portfolios have the market reach to deliver novel tissue engineering solutions to patients.

In 2022, we continued to employ our **4S strategy** as the foundation of how we operate and drive our growth:

- **Supply** – highlighted by the fundamental ability to source donor tissue and having the capacity to produce various graft products
- **Sales Revenue** – to distribute the finished grafts to the clinicians and institutions that need these products to treat patients
- **Sustainability** – to manage sales revenue along with expenses to be a profitable entity that does not need additional external capital to operate
- **Scale** – to utilise the first three S's to continue to invest in and grow the business, license or acquire new products, technologies and companies

Our focus on the 4S's across all divisions and departments provides a 360-degree approach and strategic direction for our future success. We believe this focus will allow the Group to achieve above-market growth rates.

The Board carefully considers the strengths, weaknesses, opportunities and risks facing the Group, and endeavours to minimise the impact of weaknesses and risks by employing the necessary mitigating actions. We process tissues at our facilities in the UK, Europe and North America. The Group has an experienced and dedicated management and scientific team, and the prominent risks facing the Group are kept under review and updated as necessary; the Board ensures to review a detailed risk matrix on a rolling basis as part of the formal Board meetings. Details of risks identified are set out on pages 10 to 13 of this report.

The Group maintains a central finance team. The Group seeks to operate consistent accounting policies and engages annual external audits from professional auditors of its financial results and reports, findings from which are presented to the Board. The Board review monthly financial reports including key performance indicators provided by the CFO in respect of the management of cash within the business and review against budgets and forecasts. The Group also has a number of operational controls that all employees are expected to adhere to including management structure, Board reserved matters, financial monitoring, internal policies, codes of conduct and training, health and safety monitoring and IT controls. The regulatory and quality teams at each facility maintain a comprehensive quality management system with each employee having a personal training record. As noted above, the Group regularly audits its suppliers to ensure that the highest ethical standards are maintained. In respect of its intellectual property rights, the Group engages a professional patent and trademark attorney to monitor its intellectual property portfolio.

Board of Directors

The Board is responsible for leading and controlling the activities of the Group, with overall authority for the management and conduct of the Group's businesses, together with its strategy and development. Annual strategy meetings are held wherein management and the Board interact to review performance and set strategic and operational plans for the coming year. For more information on our Board of Directors, see page 18.

Composition of the Board

The Board is comprised of three independent Non-Executive Directors ('NEDs'), the Non-Executive Chair, and two Executive Directors, the CEO and the CFO; reflecting a blend of different experiences and backgrounds. The function of the Chair is to supervise and manage the Board and to ensure its effective control of the business. The Board believes that the composition of the Board brings a desirable range of skills and experience in light of the Group's challenges and opportunities as a public company, while at the same time ensuring that no individual (or a small group of individuals) can dominate the Board's decision-making. There is a clear division of responsibility between the Chair and CEO position, with the Chair advising and leading the Board, as well as making himself available to meet with shareholders. The CEO is responsible for implementing the strategy of the Group and managing day-to-day business activities of the Group. Training is made available to each ('NED') to ensure that they are completely aware of their regulatory responsibilities and requirements. A formal Board appraisal is conducted annually to ensure that the Board continues to function effectively.

The Board aims to meet formally at least 8 times a year, with provision being made to join via telephone or video conference if a member of the Board is unable to attend in person. A monthly Board report is produced, and meeting agendas and Board papers are circulated in advance of each meeting so that the Board can properly consider the matters to be discussed. Outside of the scheduled meetings, the Board will meet to discuss ad hoc business events where necessary, and the CEO keeps the Board fully informed of any business developments that could positively or negatively impact the performance or value of the Company; any business decisions that require formal Board approval, or any event that could impact the Board or individual member carrying out their duties and regulatory responsibilities. The Company maintains minutes of formal and ad hoc Board meetings.

The composition of the Board did not change in 2022.

In 2022, there were 11 Board meetings. All Directors were present for all meetings, with the exception of one meeting where a single Director was absent. In addition, there were 3 Audit Committee meetings, with no absences, and 2 Remuneration Committee meetings, again with no absences.

The NEDs are appointed through formal non-executive appointment letters, which contain a three-month notice period. The non-executive appointment letters contain an indicative time commitment of 20 days per annum; however, these indicate that this is an estimate and that all Directors are expected to commit sufficient time to fully discharge their responsibilities. The Company has not had any issues with regular non-attendance at meetings. Executive Directors have formal service contracts, which require them to work full-time in the business and have no other significant outside business commitments. These service agreements have a maximum of six-months' notice to terminate.

The Company follows the provisions in its Articles of Association in respect of the retirement and reappointment of Directors at its Annual General Meeting each year.

The Board is satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively and that effective controls have been put in place.

The Board also operates two sub-committees, the Audit and Remuneration Committees, to ensure compliance with market regulations.

The Audit Committee's primary responsibilities are to monitor the integrity of the financial affairs and statements of the Group, to ensure that the financial performance of the Group and any subsidiary is properly measured and reported, and to review reports from the Group's external auditor relating to the accounting and internal controls. The Audit Committee also recommends to the Board the appointment and reappointment of the external auditor. The Audit Committee considers the scope and results of the external audit and its cost effectiveness. It also reviews the fees, independence, and objectivity of the external auditor by discussing with the auditor their annual assessment regarding their independence, policies and procedures, and analysing the audit and non-audit work. The Audit Committee also plays a key role in supporting the Board with the ongoing risk assessment and management framework for the Group.

The Group's external auditor has unrestricted access to the Audit Committee and attends the Audit Committee meetings throughout the year. The Executive Directors attend the Audit Committee meeting by invitation only.

The Audit Committee comprises of Brian Phillips, Trevor Phillips and Jonathan Glenn. The Audit Committee meets at least twice per year and is chaired by Brian Phillips who is a Chartered Accountant and has relevant financial experience.

No separate Audit committee report has been included as the Corporate Governance Statement adequately covers the content we would include in the audit committee report.

The Remuneration Committee comprises of Trevor Phillips, Brian Phillips and Shervanthi Homer-Vanniasinkam. The Remuneration Committee meets no fewer than twice per year and is chaired by Trevor Phillips who has many years of relevant operational and commercial industry experience.

Risk management and internal control

The Board is responsible for maintaining a sound system of internal controls. These measures are designed to minimise any potential risks identified and provide reasonable, but not absolute assurance against material misstatement or loss. The Board confirms that it has established a sound system of internal controls. Some key features of the internal control system are:

- well established financial reporting and control systems
- the Board actively identifies, evaluates and monitors the risks inherent in the business and ensure that appropriate controls and procedures are in place to manage these risks
- there is a clearly designed organisation and reporting structure
- the Group has operational, accounting and employment policies in place

In addition, the Board regularly assess the internal control environment under which the business operates and where appropriate implements additional measures to ensure that adequate controls are maintained.

Employees

The Group places value on the involvement of its employees and the Board is regularly briefed on the Group's activities. The Group closely monitors staff attrition rates which it seeks to maintain at low levels and aims to structure staff compensation levels at competitive rates to attract and retain high calibre personnel.

Equal opportunities

The Group is committed to ensuring that equal opportunities are provided to all employees and potential employees, and do not discriminate on the basis of age, gender, ethnicity, religion, disability, sexual orientation, or marital status. All employees are expected to conduct themselves in an appropriate manner adhering to our non-discrimination policy. In all aspects of our business the Group looks to act in ways that are compliant with the applicable laws and regulations, providing our employees with a work environment that is professional, ethical and fair.

Environment

As with all businesses the emphasis on environmental sustainability is important and subject to increasing scrutiny and regulation. All employees are involved in the initiatives implemented to decrease the Group's carbon footprint, energy consumption and environmental sustainability efforts. During 2022, the Group implemented environmental sustainability initiatives as noted below:

- Implemented a cardboard recycling program at the CellRight location in San Antonio, TX.
- Contracted with an external recycling company to remove surplus electronics for sustainable disposal.

Social, community, and human rights

The Board recognises that the Group has a duty to be a good corporate citizen and to respect the laws in the markets in which it operates. It contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices.

The Group, led by the CEO, maintains open and transparent channels of communication with all employees in order to promote values and behaviours which consistently reflect the Group's ethos, and to ensure that employees are aware of company developments and successes. Operating in an industry based upon the processing of human and animal derived tissues demands the highest ethical standards, and the Group aspires to maintain these across all business functions and relations. The Company undertakes regular audit checks to ensure that partners, suppliers, and employees comply with the ethical standards and operate to meet our expectations.

The Group employs a vigorous code of conduct and ethics to ensure it operates with a level of social responsibility across the business every day. Through the gift of tissue donation, the Group has the ability to positively impact hundreds of patients' lives, therefore, we must treat each gift with the utmost respect and provide the next of kin with information around how many patients the donation has helped, if requested; something that can often help in the grieving process.

Relations with shareholders

The Board believes that maintaining regular and transparent dialogue with shareholders is important to ensure that there is a clear understanding of strategic objectives, financial and operational performance and governance of the Group.

The Group actively engages with its shareholders throughout the year both through direct meetings, website and social media communications and stock exchange announcements. Commissioned analyst research notes are made available on the Company's website as well as clinical case studies and published papers. Senior management, typically the CEO and CFO, aim to meet with, or speak with, significant shareholders at least twice in a year usually after the interim and preliminary results announcements, to provide an update on strategy and progress of the Group as a whole, and to receive shareholder feedback. The Group also undertakes several publicly available updates to all shareholders, through forums such as interviews, trading updates and PR announcements. In 2022, the Group undertook two 'Investor Meet Company' retail investor presentations as part of the full year and interim results investor roadshows, with 60 individuals attending the preliminary results presentation in March 2022 and 74 individuals attending the interim results presentation in September 2022.

In accordance with AIM Rule 26, there is an Investors section on the Group's website, which is kept up to date. Information is provided regarding our business, results and financial performance, investor news and copies of our Annual Reports and Accounts.

The Group holds an Annual General Meeting (AGM) each year at which all shareholders are welcome to attend and speak with management. At the AGM, separate resolutions will be proposed for each substantially different issue. The outcome of the voting on AGM resolutions is disclosed by means of an announcement on the London Stock Exchange.

Directors' Remuneration Report

Remuneration policy

The Group's remuneration policy is designed to provide Executive Directors with a competitive market-based package in order to reward individual and group performance and deliver outstanding shareholder returns. The Remuneration Committee is committed to ensuring that the Group's key management team is incentivised to drive sustainable earnings growth and returns to shareholders, thereby creating a genuinely strong alignment of interests between management and investors.

It is the Group's policy that Executive Directors should have contracts with an indefinite term providing for a maximum of six months' notice. In the event of early termination, the Executive Directors' contracts provide for compensation up to a maximum of basic salary for the notice period.

NEDs are employed on letters of appointment which may be terminated on no less than three months' notice.

Companies with securities listed on AIM do not need to comply with the UKLA Listing Rules.

The Remuneration Committee is, however, committed to maintaining high standards of corporate governance and disclosure and has applied the guidelines as far as practical given the current size and development of the Group.

Further details on risk in the remuneration policy are available below.

Remuneration Committee

The Remuneration Committee's primary responsibilities are to review the performance of the Executive Directors of the Group and to determine the broad policy and framework for their remuneration and the terms and conditions of their service and that of senior management (including the remuneration of and grant of options or shares to such persons under any share scheme adopted by the Group).

The 2022 Remuneration Committee comprises Trevor Phillips as Chair of the Committee, Brian Phillips and Shervanthi Homer-Vanniasinkam. The Committee meets no fewer than twice in each financial year.

The main elements of the remuneration packages for Executive Directors and senior management are:

Basic annual salary

The base salary is reviewed annually at the beginning of each year. The review process is undertaken by the Remuneration Committee taking into account several factors, including the current position and development of the Group, individual contribution and market salaries for comparable organisations.

The Committee also approves the level of the pool for salary reviews for all staff.

