Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(**Mark One**)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40367

VACCITECH PLC

(**Exact Name of Registrant as Specified in its Charter**)

England and Wales	**Not Applicable**
(**State or other jurisdiction of incorporation or organization**)	(**I.R.S. Employer Identification No.**)
The Schrödinger Building	
Heatley Road	
The Oxford Science Park	
Oxford, United Kingdom	**OX4 4GE**
(**Address of principal executive offices**)	(**Zip Code**)

Registrant's telephone number, including area code: +44 (0) 1865 818 808

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares*	VACC	The Nasdaq Global Market
Ordinary shares, nominal value £0.000025 per share**		

*American Depositary Shares may be evidenced by American Depositary Receipts. Each American Depositary Share represents one (1) ordinary share.

**Not for trading, but only in connection with the listing of American Depositary Shares on The Nasdaq Global Market.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 10, 2022, the registrant had 37,200,321 ordinary shares, nominal value £0.000025 per share, outstanding.

Table of Contents

We own various trademark registrations and applications, and unregistered trademarks, including our name, our corporate logo and technologies acquired as part of our acquisition of Avidea Technologies, Inc. in December 2021. We have an exclusive license to use and display the Vaccitech registered trademark in order to commercialize Vaccitech in the United Kingdom. All other trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

From time to time, we may use our website, our Facebook page at Facebook.com/Vaccitech, our Twitter account at @Vaccitechplc and our LinkedIn account at linkedin.com/company/Vaccitech-plc/to distribute material information. Our financial and other material information is routinely posted to and accessible on the Investors section of our website, available at www.vaccitech.co.uk. Investors are encouraged to review the Investors section of our website because we may post material information on that site that is not otherwise disseminated by us. Information that is contained in and can be accessed through our website, our Facebook page, our Twitter posts and our LinkedIn posts are not incorporated into, and does not form a part of, this Quarterly Report.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

VACCITECH PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE AMOUNTS)
(UNAUDITED)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 200,596	$ 214,054
Accounts receivable	18,011	20
Research and development incentives receivable	4,778	6,229
Prepaid expenses and other current assets	7,398	6,462
Total current assets	230,783	226,765
Goodwill	12,630	12,630
Property and equipment, net	4,583	1,829
Intangible assets, net	30,640	31,430
Right of use assets, net	6,699	7,257
Other assets	788	804
Total assets	$ 286,123	$ 280,715
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,660	$ 2,419
Accrued expenses and other current liabilities	11,330	7,875
Deferred revenue	162	182
Current portion of lease liability	331	523
Debt	—	159
Total current liabilities	16,483	11,158
Lease liability – non current	6,404	6,540
Contingent consideration	2,444	2,371
Deferred tax liability, net	7,221	8,084
Other non-current liabilities	434	—
Total liabilities	$ 32,986	$ 28,153
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Ordinary shares, £0.000025 nominal value; 37,193,367 shares authorized, issued and outstanding (December 31, 2021: authorized, issued and outstanding: 37,188,730)	$ 1	$ 1
Deferred A shares, £1 nominal value; 63,443 shares authorized, issued and outstanding (December 31, 2021: authorized, issued and outstanding: 63,443)	86	86
Deferred B shares, £0.01 nominal value; 570,987 shares authorized, issued and outstanding (December 31, 2021 authorized, issued and outstanding: 570,987)	8	8
Deferred C shares, £0.000007 nominal value, 27,828,231 shares authorized, issued and outstanding (December 31, 2021: authorized, issued and outstanding: 27,828,231)	0 [1]	0 [1]
Additional paid-in capital	373,087	369,103
Accumulated deficit	(105,989)	(108,585)
Accumulated other comprehensive loss – foreign currency translation adjustments	(14,456)	(8,488)
Noncontrolling interest	400	437
Total shareholders' equity	$ 253,137	$ 252,562
Total liabilities and shareholders' equity	$ 286,123	$ 280,715

[1] Indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE AMOUNTS)
(UNAUDITED)