Discretionary annual bonus

All Executive Directors and senior managers are eligible for a discretionary annual bonus, which is paid in accordance with a bonus scheme developed by the Remuneration Committee. This takes into account individual contribution, business performance and commercial progress, against Corporate and individual goals set at the beginning of the year, in accordance with the Group's strategy along with financial results.

Long term incentive plan

In 2021 the Group replaced the prior deferred annual bonus ('DAB') plan with a new Long-Term Incentive Plan 'LTIP') for Executive Directors and senior management.

The LTIP awards are made annually, with the initial awards made in 2021, to the Executive Directors and those senior management members recommended to participate by the Executive Directors and approved by the Board. Awards are based upon a predetermined percentage of an individual's annual salary and will vest over a period of three years.

The final vesting of the awards is determined by performance against vesting criteria, set by the Remuneration Committee at the time of grant, and adjudged by the Remuneration Committee in the period prior to the nominated vesting date.

The goals are set against key aspects of group performance, defined to be Total Shareholder Return ('TSR'), Revenue Growth, Profitability and individual performance against personal performance goals. Weighting is set at 80% of the vesting directed at group performance over the period against the three corporate goals and 20% against personal performance goals. As part of the LTIP rules the Executive Directors are required to use vested LTIPs to build a shareholding in the Group to a level of 100% of base salary over a period of six years.

Remuneration policy for Non-Executive Directors

Remuneration for NEDs is set by the Chair and the Executive member of the Board. Non-Executives do not participate in bonus schemes.

Directors' remuneration

The remuneration of the main Board Directors of Tissue Regenix who served in the year to 31 December 2022 was:

	Salary and fees USD'000	Bonus USD'000	Benefits USD'000	Total December 2022 USD'000	Total December 2021 USD'000
Jonathan Glenn	87	–	–	87	100
Shervanthi Homer- Vanniasinkam	37	–	–	37	41
Daniel Lee	290	276	15	581	503
David Cocke	225	107	12	344	318
Brian Phillips	43	–	–	43	48
Trevor Phillips	43	–	–	43	48
	725	383	27	1,135	1,058

Within 2021 the total bonus payments were USD298k and benefits were USD27k.

No options were exercised by Directors in 2022 or 2021. No pension scheme is offered for Directors, and there are no Directors accruing retirement benefits in respect of money purchase schemes and defined benefit schemes.

Directors' shareholdings

Directors' interests in the shares of the Company, including family interests at 31 December 2022 were:

	31 December 2022 Number	31 December 2022 %	31 December 2021 Number	31 December 2021 %
Jonathan Glenn	40,600,000	0.58	40,600,000	0.58
Shervanthi Homer-Vanniasinkam	1,628,222	0.02	1,628,222	0.02
Trevor Phillips	5,535,771	0.08	2,777,770	0.04
Brian Phillips	15,322,756	0.22	15,322,756	0.22
Daniel Lee	7,262,200	0.10	3,477,200	0.05
David Cocke	5,692,000	0.08	3,907,000	0.06

Directors' Interest in LTIPS

	At 1 January 2022 Number	Exercised during year Number	Lapsed during year Number	Granted during year Number	31 December 2022 Number	Exercise price Pence
LTIP scheme options						
Daniel Lee*	28,321,603	–	–	27,560,776	55,882,379	0.01
David Cocke*	14,649,105	–	–	21,383,361	36,032,466	0.01

* There were employment period and performance conditions in relation to the options granted on 28 April 2021 and 14 March 2022 which are subject to continued service over a period of three years and satisfaction of customary performance conditions relating to growth in total shareholder return, annual revenue targets, annual profitability targets and personal performance targets.

On behalf of the Board

Trevor Phillips
Chair of the Remuneration Committee

20 March 2023

Directors' Report

The Directors present their report and consolidated financial statements for Tissue Regenix Group plc, and its subsidiary undertakings for the year ended 31 December 2022.

Principal activity

The principal activity of the Group is the exploitation of innovative platform technologies in the field of bone graft substitutes and soft tissue. The Company is principally a holding company incorporated and domiciled in the UK and is listed on the London Stock Exchange's Alternative Investment Market. The subsidiary undertakings of the Group are listed in note C4 of the Company's financial statements.

Business model

A description of the Group's business model is included on page 2. Explanations of activities and how it seeks to add value are included in the Chair and Chief Executive Officer's statement on pages 3 to 6.

Business review and results

A review of the Group's performance and future prospects is included in the Chair and Chief Executive Officer's statement on pages 3 to 6. A review of the Group's financial performance is included within the Financial Review on pages 7 to 9. The loss for the year attributable to owners of the parent company was (USD2,695k) (2021: USD4,792k). The Directors do not recommend the payment of a dividend (2021: nil).

Subsequent Development

In January 2023, the Group extended the maturity and increased the size of its revolving credit facility. Further details are included in the Financial Review on page 7.

Share capital and funding

Full details of the Group and the Company's share capital movements during the year are given in note 22 to the consolidated financial statements.

Directors and their interests

The following Directors held office in the year:

Jonathan Glenn
Shervanthi Homer-Vanniasinkam
Daniel Lee
Trevor Phillips
Brian Phillips
David Cocke

Directors' interests in the shares of the Company, including family interests, are included in the Directors' Remuneration Report on pages 23 to 25.

Directors' indemnity insurance

The Group has maintained insurance throughout the year for its Directors and officers against the consequences of actions brought against them in relation to their duties for the Group.

Directors' Report

continued

Corporate governance

The corporate governance report is provided on page 19.

Substantial shareholders

At 31 December 2022, shareholders holding more than 3% of the share capital of Tissue Regenix Group plc were:

Name of shareholder	Number of shares	% of voting rights
Harwood Capital (London)	1,051,000,000	14.94
Mr Richard Griffiths (UK)	775,369,000	11.02
Inthallo Ltd. (Scotland)	704,500,000	10.00
Lombard Odier	654,299,634	9.30
IP Group (London)	653,042,837	9.28

Employment policies

The Group is committed to keeping employees as fully informed as possible regarding the Group's performance and prospects and seeks their views, wherever possible, on matters which affect them as employees.

Statement as to disclosure of information to the Auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, that as far as they are aware, there is no relevant audit information of which the Auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Financial instruments

Further details of financial risk management objectives and policies are set out in note 26 of the consolidated financial statements.

Auditor

RSM UK Audit LLP have indicated willingness to continue in office, in accordance with the recommendation of the Audit Committee and section 489 of the Companies Act 2006. A resolution to reappoint RSM as the Company's Auditor will be proposed at the forthcoming Annual General Meeting.

Strategic report

The Group has chosen in accordance with Companies Act 206 s414C (11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the Directors' report in relation to research and development, and future developments.

The Directors' Report was approved by the Board on 20 March 2023.

On behalf of the Board

Daniel Lee
Chief Executive Officer

Directors' Responsibilities Statement In Respect Of The Strategic Report, The Directors' Report And The Financial Statements

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

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;

d. for the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;

e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Tissue Regenix Group plc website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

Opinion

We have audited the financial statements of Tissue Regenix plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and UK Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (UK Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** ● Goodwill impairment **Parent Company** ● Impairment of intercompany receivables
Materiality	**Group** ● Overall materiality: USD428,000 (2021: USD345,000) ● Performance materiality: USD278,000 (2021: USD258,000) **Parent Company** ● Overall materiality: £265,000 (2021: £222,000) ● Performance materiality: £172,000 (2021: £166,000)
Scope	Our audit procedures covered 100% of revenue, 98% of total assets and 96% of the loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill impairment	
Key audit matter description	The non-current assets of the CellRight Technologies LLC ('CellRight') cash generating unit ('CGU') includes goodwill of USD11.6 million (after a cumulative impairment charge of USD7.9 million) and this CGU is subject to annual impairment testing. The CellRight CGU is a legal entity in its own right and forms part of the BioRinse operating segment. Management have disclosed details relating to their impairment test in notes 4 and 14. Impairment testing requires management to compare the carrying amount of the CGU's attributable assets and liabilities with the higher of fair value less costs of disposal and value in use (the 'Recoverable Amount'). Where the carrying amount is higher than Recoverable Amount then an impairment charge arises. Impairment testing involves a significant degree of judgement because management's determination of value in use is based on a number of assumptions, including an assessment of future performance in a high growth sector and the selection of an appropriate discount rate. Significant impairment charges have arisen in previous periods and the Group overall continues to be loss making. Any recorded impairment charge would most likely have a material impact on the financial statements. Due to the level of estimation uncertainty, we determined this to be a key audit matter.
How the matter was addressed in the audit	Management provided us with an impairment model for the CellRight CGU. We performed audit work on this model, which included: ● Checking the calculations contained within the model, including reperforming the comparison of the Recoverable Amount with the carrying amount and agreeing the carrying amount to the accounting records. ● Challenging management to support key assumptions within the model, particularly forecast revenue growth and the discount rate applied. ● Using a specialist to check the appropriateness of the method and the mathematical calculation of value in use within the model and to obtain an independent estimate of an appropriate discount rate. ● Reviewing the disclosures made in the financial statements to ensure that they were in accordance with the applicable financial reporting framework.

Impairment of intercompany receivables	
Key audit matter description	At 31 December 2022, the carrying value of amounts due from group undertakings amounted to £32.9 million after recording an ECL provision of £49.3 million (see notes C2 and C5). A reversal of £14.6 million of the provision in place at the start of the period arose in the year. The Parent Company has loans due from subsidiary undertakings that are currently loss making. The loans are repayable on demand and the subsidiary undertakings do not have sufficient liquid assets to make repayment should the Parent Company call in the loans. One of the most significant matters in the current year audit of the Parent Company is that management are required to calculate an expected credit loss ('ECL') provision in accordance with IFRS9 *Financial Instruments*. The calculation of ECLs involves a significant degree of judgement and estimation as management have to make assumptions about future cash generation and consider multiple scenarios through which the balances may be recovered. Given the magnitude of the loan balances and the level of estimation uncertainty, we determined this to be a key audit matter.
How the matter was addressed in the audit	We obtained management's calculation of the ECL and the underlying calculations prepared to support the carrying value of the balance and performed work as follows: ● Assessed the reasonableness of the scenarios considered by management and the probabilities assigned to each. ● Ensured that the cash flow forecasts used were consistent with the latest Board approved forecasts. ● Recalculated the computation of the ECL ● Challenged management on a number of the assumptions in the cash flow forecasts and re-ran the model to assess the impact on management's conclusions.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	**Parent Company**
Overall materiality	USD428,000 (2021: USD345,000)	£265,000 (2021: £222,000)
Basis for determining overall materiality	1.75% of total revenue	0.5% of net assets. The percentage applied to the benchmark has been restricted for the purpose of calculating an appropriate component materiality.

	Group	Parent company
Rationale for benchmark applied	Revenue selected given shareholder focus on revenue growth. The Group is still in relatively early phase of development and revenue growth is critical to reducing operating losses.	Net assets selected as the Parent Company is purely a holding company and no income statement is presented.
Performance materiality	USD278,000 (2021: USD258,000)	£172,000 (2021: £166,000)
Basis for determining performance materiality	65% of overall materiality	65% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of USD21,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £13,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

Materiality levels in respect of the disclosure requirements for the Group and parent company in relation to Directors' emoluments including share-based payment transactions were set at a reduced level of USD151,000. This reduced level has been set on the basis these transactions and balances have specific disclosure requirements under UK Company Law and would be of specific interest to shareholders.

An overview of the scope of our audit

The Group consists of 11 components, located in the UK, US and Germany.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	4	87%	93%	65%
Specific audit procedures	6	13%	5%	31%
Total	**10**	**100%**	**98%**	**96%**

Analytical procedures at group level were performed for the remaining 1 component.

Of the above, specific audit procedures for 1 component were undertaken by component auditors.

For 1 component, specific audit procedures were undertaken in respect of revenue cut-off, which was an area we identified as being susceptible to material misstatement due to fraud. For the other five components where specific audit procedures were completed, these were undertaken to extend the coverage of our procedures.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included reviewing and evaluating management's latest forecasts and plans, considering the appropriateness and sensitivity of the key assumptions, and reviewing the key terms of debt facilities. These forecasts are prepared in respect of the period to 31 December 2024. The Group has significant cash reserves at 31 December 2022 of USD5.9m following the fundraising in June 2020 and continued growth in the level of activity in the Group. Even in downside scenarios which take account of slower than forecast sales growth, management's forecasts indicate significant cash at the end of the forecast period.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 28, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and parent company operate in and how the Group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS, FRS101 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Inspection of advice received from external tax advisors
FDA Medical Device Regulations in the US	Inquiry of management and those charged with governance as to whether the Group is in compliance with these laws and regulations and whether any correspondence existed with the Regulatory Authorities.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	Testing a sample of revenue transactions either side of the balance sheet date to determine whether the transaction has been appropriately recognised in the correct financial reporting period; Testing a sample of revenue transactions and tracing through to appropriate inventory movements and cash receipt to ensure that the revenue transaction exists; Testing of a sample of transactions completed under the Group's Bill and Hold arrangements with its customers to ensure that they have been recognised in accordance with the Group's accounting policy, substantiating the transactions to underlying inventory movements and cash receipts and ensuring that they have been recorded in the appropriate financial period.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of our report

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

ANDREW ALLCHIN FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square Fifth Floor

29 Wellington Street

Leeds

LS1 4DL

20 March 2023

Consolidated Statement of Income

For the year ended 31 December 2022

	Notes	2022 USD '000	2021 USD '000
Revenue	5	24,476	19,746
Cost of sales		(13,218)	(11,270)
Gross profit		11,258	8,476
Administrative expenses		(13,268)	(12,499)
Exceptional items	8	–	(355)
Operating loss		(2,010)	(4,378)
Finance income	6	8	3
Finance charges	7	(826)	(767)
Loss on ordinary activities before taxation	8	(2,828)	(5,142)
Taxation	10	232	157
Loss for the year		(2,596)	(4,985)
Loss for the year attributable to:			
Owners of the parent company		(2,695)	(4,792)
Non-controlling interest	24	99	(193)
		(2,596)	(4,985)
Loss per Ordinary Share			
Basic and diluted, cents per share	11	(0.04)	(0.07)

The loss for the year arises from the Group's continuing operations.

The notes on pages 41 to 68 form part of the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	2022 USD '000	2021 USD '000
Loss for the year	(2,596)	(4,985)
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Foreign currency translation differences	(653)	(4)
Total comprehensive loss for the year	(3,249)	(4,989)
Total comprehensive loss for the year attributable to:		
Owners of the parent company	(3,348)	(4,796)
Non-controlling interest	99	(193)
	(3,249)	(4,989)

The notes on pages 41 to 68 form part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	2022 USD '000	2021 USD '000
Assets			
Non-current assets			
Property, plant and equipment	12	5,740	5,708
Right-of-use assets	13	3,203	3,388
Intangible assets	14	15,061	15,064
		24,004	24,160
Current assets			
Inventory	15	10,882	9,719
Trade and other receivables	16	4,803	4,101
Corporation tax receivable		401	534
Cash and cash equivalents	17	5,949	7,709
		22,035	22,063
Total assets		46,039	46,223
Liabilities			
Non-current liabilities			
Loans and borrowings	19	(5,258)	(4,465)
Deferred tax	20	(520)	(640)
Lease liability	21	(3,216)	(3,364)
		(8,994)	(8,469)
Current liabilities			
Trade and other payables	18	(5,510)	(4,244)
Loans and borrowings	19	(1,000)	–
Lease liability	21	(134)	(118)
		(6,644)	(4,362)
Total liabilities		(15,638)	(12,831)
Net assets		30,401	33,392
Equity			
Share capital	22	15,950	15,947
Share premium	23	134,179	134,173
Merger reserve	23	16,441	16,441
Reverse acquisition reserve	23	(10,798)	(10,798)
Reserve for own shares	23	(1,257)	(1,257)
Share-based payment reserve	23	824	1,573
Cumulative translation reserve	23	(1,958)	(1,305)
Retained deficit	23	(122,129)	(120,432)
Equity attributable to owners of the parent company		31,252	34,342
Non-controlling interest	24	(851)	(950)
Total equity		30,401	33,392

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 20 March 2023 and are signed on its behalf by:

Daniel Lee
Chief Executive Officer

Company number: 05969271

The notes on pages 41 to 68 form part of the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital USD'000	Share premium USD'000	Merger reserve USD'000	Reserve acquisition reserve USD'000	Reserve for own shares USD'000	Share-based payment reserve USD'000	Cumulative translation reserve USD'000	Retained deficit USD'000	Total USD'000	Non-controlling interest USD'000	Total equity USD'000
At 31 December 2020	15,947	134,173	16,441	(10,798)	(1,257)	1,463	(1,301)	(115,640)	39,028	(757)	38,271
Transactions with owners in their capacity as owners: Share-based payments	–	–	–	–	–	110	–	–	110	–	110
Total transactions with owners in their capacity as owners	–	–	–	–	–	110	–	–	110	–	110
Loss for the year	–	–	–	–	–	–	–	(4,792)	(4,792)	(193)	(4,985)
Other comprehensive income: Currency translation differences	–	–	–	–	–	–	(4)	–	(4)	–	(4)
Total other comprehensive income for the year	–	–	–	–	–	–	(4)	–	(4)	–	(4)
Total comprehensive income for the year	–	–	–	–	–	–	(4)	(4,792)	(4,796)	(193)	(4,989)
At 31 December 2021	15,947	134,173	16,441	(10,798)	(1,257)	1,573	(1,305)	(120,432)	34,342	(950)	33,392
Transactions with owners in their capacity as owners: Exercise of share options	3	6	–	–	–	–	–	–	9	–	9
Transfer tor retained deficit in respect of lapsed, expired and exercised options	–	–	–	–	–	(998)	–	998	–	–	–
Share-based payments	–	–	–	–	–	249	–	–	249	–	249
Total transactions with owners in their capacity as owners	3	6	–	–	–	(749)	–	998	258	–	258
Loss for the year	–	–	–	–	–	–	–	(2,695)	(2,695)	99	(2,596)
Other comprehensive income: Currency translation differences	–	–	–	–	–	–	(653)	–	(653)	–	(653)
Total other comprehensive income for the year	–	–	–	–	–	–	(653)	–	(653)	–	(653)
Total comprehensive income for the year	–	–	–	–	–	–	(653)	(2,695)	(3,348)	99	(3,249)
At 31 December 2022	15,950	134,179	16,441	(10,798)	(1,257)	824	(1,958)	(122,129)	31,252	(851)	30,401

The notes on pages 41 to 68 form part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	2022 USD '000	2021 USD '000
Operating activities		
Loss on ordinary activities before taxation	(2,828)	(5,142)
Adjustments for:		
Finance income	(8)	(3)
Finance charges	826	767
Depreciation of property, plant and equipment	353	258
Depreciation of right-of-use assets	164	103
Amortisation of intangible assets	618	730
Share-based payments	249	110
Unrealised foreign exchange (gain)/loss	(239)	55
Operating cash outflow before movements in working capital	(865)	(3,122)
Increase in inventory	(1,163)	(115)
Increase in trade and other receivables	(702)	(512)
Increase in trade and other payables	1,249	159
Net cash used in operations	(1,481)	(3,590)
Research and development tax credits received	187	615
Net cash used in operating activities	(1,294)	(2,975)
Investing activities		
Interest received	8	3
Purchase of property, plant and equipment	(381)	(1,550)
Capitalised development expenditure	(709)	(497)
Net cash used in investing activities	(1,082)	(2,044)
Financing activities		
Proceeds from exercise of share options	9	–
Proceeds from loans and borrowings	1,708	602
Interest paid on loans and borrowings	(450)	(391)
Lease liability payments	(66)	(102)
Lease interest payments	(291)	(301)
Net cash generated from/used in financing activities	910	(192)
Net decrease in cash and cash equivalents	(1,466)	(5,211)
Cash and cash equivalents at beginning of year	7,709	12,968
Effect of movements in exchange rates on cash held	(294)	(48)
Cash and cash equivalents at end of year	5,949	7,709

The notes on pages 41 to 68 form part of the financial statements.

1. Corporate information

Tissue Regenix Group plc (the 'Company' and, together with its subsidiaries, the 'Group') is a public company limited by shares, domiciled and incorporated in England under the Companies Act 2006. Its registered number is 05969271.

The address of the registered office is Unit 3, Phoenix Court, Lotherton Way, Garforth LS25 2GY.

The nature of the Group's operations and its principal activity is that of an international, pioneering medical technology company focused on commercialising two platform technologies, dCELL, addressing soft tissue needs, and BioRinse, providing sterile bone and soft tissue allografts.

2. Adoption of new and revised standards

Standards adopted during the year

The Group has adopted all of the new or amended Accounting Standards and interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory and relevant to the Group's activities for the current reporting period.

The following new and revised Standards have been adopted but have not had any material impact on the amounts reported in these financial statements:

- Amendments to IAS 16 - *Property, plant and equipment – proceeds before intended use*
- Annual improvements to IFRS standards 2018-2020
- Amendments to IFRS 3 - *Reference to the conceptual framework*
- Amendments to IAS 37 - *Onerous contracts – cost of fulfilling a contract*

Standards issued but not yet effective

Any new or amended Accounting Standards or interpretations that are not yet mandatory (and in some cases, had not yet been endorsed by the UK Endorsement Board) have not been early adopted by the Group for the year ended 31 December 2022. They are as follows:

- Amendments to IAS 1 - *Classification of liabilities as current or non-current*
- Amendments to IFRS 17 - *Insurance contracts*
- Amendments to IFRS 17 - *Initial application of IFRS 17 and IFRS 9 - comparative information*
- Amendments to IAS 12 - *Deferred tax related assets and liabilities arising from a single transaction*
- Amendments to IAS 1 and IFRS practice statement 2 - *Disclosure of accounting policies*
- Amendments to IAS 8 - *Definition of accounting estimates*
- Amendments to IFRS 16 - *Lease liability in a sale and leaseback*
- Amendments to IAS 1 - *Non-current liabilities with covenants*

The Directors do not expect that the adoption of these Standards or Interpretations in future periods will have a material impact on the financial statements of the Company or the Group.

3. Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on the historical cost basis, other than certain financial assets and liabilities, which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements are presented in United States dollars ('USD'). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

As described below, the Directors continue to adopt the going concern basis in preparing the consolidated and the Company financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of the financial statements in compliance with UK-adopted International Accounting Standards requires management to make estimates and the Directors to exercise judgement in applying the Group's accounting policies. The significant judgements made by the Directors in the application of these accounting policies that have a significant impact on the financial statements and the key sources of estimation uncertainty are disclosed in note 4.

Going concern

The Group financial statements have been prepared on a going concern basis based on cash flow projections, approved by the Board for the Group, for the period to 31 December 2024 (the 'Cash Flow Projections'). Funding requirements are reviewed on a regular basis by the Group's Chief Executive Officer and Chief Financial Officer and are reported to the Board at each Board meeting, as well as on an ad hoc basis if requested. The Cash Flow Projections show that the Group will continue to consume cash over the forecast period. Until sufficient cash is generated from its operations, the Group remains reliant on cash reserves of USD5.9 million at 31 December 2022 and the ongoing support of MidCap (borrowings of USD6.3 million at 31 December 2022) to meet its working capital requirements, capital investment programme and other financial commitments.

In compiling the Cash Flow Projections, the Board has considered a downside scenario regarding the effect of reduced and delayed revenues due to slower market uptake of the Group's product offerings. The Cash Flow Projections prepared by the Board, including the downside scenario, indicate that the Group will still have cash reserves at the end of the forecast period. The Group's Cash Flow Projections assume that the MidCap revolving credit facility is available throughout the forecast period and the term loan repayment will begin in 2024 in accordance with the revised terms agreed in January 2023. The availability of these facilities is dependent upon compliance with a rolling 12-month revenue covenant which is measured on a monthly basis. The Cash Flow Projections indicate compliance with this covenant throughout the forecast.