	Three months ended	
	March 31, 2022	March 31, 2021
License revenue	$ 15,009	$ 16
Service revenue	—	21
Research grants and contracts	9	178
Total revenue	15,018	215
Operating expenses		
Research and development	10,701	4,610
General and administrative	3,663	1,777
Total operating expenses	14,364	6,387
Income/(loss) from operations	654	(6,172)
Other income (expense):		
Change in fair value of derivatives	—	5,994
Unrealized exchange gain on convertible loan notes	—	209
Loss on extinguishment of convertible loan notes	—	(13,789)
Interest income	83	2
Interest expense	(74)	(2,650)
Research and development incentives	1,048	955
Total other income (expense)	1,057	(9,279)
Tax benefit	863	65
Net income/(loss)	2,574	(15,386)
Net loss attributable to noncontrolling interest	22	118
Net income/(loss) attributable to Vaccitech plc Shareholders	2,596	(15,268)
Weighted-average ordinary shares outstanding, basic	37,191,022	8,057,216
Weighted-average ordinary shares outstanding, diluted	38,346,668	8,057,216
Net income/(loss) per share attributable to ordinary shareholders, basic	$ 0.070	$ (1.90)
Net income/(loss) per share attributable to ordinary shareholders, diluted	$ 0.068	$ (1.90)
Net income/(loss)	$ 2,574	$ (15,386)
Other comprehensive loss-foreign currency translation adjustments	(5,983)	(1,416)
Comprehensive loss	(3,409)	(16,802)
Comprehensive loss attributable to noncontrolling interest	37	114
Comprehensive loss attributable to Vaccitech Plc Shareholders	$ (3,372)	$ (16,688)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS, EXCEPT NUMBER OF SHARES)
(UNAUDITED)

	Three months ended March 31, 2022												
	Ordinary Shares		Deferred A Shares		Deferred B Shares		Deferred C Shares		Additional Paid-in-capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, January 1, 2022	**37,188,730**	**$ 1**	**63,433**	**$ 86**	**570,987**	**$ 8**	**27,828,231**	**$ 0** [1]	**$ 369,103**	**$ (108,585)**	**$ (8,488)**	**$ 437**	**$ 252,562**
Share based compensation	—	—	—	—	—	—	—	—	3,984	—	—	—	3,984
Issue of ordinary shares	4,637	0 [1]	—	—	—	—	—	—	0 [1]	—	—	—	0 [1]
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	—	(5,968)	(15)	(5,983)
Net income	—	—	—	—	—	—	—	—	—	2,596	—	(22)	2,574
Balance, March 31, 2022	**37,193,367**	**$ 1**	**63,443**	**$ 86**	**570,987**	**$ 8**	**27,828,231**	**$ 0** [1]	**$ 373,087**	**$ (105,989)**	**$ (14,456)**	**$ 400**	**$ 253,137**

	Three months ended March 31, 2021												
	Series A Redeemable Convertible Preferred Shares		Series B Redeemable Convertible Preferred Shares		Ordinary Shares		Deferred A Shares		Additional Paid-in-capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, January 1, 2021	**22,065**	**$ 33,765**	**—**	**$ —**	**7,960,458**	**$ 0** [1]	**—**	**$ —**	**$ 21,660**	**$ (57,720)**	**$ (1,243)**	**$ 391**	**$ (36,912)**
Share based compensation	—	—	—	—	—	—	—	—	797	—	—	—	797
Issue of Series B shares, net of issuance costs	—	—	28,957	121,837	—	—	—	—	—	—	—	—	—
Series B Shares issued on conversion of convertible notes	—	—	12,421	53,721	—	—	—	—	—	—	—	—	—
Issue of Deferred A shares	—	(29)	—	(57)	—	—	63,443	86	—	—	—	—	86
Issue of ordinary shares	—	—	—	—	263,886	0 [1]	—	—	—	—	—	—	0 [1]
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	—	(1,420)	4	(1,416)
Net loss	—	—	—	—	—	—	—	—	—	(15,268)	—	(118)	(15,386)
Balance, March 31, 2021	**22,065**	**$ 33,736**	**41,378**	**$ 175,501**	**8,224,344**	**$ 0** [1]	**63,443**	**$ 86**	**$ 22,457**	**$ (72,988)**	**$ (2,663)**	**$ 277**	**$ (52,831)**