In summary, the Directors have considered their obligations in relation to the assessment of the going concern basis for the preparation of the financial statements of the Group and have reviewed the Cash Flow Projections. On the basis of their assessment, they have concluded that the going concern basis remains appropriate for use in these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings (together 'the Group') made up to 31 December each year.

Subsidiary undertakings are those entities controlled directly or indirectly by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer.

The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Losses applicable to the non-controlling interests are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Controlled Joint Venture

In January 2016, the Group entered a joint venture establishing GBM-V GmbH, a company incorporated in Germany. The Group controls the majority of the voting rights and, consequently, the results for this entity are consolidated in full within these financial statements with the recognition of a non-controlling interest within equity.

Goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration payable and the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is tested annually for impairment as described below.

Revenue

Revenue is measured as the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales-related taxes and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Company, which usually coincides with the despatch of goods.

Bill-and-hold sales

The Group has bill-and-hold arrangements with customers, and this revenue is recognised when the Company considers that performance obligations have been met and they meet the following criteria:

- The reason for the bill-and-hold arrangement must be substantive (usually, the arrangement has been requested by the customer to facilitate their shipping arrangements)
- The product must be identified separately as belonging to the customer (that is, it cannot be used to satisfy other orders)
- The product must be ready for physical transfer to the customer
- The Group cannot have the ability to use the product or direct it to another customer

Foreign Currencies

The individual financial statements of each component entity are presented in the currency of the primary economic environment in which the entity operates (the 'functional currency'). For the purposes of the consolidated financial statements, the results and the financial position of each Group entity are expressed in USD, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency of each group company ('foreign currencies') are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and

liabilities that are denominated in foreign currencies are retranslated into the functional currency at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences are recognised in the profit or loss in the period in which they arise, except for foreign exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur and which, therefore, form part of the net investment in the foreign operation. Foreign exchange differences arising on the translation of the Group's net investment in foreign operations are recognised within the cumulative translation reserve via the statement of other comprehensive income. On disposal of foreign operations and foreign entities, the cumulative translation differences are recognised in the income statement as part of the gain or loss on disposal.

For the purpose of presenting company and consolidated financial statements, the assets and liabilities of the Company, and the Group's operations which have a functional currency other than USD, are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Foreign exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity. Equity items are translated at the exchange rates at the date of transactions, and foreign exchange differences arising, if any, are accumulated directly in equity.

On the disposal of a foreign operation (e.g. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Where there is no change in the proportionate percentage interest in an entity, then there has been no disposal or partial disposal and accumulated exchange differences attributable to the Group are not reclassified to profit or loss.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

Research and Development
Research costs are charged to profit and loss as they are incurred. An intangible asset arising from development expenditure on an individual project is recognised only when all of the following criteria can be demonstrated:

- It is technically feasible to complete the product, and management is satisfied that appropriate regulatory hurdles have been or will be achieved
- Management intends to complete the product and use or sell it
- There is an ability to use or sell the product
- It can be demonstrated how the product will generate probable future economic benefits
- Adequate technical, financial and other resources are available to complete the development or use or sell the product
- Expenditure attributable to the product can be reliably measured

Such intangible assets are amortised on a straight-line basis, from the point at which the assets are ready for use over the period of the expected benefit and are reviewed for an indication of impairment at each reporting date. Other development costs are charged against profit or loss as incurred since the criteria for capitalisation are not met.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third-party costs. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. The assets are reviewed for indicators of impairment but they are not amortised until completion of the development project.

Exceptional Items
Items which are significant by virtue of their size or nature and/or which are considered non-recurring are classified as exceptional operating items. Such items are included within the appropriate consolidated income statement category but are highlighted separately. Exceptional operating items are excluded from the profit measures used by the Directors to monitor underlying performance.

Inventories
Inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first in, first out method and represents the purchase cost, including transport, for raw materials, together with a proportion of manufacturing overheads based on normal levels of activity for work in progress and finished goods. Appropriate provisions for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the assets are impaired.

Property, Plant and Equipment and Right-of-use assets
Property, plant and equipment assets are stated at their historical cost of acquisition less any provision for depreciation or impairment.

Depreciation is provided on all property, plant and equipment assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Buildings	over 39 years
Laboratory equipment	over 5–7 years
Computer equipment	over 3 years
Fixtures and fittings	over 5 years

Land is not depreciated.

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Intangible Assets
Intangible assets are stated at fair value at acquisition. They are subsequently held at cost less any provision for impairment or amortisation. Intangible assets are amortised through administrative expenses within the income statement over their expected useful life as follows:

Trademarks	over 5 years
Customer relationships	over 10 years
Process & IT technology	over 10 years
Supplier agreements	over 5 years

Impairment of Property, Plant and Equipment, Right-of-use and intangible assets
At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

In respect of Goodwill and intangible assets with an indefinite life, the Group performs an annual impairment review as required by IAS 36.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ('CGUs')).

Discounted cash flow valuation techniques are generally applied for assessing recoverable amounts using Board-approved forward-looking cash flow projections and terminal value estimates, together with discount rates appropriate to the risk of the related CGUs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Share-based Payments

Share options
Equity settled share-based payment transactions are measured with reference to the fair value at the date of grant, recognised on a straight-line basis over the vesting period, based on management's estimate of shares that will eventually vest. The fair value of options is measured using a binomial model where the performance conditions of grants are market-based, the Monte Carlo model where there are multiple performance conditions and the Black-Scholes model where there are non-market related performance conditions. See note 25 for more information on performance conditions.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the consolidated statement of comprehensive income, with a corresponding entry in equity.

The grant by the Company of options and share-based compensation plans over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

Jointly held shares
Where an employee acquires an interest in shares in the Company jointly with the Tissue Regenix Employee Share Trust, the fair value of the option at the purchase date is recognised on a straight-line basis over the vesting period. The fair value benefit is measured using a binomial valuation model, considering the terms and conditions upon which the jointly owned shares were purchased.

Financial Assets and Liabilities

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets measured at fair value through profit or loss.

Financial assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial liabilities are subsequently measured at either amortised cost or fair value.

Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset or financial liability a gain or loss is recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon management's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability-weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Trade and other receivables

Trade and other receivables do not carry any interest and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method less any provision for impairment.

An expected credit loss ('ECL') model, as introduced under IFRS 9, broadens the information that an entity is required to consider when determining its expectations of impairment. Under this model, expectations of future events must be taken into account, and this will result in the earlier recognition of larger impairments against trade and other receivables.

In applying the ECL model management considers the probability of a default occurring over the contractual life of its trade receivables balances on initial recognition of those assets.

Impairment provisions are recognised for the Group as follows, representing the expected credit losses over the contracted life of these balances:

Not overdue	0% of aged receivables
0 to 3 months overdue	0% of aged receivables
to 4 months overdue	25% of aged receivables
to 5 months overdue	50% of aged receivables
Over 5 months	100% of aged receivables

Trade and other payables
Trade and other payables are not interest-bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are interest-bearing and are initially recognised at fair value less the directly attributable costs of issue. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than three months. The Group places its funds with financial institutions with an A rating or higher.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

The costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that would otherwise have been avoided.

Leases
On commencement of a contract which gives the Group the right to use assets for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease (term is 12 months or less with no option to purchase the leased asset) or a 'low-value' lease (where the underlying asset is USD5,000 or less when new).

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise. Lease payments include fixed payments less any lease incentives receivable, variable lease payments dependent on an index or a rate and any residual value guarantees.

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss. Variable lease payments not included in the measurement of the lease liability, as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments and making strategic decisions, has been identified as the Board of Directors.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Judgements and estimations

Recoverability of non-current assets
The Directors carried out the annual impairment review, as required by IAS 36, to determine whether there was any requirement for an impairment provision in respect of its non-current assets at 31 December 2022.

The carrying amount of non-current assets at 31 December 2022 was USD24.0 million (2021: USD24.2 million).

The Group's non-current assets include intangible assets and goodwill arising on the acquisition of CellRight Technologies LLC, which are considered to be a single cash generating unit ('CGU'). Only the assets included in the CGU are subject to impairment review.

The aggregate carrying value of the CGU was assessed for impairment based on value in use which requires the Directors to estimate the future cash flows expected to arise from the CGU using a suitable discount rate in order to calculate present value. The future cash flows expected to arise were calculated using a discount rate of 18.3% (2021: 14.6%) based on the weighted average cost of capital. The impairment test indicated that the recoverable amount was at least equal to the carrying amount of the assets and, therefore, no provision for impairment was required at 31 December 2022 (2021: USD nil). See note 14.

It is possible that any, or all of these key assumptions may change, which may then impact the estimated values of the Group's non-current assets, and this may then require a material adjustment to the carrying value of the assets in future periods.

Fair value of share-based payments
Equity settled share-based payment transactions are measured by reference to the fair value at the date of grant, recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The Group is required to make a number of judgements and estimations when measuring the fair value of options granted during the year, including use of the appropriate fair value model, inputs to that model and estimations in relation to the anticipated vesting period.

The Directors consider that the appropriate model for calculating the fair value of options is the binomial model, where the performance conditions of grants are market-based, the Monte Carlo model where there are multiple performance conditions and the Black-Scholes model where there are non-market related performance conditions.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the consolidated statement of comprehensive income, with a corresponding entry in equity.

It is possible that these estimates may vary at each reporting date resulting in an adjustment to the allocation of the fair value over the remaining vesting period.

5. Segmental information

The following table provides disclosure of the Group's revenue by geographical market based on the location of the customer:

	2022 USD '000	2021 USD '000
US	20,711	16,883
Rest of World	3,765	2,863
	24,476	19,746

Analysis of revenue by customer
During the year ended 31 December 2022, the Group had one customer who individually exceeded 10% of revenue. This customer generated 13% of revenue (2021: one customer who generated 14% of revenue).

Operating segments
In accordance with IFRS 8, the Group has derived the information for its operating segments using the information used by the chief operating decision-maker, who has been identified as the Board of Directors.

The Board of Directors has determined that the Group has three operating segments for internal management, reporting and decision-making purposes, namely dCELL, BioRinse, and GBM-V.

Central overheads, which primarily relate to operations of the Group function, are not allocated to an operating segment.

Revenue from all operating segments derives from the sale of biological medical devices.

Refer to the Business Overview on page 2 for more details on the Group's operating segments and operations.

Segmental information is presented below.

Income Statement	dCELL 2022 USD '000	BioRinse 2022 USD '000	GBM-V 2022 USD '000	Central 2022 USD '000	Total 2022 USD '000
Revenue	5,301	16,049	3,126	–	24,476
Gross profit	1,829	8,258	1,171	–	11,258
Depreciation	(10)	(394)	–	(113)	(517)
Amortisation	–	(618)	–	–	(618)
Operating (loss)/ profit	(994)	678	409	(2,103)	(2,010)
Net finance charges	–	(818)	–	–	(818)
(Loss)/profit before taxation	(994)	(140)	409	(2,103)	(2,828)
Taxation	112	120	–	–	232
(Loss)/profit for the year	(882)	(20)	409	(2,103)	(2,596)

Income Statement	dCELL 2021 USD '000	BioRinse 2021 USD '000	GBM-V 2021 USD '000	Central 2021 USD '000	Total 2021 USD '000
Revenue	4,246	12,711	2,789	–	19,746
Gross profit	1,720	5,852	904	–	8,476
Exceptional items	(183)	(120)	–	(52)	(355)
Depreciation	(18)	(305)	(3)	(35)	(361)
Amortisation	–	(730)	–	–	(730)
Operating loss	(1,236)	(1,043)	(154)	(1,945)	(4,378)
Net finance charges	1	(757)	–	(8)	(764)
Loss before taxation	(1,235)	(1,800)	(154)	(1,953)	(5,142)
Taxation	37	120	–	–	157
Loss for the year	(1,198)	(1,680)	(154)	(1,953)	(4,985)

Statement of Financial Position	dCELL 2022 USD '000	BioRinse 2022 USD '000	GBM-V 2022 USD '000	Central 2022 USD '000	Total 2022 USD '000
Non-current assets	1,376	22,382	13	233	24,004
Current assets	3,571	14,998	806	2,660	22,035
Total assets	4,947	37,380	819	2,893	46,039
Non-current liabilities	–	(8,921)	–	(73)	(8,994)
Current liabilities	(736)	(5,171)	(255)	(482)	(6,644)
Total liabilities	(736)	(14,092)	(255)	(555)	(15,638)
Net assets	4,211	23,288	564	2,338	30,401
Capital expenditure	124	230	9	36	399
Additions to intangible assets	549	160	–	–	709

continued

Statement of Financial Position	dCELL 2021 USD '000	BioRinse 2021 USD '000	GBM-V 2021 USD '000	Central 2021 USD '000	Total 2021 USD '000
Non-current assets	808	23,005	5	342	24,160
Current assets	3,326	11,310	706	6,721	22,063
Total assets	4,134	34,315	711	7,063	46,223
Non-current liabilities	–	(8,348)	–	(121)	(8,469)
Current liabilities	(428)	(3,129)	(249)	(556)	(4,362)
Total liabilities	(428)	(11,477)	(249)	(677)	(12,831)
Net assets	3,706	22,838	462	6,386	33,392
Capital expenditure	2	1,594	3	105	1,704
Additions to intangible assets	–	497	–	–	497

6. Finance income

	2022 USD '000	2021 USD '000
Bank interest receivable	8	3

7. Finance charges

	2022 USD '000	2021 USD '000
Interest on bank loans	450	391
Interest on lease liabilities	291	301
Amortisation of debt cost	85	75
	826	767

8. Loss on ordinary activities before taxation

The loss before taxation for the year has been arrived at after charging/(crediting):

	2022 USD '000	2021 USD '000
Depreciation of property, plant and equipment	353	258
Depreciation of right-of-use assets	164	103
Amortisation of intangible assets	618	730
Rentals subject to 'short lease' exemption	136	208
Expensed inventory	11,831	7,804
Staff costs including share-based payments	9,068	8,550
Foreign exchange losses/(gains)	24	(4)
Exceptional items	–	355
Auditor's remuneration:		
Fees payable for the audit of the parent company and consolidated financial statements	31	27
Fees payable for the audit of subsidiary entity financial statements pursuant to legislation	103	103
	134	130

During the year ended 31 December 2021, the Group incurred exceptional costs which included restructuring costs of USD0.05 million related to a redundancy in the central segment and USD0.2 million was charged to the DCell division as a result of a restructuring of that division. A winter storm event in Texas resulted in a charge of USD0.1 million to the BioRinse division relating to non-productive time and spoilage. No such expenditure has been incurred in the year ended 31 December 2022.

9. Staff costs

The average monthly number of employees (including Directors) was:

	2022 Number	2021 Number
Directors	6	6
Laboratory and administration staff	79	73
	85	79

Their aggregate remuneration comprised:

	2022 USD '000	2021 USD '000
Wages and salaries	8,176	7,774
Social security costs	608	625
Other pension costs	35	41
Share-based payments	249	110
	9,068	8,550

Prior year figures were exclusive of the staff costs absorbed into cost of goods, and therefore are restated to include these amounts. Wages and Salaries are inclusive of benefits-in-kind such as healthcare, which was previously presented in summary with social security and pension.

Refer to the Directors' Remuneration Report for details regarding the remuneration of the highest paid Director and the total amounts for Directors' remuneration in accordance with Schedule 5 to the Accounting Regulations.

10. Taxation

	2022 USD '000	2021 USD '000
Current tax:		
UK R&D tax credit	(112)	(37)
Deferred tax:		
Origination and reversal of temporary timing differences	(120)	(120)
Tax credit on loss for the year	(232)	(157)

The credit for the year can be reconciled to the loss per the income statement as follows:

	2022 USD '000	2021 USD '000
Loss on ordinary activities before tax	(2,828)	(5,142)
Loss multiplied by the standard rate of corporation tax for UK companies of 19% (2021: 19%)	(537)	(977)
Effects of:		
Research and development tax credits received	(80)	(124)
Surrender of research and development relief for repayable tax credit including enhancement	45	74
Adjustments in respect of prior period current and deferred tax	(154)	–
Movement in deferred tax not recognised	(366)	–
Income/expenses not subject to tax/deductible for tax purposes and other permanent differences	980	–
Origination and reversal of timing differences	(120)	–
Unrelieved tax losses carried forward	–	870
Tax credit on loss for the year	(232)	(157)

There has been no impact due to changes in UK taxation rates during the years reported. The enacted UK corporation tax rate of 25% forms the basis for the UK element of the deferred tax calculation, following the UK budget in 2021, when the chancellor announced an increase to the main rate of corporation tax in the UK to 25% from April 2023.

Unrelieved tax losses carried forward, as detailed below, have not been recognised as a deferred tax asset as there is currently insufficient evidence that the asset will be recoverable in the foreseeable future. The losses must be utilised in relation to the same operations.

	2022 USD '000	2021 USD '000
Tax losses		
Losses available to carry forward	58,900	60,779
Unrecognised deferred tax asset at 25% (2021: 25%)	14,725	15,195

The comparative tax losses and unrecognised deferred tax asset have been re-stated to include the impact of R&D tax credits which had previously been omitted.

11. Loss per Ordinary Share

Basic loss per Ordinary Share is calculated by dividing the net loss for the year attributable to owners of the parent company, by the weighted average number of Ordinary Shares in issue during the year, excluding own shares held jointly by the Tissue Regenix Employee Share Trust and certain employees.

Diluted loss per Ordinary Share is calculated by dividing the net loss for the year attributable to owners of the parent company, by the weighted average number of Ordinary Shares in issue during the year adjusted for the dilutive effect of potential Ordinary Shares arising from the Company's share options and jointly owned shares.

The calculation of the basic and diluted loss per Ordinary Share is based on the following data:

	2022 USD '000	2021 USD '000
Losses		
Losses for the purpose of basic and diluted loss per Ordinary Share being net loss for the year attributable to owners of the parent company	(2,695)	(4,792)
	Number	**Number**
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted loss per Ordinary Share	7,034,521,811	7,033,077,499
Basic and diluted, cents per share	(0.04)	(0.07)

The Company has options issued over 200,929,300 (2021: 106,832,872) Ordinary Shares, warrants issued over 3,096,798 (2021: 3,096,798) Ordinary Shares and there are 16,112,800 (2021: 16,112,800) jointly owned Shares which are potentially dilutive. See note 25.

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

12. Property, plant and equipment

	Land and buildings USD '000	Laboratory equipment USD '000	Fixtures and fittings USD '000	Computer equipment USD '000	Total USD '000
Cost					
At 31 December 2020	4,017	2,789	1,025	840	8,671
Additions	1,085	308	39	118	1,550
Exchange adjustment	(84)	(30)	(10)	(19)	(143)
At 31 December 2021	5,018	3,067	1,054	939	10,078
Additions	75	136	6	182	399
Exchange adjustment	–	(167)	(90)	(76)	(333)
At 31 December 2022	5,093	3,036	970	1,045	10,144
Depreciation					
At 31 December 2020	227	2,247	1,001	779	4,254
Charge for the period	65	152	17	24	258
Exchange adjustment	(46)	(84)	(29)	17	(142)
At 31 December 2021	246	2,315	989	820	4,370
Charge for the period	132	161	18	42	353
Exchange adjustment	–	(161)	(90)	(68)	(319)
At 31 December 2022	378	2,315	917	794	4,404
Carrying amount					
At 31 December 2022	4,715	721	53	251	5,740
At 31 December 2021	4,772	752	65	119	5,708
At 31 December 2020	3,790	542	24	61	4,417

Freehold land and buildings with a carrying amount of USD4.7 million (2021: USD4.8 million) have been pledged to secure borrowings of the Group. The Group is not permitted to pledge these assets as security for other borrowings or to sell them to another entity.

13. Right-of-use assets

	Land and buildings USD '000
Cost	
At 31 December 2020	3,415
Additions	154
At 31 December 2021	3,569
Exchange adjustment	(24)
At 31 December 2022	3,545
Depreciation	
At 31 December 2020	78
Charge for the period	103
At 31 December 2021	181
Charge for the period	164
Exchange adjustment	(3)
At 31 December 2022	342
Carrying amount	
At 31 December 2022	3,203
At 31 December 2021	3,388
At 31 December 2020	3,337

14. Intangible assets

	Development costs USD '000	Goodwill USD '000	Customer relationships USD '000	Trademarks USD '000	Process tech USD '000	Supplier agreements USD '000	Total USD '000
Cost							
At 31 December 2020	1,613	19,458	3,000	799	1,500	600	26,970
Additions	497	–	–	–	–	–	497
Exchange adjustment	(11)	–	–	–	–	–	(11)
At 31 December 2021	2,099	19,458	3,000	799	1,500	600	27,456
Additions	709	–	–	–	–	–	709
Exchange adjustment	(229)	–	–	–	–	–	(229)
At 31 December 2022	2,579	19,458	3,000	799	1,500	600	27,936
Amortisation							
At 31 December 2020	1,320	7,871	1,019	543	510	408	11,671
Charge for the period	–	–	300	160	150	120	730
Exchange adjustment	(9)	–	–	–	–	–	(9)
At 31 December 2021	1,311	7,871	1,319	703	660	528	12,392
Charge for the period	–	–	300	96	150	72	618
Exchange adjustment	(135)	–	–	–	–	–	(135)
At 31 December 2022	1,176	7,871	1,619	799	810	600	12,875
Carrying amount							
At 31 December 2022	1,403	11,587	1,381	–	690	–	15,061
At 31 December 2021	788	11,587	1,681	96	840	72	15,064
At 31 December 2020	293	11,587	1,981	256	990	192	15,299

Goodwill, customer relationships, trademarks, process technology and supplier agreements relate to the acquisition of CellRight Technologies LLC in 2017 and are subject to annual impairment testing as described below. Trademarks and supplier agreements have now been amortised in full, and the remaining amortisation period for customer relationships and process tech is 4.6 years.

Impairment of intangible assets
The Group considers the assets arising on the acquisition of CellRight Technologies LLC to be a single CGU and tests for impairment on an annual basis, or more frequently where there are any indicators of impairment. The aggregate carrying value is compared against the expected recoverable amount of the unit, by reference to the present value of the future net cash flow expected to be derived from the asset, its value in use.

Value in use is estimated based on future cash flow discounted to present value using a pre-tax discount rate of 18.3% (2021: 14.6%) which reflects recent increases in the risk-free interest rate inherent in the calculation of the weighted average cost of capital. An impairment charge arises where the carrying value exceeds the value in use.

The inputs into cash flow forecasts are based on the most recent budgets/forecasts approved and reviewed by the Directors for the following year, extended forward for the next four years based on expected growth within the CGU over that period. At the end of year five, a terminal value is calculated using a long-term growth assumption of 2% (2021: 2%).

The key inputs to the cash flow forecasts are:

- revenues (based on estimates of revenue growth with both new and existing customers based on an understanding of the needs of those customers and having regard to independent market assessments of market growth);
- gross margin and overheads (based on existing gross margins and adapted for appropriate increases based on the anticipated growth of the business);
- future anticipated capital expenditure (adjusted based on expected future growth); and
- movements in working capital.

The key assumption within the cash flow forecasts relates to sales growth which is inherently difficult to forecast in a rapidly growing market. Across the five-year forecast period, the CAGR is 20.3% (2021: 24.7%).

At 31 December 2022, the impairment test prepared by the Directors indicates a recoverable amount based on value in use of USD47 million (2021: USD62 million) compared with a CGU carrying amount of USD33 million (2021: USD31 million). The Directors, therefore, do not consider that an impairment charge is appropriate for the year ended 31 December 2022 (2021: USD nil). However, in drawing this conclusion the Directors note the importance of achieving the anticipated CAGR and have calculated that an impairment arises in the event that the CAGR falls to 15% (2021: 14%) across the five-year period.