[1] Indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Three months ended	
	March 31, 2022	**March 31, 2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 2,574	$ (15,386)
Adjustments to reconcile net income/loss to net cash used in operating activities:		
Share based compensation	3,984	797
Depreciation and amortization	966	92
Right of use asset and liability	228	11
Fair valuation gain on embedded derivatives	—	(5,994)
Unrealized foreign exchange gain on convertible loan notes	—	(209)
Non-cash interest expense on convertible loan notes	—	813
Fair value change in contingent consideration	143	—
Deferred tax benefit	(863)	(25)
Loss on conversion of convertible loan notes	—	13,789
Other non-cash expenses	12	—
Changes in operating assets and liabilities:		
Accounts receivable	(18,352)	208
Prepaid expenses and other current assets	(1,121)	(393)
Research and development incentives receivable	1,300	(955)
Accounts payable	1,739	(707)
Accrued expenses and other current liabilities	2,830	(108)
Deferred revenue	(15)	98
Other assets	(4)	—
Net cash used in operating activities	$ (6,579)	$ (7,969)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,092)	(392)
Net cash used in investing activities	$ (1,092)	$ (392)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of shares and exercise of stock options	0 [1]	0 [1]
Repayment of debt	(159)	—
Initial public offering costs	—	(22)
Transaction costs for Series B shares	—	(3,402)
Proceeds from issue of Series B shares	—	125,239
Net cash (used)/provided by financing activities	(159)	121,815
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	$ (5,628)	$ (785)
Net (decrease) increase in cash and cash equivalents	(13,458)	112,669
Cash and cash equivalents, beginning of the period	214,054	43,266
Cash and cash equivalents, end of the period	$ 200,596	$ 155,935
Supplemental cash flow disclosures:		
Cash paid for interest	$ —	$ 1,844
Non-Cash investing and financing activities		
Capital expenditures included in accounts payable	$ 1,365	$ 67
Issue of deferred A shares	$ —	$ 86
Issue of Series B shares	$ —	$ 53,721
Changes to right-of-use asset resulting from lease reassessment event	$ (36)	$ —
Asset retirement obligation	$ 443	$ —

[1] Indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Nature of Business and Basis of Presentation

Vaccitech plc (Vaccitech) is a public limited company incorporated pursuant to the laws of England and Wales in March 2021. Vaccitech is engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious diseases, autoimmunity, and cancer. Vaccitech is headquartered in Oxford, United Kingdom. Vaccitech and direct and indirect subsidiaries, Vaccitech (UK) Limited, Vaccitech Australia Pty Limited, Vaccitech Oncology Limited ("VOLT"), Vaccitech USA Inc., Vaccitech North America, Inc. and Vaccitech Italia S.R.L, are collectively referred to as the "Company".

In connection with the initial public offering of American Depositary Shares ("ADSs"), in March 2021, Vaccitech completed a corporate reorganization wherein the shareholders of Vaccitech (UK) Limited (formerly Vaccitech Limited) exchanged each of their ordinary shares, Series A Shares and Series B Shares of the Company for the same quantity of ordinary shares, series A shares ("Vaccitech plc Series A Shares") and series B shares ("Vaccitech plc Series B Shares") in Vaccitech plc (resulting in the shareholders of the Company holding the same percentage and class of shares in Vaccitech plc (formerly Vaccitech Rx Limited) as they had in Vaccitech (UK) Limited (formerly Vaccitech Limited). The group reorganization under common control constitutes a change in reporting entity and has been given retrospective effect reflecting the net assets of Vaccitech (UK) Limited (formerly Vaccitech Limited) and its subsidiaries and Vaccitech plc at their historical carrying amounts. As a result of the reorganization the comparative period presented these unaudited condensed consolidated financial statements have been presented as if Vaccitech plc was the holding company of the group.

The Company operates in an environment of rapid technological change and substantial competition from pharmaceutical and biotechnology companies. The Company is subject to risks common to companies in the biopharmaceutical industry in similar stage of its life cycle including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its vaccine product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of any of its products that are approved, and protection of proprietary technology. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, that any products developed will obtain required regulatory approval or that any approved products will be commercially viable. Even if the Company's development efforts are successful, it is uncertain when, if ever, the Company will generate significant product sales. If the Company does not successfully commercialize any of its products or mitigate any of these other risks, it will be unable to generate revenue or achieve profitability.

Basis of presentation

The Company's unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Certain notes or other information that are normally required by GAAP have been omitted if they substantially duplicate the disclosures contained in the Company's annual audited consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements should be read in connection with the Company's audited financial statements and related notes as of and for the year ended December 31, 2021.