15. Inventory

	2022 USD '000	2021 USD '000
Raw materials and consumables	4,128	2,681
Work in progress	5,873	5,628
Finished goods including goods for resale	881	1,410
	10,882	9,719

Inventory of finished goods including goods for resale is presented net of a provision of USD0.3 million (2021: USD0.3 million).

During the year, the sum of USD0.9 million was written off and there was a reversal of USD0.2 million in the provision.

16. Trade and other receivables

	2022 USD '000	2021 USD '000
Trade debtors	4,195	2,946
VAT recoverable	24	80
Other receivables	19	38
Prepayments and accrued income	565	1,037
	4,803	4,101

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

	2022 USD '000	2021 USD '000
Trade receivables	4,279	3,024
Less: allowance for expected credit losses	(84)	(78)
	4,195	2,946

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss Rate	Carrying amount 2022 USD '000	Allowance for expected credit losses 2022 USD '000	Carrying amount 2021 USD '000	Allowance for expected credit losses 2021 USD '000
Not overdue	0%	3,764	–	2,745	–
0-3 months overdue	0%	229	–	127	–
3-4 months overdue	25%	35	9	69	17
4-5 months overdue	50%	77	6	45	23
Over 5 months overdue	100%	174	69	38	38
		4,279	84	3,024	78

The average credit terms with customers is 40 days (2021: 40 days).

Movements in the impairment allowance for trade receivables are as follows:

	2022 USD '000	2021 USD '000
At 1 January	78	43
Increase during the year	161	135
Receivables written off during the year as uncollectable	(21)	3
Unused amounts reversed	(134)	(103)
At 31 December	84	78

17. Cash and cash equivalents

Cash and cash equivalents held by the Group at 31 December 2022 were USD5.9 million (2021: USD7.7 million). The Directors consider that the carrying amount of these assets approximate to their fair value and do not believe that the Group is exposed to any significant credit risk on its cash.

18. Trade and other payables

	2022 USD '000	2021 USD '000
Trade payables	3,438	2,574
Taxes and social security	39	51
Accruals	2,033	1,619
	5,510	4,244

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

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The Group has financial risk management policies to ensure that all payables are paid within the credit time frame and no interest is generally charged on balances outstanding.

19. Loans and borrowings

	2022 USD '000	2021 USD '000
Term loan	2,000	2,000
Revolving credit	4,387	2,649
Gross borrowings	6,387	4,649
Capitalised debt issue costs	(129)	(184)
	6,258	4,465
Current loans and borrowings	1,000	–
Non-current loans and borrowings	5,258	4,465
	6,258	4,465
Maturity analysis		
6 months to 1 year	1,000	–
1 year to 2 years	5,258	1,000
2 years to 5 years	–	3,465
	6,258	4,465

In June 2019, the Group signed a US bank facility with MidCap.

The facility includes a term loan and a revolving credit facility, incurring interest at LIBOR rate plus 6.75% and LIBOR rate plus 4.5% respectively, subject to a floor LIBOR rate of 2.25%.

Repayment of the term loan is due to commence in July 2023 with the payment of 12 monthly instalments, with a final maturity date of June 2024.

The revolving credit facility is repayable in full by June 2024 and, at 31 December 2022, had a maximum drawdown facility of USD5 million, extended from USD3 million since the prior year.

Additional debt issue costs of USD29,177 have been capitalised against the loan during the year ended 31 December 2022 and are being amortised over the life of the facilities.

In respect of the term loan, MidCap holds security over the Group's freehold property in San Antonio and certain Intellectual Property ('IP'). The carrying amount of these assets at 31 December 2022 is USD4.7 million (2021: USD4.8 million) and USD nil (2021: USD nil), respectively.

The revolving credit is subject to a rolling 12-month revenue covenant which is measured on a monthly basis.

The movement in total loans and borrowings during the year was:

	2022 USD '000	2021 USD '000
At 1 January	4,465	3,788
Cash flows - financing activities	1,708	602
Non-cash movements	85	75
At 31 December	6,258	4,465

In January 2023, the Group agreed new terms in respect of the MidCap facility, as follows:

- The replacement of LIBOR by SOFR (Secured Overnight Financing Rate) due to the discontinuation of LIBOR. The floor SOFR rate is 3%.
- The extension of the maturity date of both the term loan and the revolving credit facility to 1 January 2028. The term loan will be repaid over 48 months commencing January 2024.
- The early payment of the exit fee of USD0.25 million (versus at maturity) related to the USD5.5 million term loan that was repaid in 2019. This fee will be charged against the revolving credit facility. An exit fee of 4.5% on the remaining balance of the term loan (USD0.09 million) will be due on maturity or earlier settlement if applicable.
- An increase in the funds available under the terms of the revolving credit facility up to USD10 million with a fee payable in respect of each facility expansion of 0.5%.

20. Deferred tax liabilities

	2022 USD '000	2021 USD '000
At 1 January	640	760
Release to the income statement	(120)	(120)
At 31 December	520	640

The deferred tax liability relates to intangible assets recognised on the acquisition of CellRight Technologies LLC. See note 14.

21. Lease liabilities

	2022 USD '000	2021 USD '000
Current lease liabilities	134	118
Non-current lease liabilities	3,216	3,364
At 31 December	3,350	3,482

Maturity analysis of leases

The maturity of the gross contractual undiscounted cashflows due on the Group's lease liabilities is set out below based on the period between 31 December 2022 and the contractual maturity date.

Land and buildings	2022 USD '000	2021 USD '000
Less than 6 months	203	202
6 months to 1 year	203	208
1 year to 2 years	412	420
2 years to 5 years	3,107	3,518
	3,925	4,348

Disclosure of additions to and carrying amounts of right-of-use assets by class has been provided in note 13.

The movement in lease liabilities during the year was:

	2022 USD '000	2021 USD '000
At 1 January	3,482	3,407
Cash flows – financing activities	(357)	(403)
Non-cash movements - additions	291	456
Non-cash movements – foreign exchange movement	(66)	22
At 31 December	3,350	3,482

Effect of leases on financial performance

	2022 USD '000	2021 USD '000
Depreciation of right-of-use assets	164	103
Interest expense	291	301
	455	404

The Group leases properties used for its operations in the UK and US.

UK property: Five-year fixed lease which includes a break clause in 2023.

US property: Five-year fixed lease which includes an option to purchase up to November 2024.

The Group's average effective borrowing rate for leases on 31 December 2022 was 9% (2021: 9%).

22. Share capital

	2022 USD '000	2021 USD '000
Allotted issued and fully paid		
Ordinary Shares of 0.1 pence	9,167	9,164
Deferred Shares of 0.4 pence	6,783	6,783
	15,950	15,947

As permitted by the provisions of the Companies Act 2006, the Company does not have an upper limit to its authorised share capital.

The Ordinary Shares are fully paid and entitle the holder to full voting rights, to full participation and to distribution of dividends.

The Deferred Shares are not listed on AIM, do not give the holders any right to receive notice of, or to attend or vote at, any general meetings, and have no entitlement to receive a dividend or other distribution other than to a return of capital in the event of a winding up (and only after the holders of the Ordinary Shares have received the sum of £1 million per share).

Due to the difference in functional and presentation currencies of the parent company, foreign exchange differences can arise between the allotted, issued and fully paid share capital, which is presented at historical rates of exchange.

Issued Ordinary Share capital
On 21 June 2022, the Company issued 2,717,391 Ordinary Shares of 0.1 pence each at a price of 0.0276 pence per share, raising gross proceeds of USD9,203 (£7,500), in respect of the exercise of share options.

Movements in share capital during the period were as follows:

	Ordinary Shares Number	Deferred Shares Number
At 1 January 2021 and 2022	7,033,077,499	1,171,971,322
Allotment of shares	2,717,391	–
At 31 December 2022	7,035,794,890	1,171,971,322

23. Reserves

Reserves of the Group represent the following:

Share premium
Consideration paid in excess of the nominal value of shares allotted, net of the costs of issue.

Merger reserve
Consideration and nominal value of the shares issued during a merger where the fair value of the assets transferred differ.

Reverse acquisition reserve
Retained earnings of a reverse acquisition.

Reserve for own shares
Shares held on trust for the benefit of employees – Employee Benefit Trust.

Share-based payment reserve
Accumulated charges/(credits) made under IFRS 2 in respect of share-based payments.

Cumulative translation reserve
Foreign exchange differences arising on the translation of foreign operations and any net gain/(loss) on the hedge of net investment in foreign subsidiaries. The cumulative translation reserve also represents the net effect of the fact that the functional currency of the parent undertaking is GBP, while its reporting currency is USD, resulting in exchange differences on translation of the parent undertakings equity.

Retained deficit
All current and prior period retained losses.

24. Non-controlling interest

	2022 USD '000	2021 USD '000
As at 1 January	(950)	(757)
Attributable profit/(loss) for the year	99	(193)
As at 31 December	(851)	(950)

The non-controlling interest has a 50% (2021: 50%) equity holding in GBM-V GmbH.

GBM-V GmbH contributed revenue of USD3.1 million (2021: USD2.8 million) and a loss before tax of USD0.4 million (2021: USD0.2 million) after elimination of intercompany trading for the year ended 31 December 2022. Further financial information relating to GBM-V GmbH can be found in note 5.

25. Share-based payments

Share options and shares held in employee benefit trust ('EBT')
The Company operates a share option plan, under which certain employees have been granted options to subscribe for the Company's Ordinary Shares.

The Company also operates a jointly owned EBT share scheme for senior management under which the trustee of the Company-sponsored EBT has acquired shares in the Company, jointly with a number of employees. The shares were acquired pursuant to certain conditions, set out in Jointly Owned Equity agreements ('JOEs'). Subject to meeting the performance criteria conditions set out in the JOEs, the employees are able to benefit from most of any future increase in the value of the jointly owned EBT shares.

On 15 March 2022, the Company issued 97,943,367 share options with an exercise price of 0.1 pence per Ordinary Share, which vest in three equal tranches and can be exercised up until the tenth anniversary of the grant date.

The awards have been granted in two tranches:

- 40% of the awards vest according to a market -related performance condition which is based on the growth in the Company's Total Shareholder Return ('TSR') over the performance period. The percentage of the TSR tranche awards which vest is as follows:

Company's TSR growth	Percentage of TSR tranche awards which vest
Less than 50%	Nil
At least 50% but less than 75%	25%
At least 75% but less than 100%	50%
100% or more	100%

The performance period is the three years from 1 January 2022 to 31 December 2024.

- 60% of the awards vest according to non-market performance conditions as follows:

  20% based on annual revenue targets;

  20% based on annual profitability targets; and

  20% based on personal performance targets.

All options are equity settled. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Share options and employee interests in jointly owned EBT shares, which are not exercised within 10 years from the date of grant will expire.

The latest date for exercise of the options is 15 March 2032 and, unless otherwise agreed, the options are forfeited if the employee leaves the Group before the options vest, or in respect of those options which have already vested, are not exercised within an agreed time period.

Details of the share options and EBT shares outstanding at the end of the year were as follows:

	EMI options Number '000	Unapproved options Number '000	EBT shares Number '000	SAYE options Number '000	LTIP options Number '000	Total Number '000	Weighted average exercise price '000
Outstanding at 1 January 2020	1,220,437	1,843,474	16,112,800	47,739,128	–	66,915,839	1.80p
Granted	–	–	–	–	82,116,698	82,116,698	0.10p
Lapsed	(464,902)	(1,346,603)	–	(24,275,360)	–	(26,086,865)	0.81p
Outstanding at 31 December 2021	755,535	496,871	16,112,800	23,463,768	82,116,698	122,945,672	0.91p
Granted	–	–	–	–	97,943,367	97,943,367	0.10p
Exercised	–	–	–	(2,717,391)	–	(2,717,391)	0.28p
Expired	(240,000)	–	–	–	–	(240,000)	12.5p
Lapsed	–	–	–	–	(889,548)	(889,548)	0.10p
Outstanding at 31 December 2022	515,535	496,871	16,112,800	20,746,377	179,170,517	217,042,100	0.54p
Exercisable at 31 December 2022	–	333,381	16,112,800	–	–	16,446,181	5.10p

Options which were not eligible to be exercised are subject to employment period and market-based vesting conditions, some of which had not been met at 31 December 2022.

The options outstanding at 31 December 2022 had an estimated weighted average remaining contractual life of 8.1 years (2021: 6.7 years), with an exercise price ranging between 0.1p and 19.75p, as follows:

- 315,389 with an exercise price of 19.75p
- 363,636 with an exercise price of 11p
- 333,381 with an exercise price of 9.88p
- 16,112,800 with an exercise price of 5p
- 20,746,377 with an exercise price of 0.276p
- 179,170,517 with an exercise price of 0.1p

The fair value of the first tranche of options granted during the year has been calculated using the Monte Carlo model as it is considered to be a more appropriate model for options granted with multiple performance conditions. The second tranche has been calculated using the Black-Scholes model.

The significant inputs into the models for the IFRS 2 valuation were as follows:

	Grants in year 97,943,367 Options
Exercise price (pence)	0.1p
Expected volatility (%)	50%
Expected life (years)	2.5 years
Risk-free rates (%)	1.36%
Expected dividends	–

The expected volatility was calculated using the historic volatility of the Company's TSR for the period 2013 to 2022, adjusted for general market volatility due to the COVID-19 pandemic.

The fair value of the options granted during the year was USD0.3 million (2021: USD0.4 million). The share price at the date of grant was 0.39 pence per Ordinary Share.

In the year ended 31 December 2022, the Company recognised a total expense of USD0.25 million (2021: USD0.1 million) in respect of employment-related securities.

On 21 June 2022, 2,717,391 options were exercised at a price of 0.0276 pence per share, raising gross proceeds of USD9,203 (£7,500). The share price at the date of exercise was 0.425 pence per Ordinary Share

Other share options
In 2019, warrants were issued to MidCap as part of the Group's new borrowing facilities. Options over 3,096,798 shares were granted at an exercise price of 5.74p. These options are equity-settled and remain exercisable. The weighted average remaining contractual life is 6.5 years (2021: 7.5 years).

26. Financial instruments

Financial risk management objectives
Management provides services to the business, coordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group. These risks include cash flow interest risk, credit risk, liquidity risk, capital risk and foreign currency risk.

The policies for managing these risks are regularly reviewed and agreed by the Board.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy is to minimise costs and liquidity risk.

The capital structure of the Group consists of cash and cash equivalents, interest-bearing loans and borrowings, leases and equity attributable to owners of the parent company, issued share capital, reserves and retained earnings.

The Group plans its capital requirements on a regular basis and, as part of this review, the Directors consider the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	2022 USD '000	2021 USD '000
Financial assets measured at amortised cost		
Cash and cash equivalents	5,949	7,709
Trade receivables	4,195	2,946
Other receivables	19	38
	10,163	10,693

	2022 USD '000	2021 USD '000
Financial liabilities measured at amortised cost		
Trade payables	3,438	2,574
Accruals	2,033	1,619
Loans and borrowings	6,258	4,465
Lease liabilities	3,350	3,482
	15,079	12,140

Fair value of financial instruments
The Directors consider that the carrying amount of its financial instruments approximates to their fair value.

Interest rate risk management
The Group's policy on interest rate management is agreed at Board level and is reviewed on an ongoing basis.

The risk in the potential movement in interest received on cash surpluses held is limited due to little movement on deposit interest rates.

The Group's main interest rate risk arises from long term loans and borrowings which incur interest charges at a fixed rate above established parameters. See note 19. The Directors have performed a sensitivity analysis for the impact of changes in the interest rate charged on its loans and borrowing and have determined that a 1% (increase)/decrease in the interest rate would result in an additional (charge)/credit to the income statement of USD0.07 million.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets. The Group does not hold any collateral.

Credit risk arising from trade debtors is mitigated by a robust procedure including credit reviews on all customers and establishing a credit allowance that reflects any known risk.

Generally, financial assets are written off when there is no reasonable expectation of recovery.

The credit risk on liquid funds (cash) is considered to be limited as a result of the Group's policy that the counterparties are financial institutions with an A rating or higher, assigned by international credit rating agencies.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short-medium and long- term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and by continually monitoring forecast and actual cash flow.

With the exception of loans and borrowings and leases, outlined in notes 19 and 20 respectively, the Group's financial liabilities mature within six months.

At 31 December 2022, the Group was compliant with all the terms relating to the MidCap facilities. During the year the Group increased the funds available to it under the terms of the facility from USD2 million to USD5 million and since the year end, the Group has been able to further increase the funds available to it to USD10 million.

Foreign currency risk management
The Group undertakes certain transactions denominated in foreign currencies, with the result that exposure to exchange rate fluctuations arises. However, there is limited currency risk within the Group at the current time as all its financial assets and the majority of its liabilities are denominated in the functional currency of the relevant entity. The Group holds small amounts of cash balances in currencies other than the functional currency of the relevant entity and therefore there is little exposure to fluctuations in exchange rates which would impact the income statement of the Group.

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the reporting date are immaterial and as a result the Group has not undertaken foreign currency sensitivity analysis.

The Group does not normally hedge against the effects of movements in exchange rates.

27. Related party transactions

Amounts due from subsidiaries

The Group has taken advantage of the exemptions contained within IAS 24 *Related Party Disclosures* from the requirement to disclose transactions between group companies as these have been eliminated on consolidation.

Remuneration of key management personnel

Key management personnel are regarded as being members of the Company's Board of Directors. The remuneration of key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2022		2021	
	Charges for the year USD '000	Amounts owing USD '000	Charges for the year USD '000	Amounts owing USD '000
Short-term employee benefits	1,190	5	1,115	–
Share-based payments	116	–	79	–
	1,306	5	1,194	–

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

All transactions with related parties have been conducted on an arm's length basis.

For more information on the salary and fees, bonus and benefits included above, see the Directors' Remuneration Report.

28. Events after the reporting date

Loans and borrowings

In January 2023, the Group agreed new terms in respect of the MidCap facility, the details of which are set out in note 19.

29. Ultimate controlling party

The Directors believe that there is no ultimate controlling party.

Company Statement of Financial Position

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investment in subsidiary companies	C4	18,975	18,836
Intercompany loans	C5	32,881	15,722
		51,856	34,558
Current assets			
Trade and other receivables	C6	26	117
Cash and cash equivalents		1,832	4,679
		1,858	4,796
Total assets		53,714	39,354
Liabilities			
Current liabilities			
Trade and other payables	C7	(248)	(231)
Total liabilities		(248)	(231)
Net assets		53,466	39,123
Equity			
Share capital	C8	11,723	11,720
Share premium	C9	94,294	94,290
Merger reserve	C9	10,884	10,884
Share-based payment reserve	C9	574	987
Retained deficit	C9	(64,009)	(78,758)
Total equity		53,466	39,123

The Company has elected to take the exemption permitted by section 408 of the Companies Act 2006 not to present the Parent Company's Statement of Income or Statement of Comprehensive Income.

The parent company's profit for the year ended 31 December 2022 is £14.1 million (2021: £0.2 million).

The Company financial statements were approved by the Board of Directors and authorised for issue on 20 March 2023 and are signed on its behalf by:

Daniel Lee
Chief Executive Officer
Company number: 05969271

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Retained deficit £'000	Total £'000
At 31 December 2020	11,720	94,290	10,884	907	(78,514)	39,287
Transactions with owners in their capacity as owners:						
Share-based payments	–	–	–	80	–	80
Total transactions with owners in their capacity as owner	–	–	–	80	–	80
Loss for the year	–	–	–	–	(244)	(244)
At 31 December 2021	11,720	94,290	10,884	987	(78,758)	39,123
Transactions with owners in their capacity as owners:						
Exercise of share options	3	4	–	–	–	7
Transfer to retained reserves in respect of lapsed/expired/exercised share options	–	–	–	(628)	628	–
Share-based payments	–	–	–	215	–	215
Total transactions with owners in their capacity as owner	3	4	–	(413)	628	222
Profit for the year	–	–	–	–	14,121	14,121
At 31 December 2022	11,723	94,294	10,884	574	(64,009)	53,466

Notes to the Company Financial Statements

For the year ended 31 December 2022

C1. Principal accounting policies

Tissue Regenix Group plc (the 'Company') is a public company limited by shares, domiciled and incorporated in England under the Companies Act 2006.

The address of the registered office is Unit 3, Phoenix Court, Lotherton Way, Garforth LS25 2GY. The Company's shares are admitted to trading on the Alternative Investment Market ('AIM') of the London Stock Exchange.

The presentation currency of these financial statements is pound sterling ('£'), which is the currency in which the Company raises funds. The functional currency is pound sterling.

These financial statements were prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ('FRS 101').

In preparing these financial statements, the Company applies the recognition and measurement requirements of UK adopted International Accounting Standards, amended where necessary to comply with the Companies Act 2006.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own statement of income.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Disclosure in respect of transactions with wholly-owned subsidiaries;
- Disclosure in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based payments in respect of group settled share-based payments; and
- Certain disclosures required by IFRS 13 Fair value measurement and the disclosures required by IFRS 7 Financial instrument disclosures.

The principal accounting policies adopted are the same as those set out in the Group's consolidated financial statements and have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statement and estimates with a significant risk of material adjustment in the next year are discussed in C2.

Investments

Fixed asset investments, including investments in subsidiaries, are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

C2. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Estimates

Recoverability of investments and loans to subsidiary undertakings

The Company has investments and outstanding loans from its subsidiaries. However, there is a risk that the carrying amount of the Company's investments and loans will exceed the recoverable amount.

At 31 December 2022, the Company had outstanding loans due from its subsidiaries of £82 million (2021: £79.6 million).

In accordance with IFRS 9 Financial Instruments, as the subsidiary undertakings cannot repay the loans at the reporting date, the Company has made an assessment of expected credit losses. Having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivables, a cumulative lifetime Expected Credit Loss (ECL) of £49.3 million has been recognised at 31 December 2022 (2021: £63.9 million), resulting in a reversal credit of £14.6 million.

The calculation of the allowance for lifetime ECL requires a significant degree of estimation and judgement, in particular in determining the probability-weighted likely outcome for each scenario considered. The Directors assessment of ECL included repayment through future cash flows over time (which are inherently difficult to forecast for the Company at its current stage of development) and also the amount that could be realised through an immediate sale of the subsidiary undertakings. The Directors assessment of repayment through future cash flows included scenarios where the loan was not recovered in full. The Directors allocated a probability weighting of 90% to scenarios where recovery would be repayment over time, and 10% to the scenario where immediate sale of the subsidiary undertaking was contemplated.

Given the quantum of the provision recorded at 31 December 2022, the outcome is sensitive to the key assumptions inherent in the calculation. The carrying value of amounts owned by subsidiary undertakings at 31 December 2022 is disclosed in note C5 to the financial statements.

C3. Staff costs

The average monthly number of employees (including Directors) was:

	2022 Number	2021 Number
Directors	6	6
Administration staff	1	2
	7	8

continued

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	453	471
Social security costs	46	51
Other pension costs	9	13
Share-based payments	76	56
	584	591

C4. Investment in subsidiary companies

	2022 £'000	2021 £'000
At 1 January	18,836	18,813
Pushdown of share-based payment charges	139	23
At 31 December	18,975	18,836

At 31 December 2022, the Company held the following investments in subsidiaries:

	Place of incorporation (or registration) and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Directly held				
Tissue Regenix Limited	UK	100%	100%	Regenerative medicine
Indirectly held				
TRX Wound Care Limited	UK	100%	100%	Regenerative medicine
TRX Orthopaedics Limited	UK	100%	100%	Regenerative medicine
TRX Cardiac Limited	UK	100%	100%	Regenerative medicine
TRX Vascular Limited	UK	100%	100%	Dormant
Tissue Regenix Holdings Limited	UK	100%	100%	Holding company
Tissue Regenix Wound Care Inc	US	100%	100%	Regenerative medicine
TRX Orthopedics Inc	US	100%	100%	Regenerative medicine
Tissue Regenix Holdings Inc	US	100%	100%	Holding company
CellRight Technologies LLC	US	100%	100%	Regenerative medicine
GBM-V GmbH	Germany	50%	50%	Regenerative medicine

The registered office address for all companies incorporated in the UK is Unit 3, Phoenix Court, Lotherton Way, Garforth, Leeds LS25 2GY.