On May 4, 2021, the Company effected a 309-for-1 stock split of ordinary shares. Each resultant ordinary share from the stock split was redesignated as one ordinary share and one deferred C share. Accordingly, all ordinary share and per share amounts for the comparative prior period presented in the accompanying unaudited condensed consolidated financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the stock split.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Unaudited Condensed Financial Information

The accompanying Condensed Consolidated Balance Sheet as of March 31, 2022, the Condensed Consolidated Statements of Operations and Comprehensive Loss, Condensed Consolidated Statements of Changes In Redeemable Convertible Preferred Shares and Shareholders' Equity (Deficit) and the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2022 and 2021 are unaudited. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements. In our opinion, the unaudited condensed consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of our financial position as of March 31, 2022, our results of operations and our cash flows for the three months ended March 31, 2022 and 2021. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022, or any other interim period.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in Note 2 to the consolidated financial statements as of and for the year ended December 31, 2021 except as discussed below related to newly adopted accounting pronouncements.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of costs and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis. The Company's actual results may differ from these estimates under different assumptions or conditions.

We have experienced and expect to continue to experience disruptions as a result of the COVID-19 pandemic that could severely impact the Company's clinical and pre-clinical development timelines for the Company's clinical and pre-clinical programs. Estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require the exercise of judgment. In respect of the international situation in Ukraine, we have assessed the impact on the Company as minimal. We have no operations or suppliers based in Ukraine, Belarus, or Russia, and there is consequently no additional risk or negative impact on the unaudited condensed consolidated financial statements. We have no operations or suppliers based in Turkey either, and therefore the Company is not impacted by the potential hyperinflationary environment in that country. As of the date of issuance of these unaudited condensed consolidated financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information is obtained and are recognized in the condensed consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's financial statements.

Recently issued accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company can adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

The Company adopted ASU No. 2021-10 - Government Assistance (Topic 832) Disclosures by Business Entities about Government Assistance on January 1, 2022. The new standard did not have an impact on the Company's unaudited condensed consolidated financial statements.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

3. Net income/(loss) per share

The following table sets forth the computation of basic and diluted net income/loss per share for the three months ended March 31, 2022 and 2021 (in thousands, except number of shares):

	Three months ended March 31,	
	2022	2021
Numerator:		
Net income/(loss)	$ 2,574	$ (15,386)
Net loss attributable to noncontrolling interest	22	118
Net income/(loss) attributable to Vaccitech shareholders	$ 2,596	$ (15,268)
Denominator:		
Weighted-average ordinary shares outstanding, basic	37,191,022	8,057,216
Effect of dilutive stock options	1,155,646	—
Weighted-average ordinary shares outstanding, diluted	38,346,668	8,057,216
Net income/(loss) per share attributable to ordinary shareholders, basic	$ 0.070	$ (1.90)
Net income/(loss) per share attributable to ordinary shareholders, diluted	$ 0.068	$ (1.90)

Potential ordinary shares issuable upon conversion or exercise of Series A & Series B Shares and stock options that are excluded from the computation of diluted weighted-average shares outstanding are as follows:

	Three months ended March 31,	
	2022	2021
Series A shares	—	6,818,085
Series B shares	—	12,785,802
Stock options	2,014,204	1,895,097

4. Prepaid and other current assets (in thousands)

	March 31, 2022	December 31, 2021
Prepayments and accrued income	$ 5,479	$ 4,612
Value Added Tax receivable	31	705
Employee retention and payroll tax credit	80	150
Others	1,808	995
Total	$ 7,398	$ 6,462

5. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Accrued manufacturing and clinical expenses	$ 4,082	$ 1,789
Accrued board of director compensation	30	91
Accrued bonus	503	1,333
Accrued payroll and employee benefits	726	1,072
Accrued professional fees	2,082	2,338
Accrued other	1,628	1,252
Value Added Tax payable	2,279	—
Total	$ 11,330	$ 7,875

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

6. Series B shares

On March 15, 2021, the Company issued 28,957 Series B preferred shares (‘‘Series B Shares’’) amounting to $125,239 thousand and incurred transaction costs of $3,402 thousand.

On March 31, 2021, the Company subdivided each of the Series A shares and Series B shares (including the Series B shares issued on conversion of the convertible loan notes) into one share of the same class and one deferred A share with a nominal value of £1.00 per share.

On May 4, 2021 prior to the closing of the Company’s initial public offering and pursuant to the terms of its articles of association, all of the Series A Shares and Series B Shares were converted into 19,603,887 ordinary shares, 570,987 deferred B shares and 19,603,887 deferred C shares.

7. Convertible loan notes

The Company recognized interest expense of $2,650 thousand and a change in fair value of $5,994 thousand in relation to the conversion and redemption features embedded in the convertible loan notes in the condensed consolidated statements of operations and comprehensive loss for the period ended March 31, 2021.