The registered office address for all companies incorporated in the US is 1808 Universal City Boulevard, Universal City, Texas 78148.

The registered office address for GBM-V GmbH is Schillingallee 68, 18057, Rostock, Germany.

C5. Intercompany loans

	2022 £'000	2021 £'000
Intercompany loans	82,184	79,593
Expected credit losses	(49,303)	(63,871)
	32,881	15,722
Non-current assets	32,881	15,722

The Company has entered into a number of unsecured related party transactions with its subsidiary undertakings.

Intercompany loans include a gross sum of £0.8 million (2021: £0.8 million), before a provision of £0.7 million (2021: £0.7 million), due from the Group's EBT.

No interest was receivable on loans to subsidiary undertakings and the loans are repayable on demand, except for a £13.2 million (2021: £13.2 million) unsecured loan to Tissue Regenix Limited which incurs interest at 4% above the Bank of England base rate and which is repayable in 2024.

Intercompany loans are classified as non-current as the timing or repayment is uncertain and unlikely to be within one year.

C6. Trade and other receivables

	2022 £'000	2021 £'000
Prepayments and accrued income	17	108
VAT recoverable	9	9
	26	117

C7. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	38	20
Taxes and social security	13	23
Accruals	197	188
	248	231

C8. Share capital

	2022 £'000	2021 £'000
Allotted, issued and fully paid		
Ordinary Shares of 0.1 pence	7,036	7,033
Deferred Shares of 0.4 pence	4,687	4,687
	11,723	11,720

As permitted by the provisions of the Companies Act 2006, the Company does not have an upper limit to its authorised share capital.

The Ordinary Shares are fully paid and entitle the holder to full voting rights, to full participation and to distribution of dividends.

The Deferred Shares are not listed on AIM, do not give the holders any right to receive notice of, or to attend or vote at, any general meetings, have no entitlement to receive a dividend or other distribution other than to a return of capital in the event of a winding up (and only after the holders of the Ordinary Shares have received the sum of £1 million per share).

Issued Ordinary Share capital
On 21 June 2022, the Company issued 2,717,391 Ordinary Shares of 0.1 pence each at a price of 0.0276 pence per share, raising gross proceeds of £7,500, in respect of the exercise of share options.

continued

Movements in share capital during the period were as follows:

	Ordinary shares Number	Deferred shares Number
At 1 January 2021 and 2022	7,033,077,499	1,171,971,322
Allotment of shares	2,717,391	–
At 31 December 2022	7,035,794,890	1,171,971,322

C9. Reserves

Reserves of the Group represent the following:

Share premium
Consideration paid in excess of the nominal value of shares allotted, net of the costs of issue.

Merger reserve
Consideration and nominal value of the shares issued during a merger where the fair value of the assets transferred differ.

Share-based payment reserve
Accumulated charges/(credits) made under IFRS 2 in respect of share-based payments.

Retained deficit
All current and prior period retained losses.

Notice of Annual General Meeting

Notice is given that the 2023 Annual General Meeting of Tissue Regenix Group plc ('**Company**') will be held at the offices of DLA Piper UK LLP, 160 Aldersgate St, Barbican, London EC1A 4HT on 27 April 2023 at 11.00 a.m. for the following purposes:

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive the Company's annual accounts, strategic report and Directors' and Auditors' reports for the year ended 31 December 2022.
2. To reappoint David Cocke, who retires by rotation, as a Director of the Company.
3. To reappoint Jonathan Glenn, who retires by rotation, as a Director of the Company.
4. To reappoint Shervanthi Homer Vanniasinkam, who retires by rotation, as a Director of the Company.
5. To reappoint Daniel Lee, who retires by rotation, as a Director of the Company.
6. To reappoint Brian Phillips, who retires by rotation, as a Director of the Company.
7. To reappoint Trevor Phillips, who retires by rotation, as a Director of the Company.
8. To reappoint RSM UK Audit LLP as auditors of the Company.
9. To authorise the Directors to determine the remuneration of the auditors.
10. That, pursuant to section 618(1)(b) of the Companies Act 2006 ('**Act**') and Article 56 of the Company's articles of association, every one hundred ordinary shares of £0.001 each in the capital of the Company which are in issue (each being an '**Existing Share**') be consolidated (the '**Consolidation**') into one consolidated ordinary share of £0.10 in the capital of the Company (each being a '**Consolidated Share**'), such Consolidation to take effect either: (a) in the event that either resolution 11 or 13 is not passed, immediately after close of business on the dealing day immediately prior to the admission of the Consolidated Shares to trading on the AIM market operated by the London Stock Exchange plc ('**AIM**'); or (b) if resolutions 11 and 13 are passed, immediately after close of business on the dealing day immediately prior to the New Ordinary Shares (as such term is defined in resolution 11) being admitted to trading on AIM ('**Consolidation Time**'), each such Consolidated Share having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares as set out in the Company's articles of association for the time being, provided that, where such Consolidation results in any shareholder being entitled to a fraction of a Consolidated Share, such fraction shall be dealt with by the Directors as they see fit pursuant to the powers available to them under the Company's articles of association.
11. That, subject to resolutions 10 and 13 being passed:

    11.1 immediately after the Consolidation has occurred, in accordance with section 618(1)(a) of the Act, each of the Consolidated Shares be sub-divided into:

        11.1.1 one ordinary share of 0.1 pence (each being a 'New Ordinary Share') and

        11.1.2 one redesignated deferred share of 9.9 pence (each being a 'Class 2 Deferred Share'),

        each such New Ordinary Share and each such Class 2 Deferred Share having attached thereto the rights and restrictions as respectively set out in the Amended Articles (as such term is defined in resolution 13);

    11.2 the sub-division and redesignation of the Consolidated Shares into New Ordinary Shares and Class 2 Deferred Shares shall be deemed to confer upon the Company irrevocable authority at any time thereafter to retain the certificates for such Class 2 Deferred Shares, pending the Directors appointing a custodian and arranging for the transfer of the Class 2 Deferred Shares to a custodian in both cases pursuant to Article 9 of the Amended Articles;

    11.3 any cancellation of the Class 2 Deferred Shares for no consideration by way of a reduction of capital shall not involve a variation of the rights attached thereto; and

11.4 the rights attached to the Class 2 Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority or *pari passu* with or subsequent to such shares or by any amendment or variation to the rights of any other class of shares in the Company.

12. That, pursuant to section 551 of the Act, the Directors be generally and unconditionally authorised to allot Relevant Securities:

12.1 up to an aggregate nominal amount equal to either: (a) £23,452.64 in the event that resolutions 11 and 13 are passed; or (b) £2,345,264 in all other circumstances;

12.2 comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount equal to either: (a) £23,452.64 in the event that resolutions 11 and 13 are passed; or (b) £2,345,264 in all other circumstances, in connection with an offer by way of a rights issue:

12.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

12.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 27 July 2024 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, **'Relevant Securities'** means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

To consider and, if thought fit, pass the following resolutions as special resolutions:

13. That the new articles of association produced to the meeting and, for the purposes of identification, initialled by a Director (the '**Amended Articles**'), be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

14. That, subject to the passing of resolution 12 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 12 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

14.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph 12.2 of resolution 12, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):

14.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

14.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

14.2 otherwise than pursuant to paragraph 14.1 of this resolution up to an aggregate nominal amount equal to either: (a) £7,035.79 in the event that resolution 11 is passed as an ordinary resolution; and resolution 13 is passed as a special resolution or (b) £703,579 in all other circumstances,

and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 27 July 2024 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

15. That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares in the capital of the Company provided that:

15.1 the maximum aggregate number of ordinary shares in the capital of the Company which may be purchased shall be either:

15.1.1 7,035,795 Consolidated Shares, in the event that resolution 10 is passed as an ordinary resolution and either of resolutions 11 or 13 is not passed; or

15.1.2 7,035,795 New Ordinary Shares, in the event that resolutions 11 and 13 are passed; or

15.1.3 703,579,489 Existing Ordinary Shares, in all other circumstances,

(the Existing Ordinary Shares, the Consolidated Shares, and the New Ordinary Shares together being '**Shares**');

15.2 the minimum price (excluding expenses) which may be paid for a Share is an amount equal to the nominal value of such Share;

the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 27 July 2024 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the Board
Kirsten Lund
Secretary
20 March 2023

Registered office
Unit 3, Phoenix Court
Lotherton Way
Garforth
Leeds
England
LS25 2GY
Registered in England and Wales No. 05969271

Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at the close of business on 25 April 2023 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

   A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which, when taken together with the numbers of shares set out in the other proxy appointments, is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

   A proxy may only be appointed in accordance with the procedures set out in notes 3 and 4 below and the notes to the proxy form.

   The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

   You can vote either:

   - By logging on to HYPERLINK "http://www.signalshares.com" www.signalshares.com and following the instructions;
   - If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to HYPERLINK "https://www.proxymity.io." www.proxymity.io. Your proxy must be lodged by 11.00 a.m. on 25 April 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
   - You may request a hard copy form of proxy directly from the registrars, Link Group by emailing at HYPERLINK "mailto:shareholderenquiries@linkgroup.co.uk" shareholderenquiries@linkgroup.co.uk or by calling them on 0371 664 0300 if calling from the UK, or +44 (0) 371 664 0300 if calling from outside of the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 - 17.30, Monday to Friday excluding public holidays in England and Wales);
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, no later than 11.00 a.m. on 25 April (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

3. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST-sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Group (ID RA10) no later than 11.00 a.m. on 25 April 2023 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

   The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

4. A shareholder that is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

5. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion or withhold from voting.

Documents available for inspection

6. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends:

   6.1 Copies of the service contracts of the executive directors.

   6.2 Copies of the letters of appointment of the non-executive directors.

Biographical details of directors

7. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out on page 18 of the enclosed annual report and accounts.

Other

continued

Share capital

8. As at 20 March (the last practicable business day prior to the date of this notice), the Company's issued share capital comprised 7,035,794,890 ordinary shares of 0.1 pence each and 1,171,971,322 deferred shares of 0.4 pence each. Each ordinary share carries the right to vote at a general meeting of the Company. The deferred shares carry no voting rights. Therefore, the total number of voting rights as at the date of this document is 7,035,794,890.

Company and Adviser Information

DIRECTORS

Jonathan Glenn	Non-Executive Chair
Daniel Lee	Chief Executive Officer
David Cocke	Chief Financial Officer
Shervanthi Homer-Vanniasinkam	Non-Executive Officer
Trevor Phillips	Non-Executive Officer
Brian Phillips	Non-Executive Officer

COMPANY SECRETARY
Kirsten Lund

COMPANY WEBSITE
www.tissueregenix.com

COMPANY NUMBER
05969271 (England & Wales)

REGISTERED OFFICE
Unit 3
Phoenix Court
Lotherton Way
Garforth
LS25 2GY

REGISTRAR
Link Group
PXS 1
Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

AUDITOR
RSM UK Audit LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

LEGAL ADVISERS
DLA Piper UK LLP
Princess Exchange
Princess Square
Leeds
LS1 4BY

Squire Patton Boggs UK LLP
6 Wellington Place
Leeds
LS1 4AP

NOMINATED ADVISER AND BROKER
FinnCap Group
1 Bartholomew Close
London
EC1A 7BL

Printed by:

perivan

perivan.com

Tissue Regenix
Group plc

Tissue Regenix Group plc

Unit 3
Phoenix Court
Lotherton Way
Garforth LS25 2GY

www.tissueregenix.com