The Series B funding on March 15, 2021 constituted a qualified equity financing in accordance with the terms of the convertible loan notes. As a result, the convertible loan notes were converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

The conversion was accounted for as an extinguishment of the convertible loan notes. As a result, the 12,421 Series B preferred shares issued on conversion was recognized at the settlement-date fair value of the Series B shares ($53,721 thousand) and a loss of $13,789 thousand was recognized in earnings for the difference between (1) the fair value of those shares and (2) the sum of the carrying amounts of the convertible loan notes ($25,557 thousand) and the bifurcated conversion and redemption feature liability ($14,375 thousand).

8. Deferred A Shares

On March 31, 2021, Vaccitech Plc subdivided each of the Series A shares and Series B shares into one share of the same class and one deferred A share with a nominal value of £1.00 per share. The deferred A shares do not have rights to dividends or to participate in profits on a return of assets on liquidation, the deferred A shares shall confer on the holders thereof an entitlement to receive out of the assets of the Company available for distribution amongst the shareholders (subject to the rights of any new class of shares with preferred rights) the amount credited as paid up on the deferred A shares held by them respectively after (but only after) payment shall have been made to the holders of the ordinary shares of the amounts paid up or credited as paid up on such shares and the sum of £1,000 thousand ($1,373 thousand) in respect of each ordinary share held by them respectively. The deferred A shares shall confer on the holders thereof no further right to participate in the assets of the Company.

9. Fair value

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, security deposit, accounts payable, certain accrued expenses, and contingent consideration. The carrying amounts of cash and cash equivalents, accounts receivable, security deposit, accounts payable and accrued expenses approximated their respective fair value due to the short-term nature and maturity of these instruments.

As of March 31, 2022, the Company had a contingent consideration liability of $2,444 thousand related to the acquisition of Avidea Technologies, Inc. The fair value of the contingent consideration is a Level 3 valuation with the significant unobservable inputs being the probability of success of achievement of the milestone and the expected date of the milestone achievement. Significant judgment is employed in determining the appropriateness of certain of these inputs.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three months ended March 31, 2021, the Company had an embedded derivative liability related to the conversion features, the cash redemption feature on maturity and the cash redemption feature upon an exit event that settles in noncash consideration embedded in convertible loan notes. The fair value of the embedded derivatives is a Level 3 valuation with the significant unobservable inputs being the probability of exercise of conversion and cash redemption features. Significant judgment is employed in determining the appropriateness of certain of these inputs.

The following table summarizes changes to our financial instruments carried at fair value and classified within Level 3 of the fair value hierarchy (in thousands):

	Three months ended March 31,	
	2022	2021
Beginning balance	$ 2,371	$ 20,109
Change in fair value recognized in net income/loss	143	(5,994)
Settlement	—	(14,375)
Foreign exchange translation	(70)	260
Ending balance	$ 2,444	$ —

10. Goodwill

During the first quarter of 2022, the Company identified qualitative indicators of impairment due to sustained decline in the price of the Company's American Depositary Shares. Therefore, the Company performed an interim qualitative assessment as of March 31, 2022 to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Based on this assessment, management determined it is not more likely than not that the fair value of the reporting unit is less than its carrying amount. The Company will perform its annual goodwill impairment test as of November 30, 2022.

11. Share-Based Compensation

During the three month period ended March 31, 2022, in accordance with the terms of the Annual Increase of the Vaccitech plc Share Award Plan 2021, the total number of ordinary shares available for issuance under the Plan increased by 4% of the Company's issued and outstanding ordinary shares as of January 1, 2022.

During the three months ended March 31, 2022, the Company granted 1,632,922 options to employees and directors with a grant date fair value of $3.75 and a weighted average exercise price of $11.24 per share. For the three months ended March 31, 2021, the Company granted 364,620 options to employees and directors with a grant date fair value of $9.14 and a weighted average exercise price of $0.00003 per share.

The fair value of each stock option issued to employees was estimated at the date of grant using Black-Scholes with the following weighted-average assumptions:

	Three months ended March 31,	
	2022	2021
Expected volatility	92.3 %	125.0 %
Expected term (years)	6.00	6.42
Risk-free interest rate	1.9 %	0.7 %
Expected dividend yield	— %	— %

As of March 31, 2022 4,814,173 options with a weighted average exercise price of $9.52 were outstanding. As of March 31, 2022, there was $14,840 thousand unrecognized compensation cost related to stock options, which is expected to be recognized over a weighted average period of 2.36 years.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

No Restricted Stock Units ("RSUs") were issued in the three months ended March 31, 2022, and there were no RSUs outstanding during the period ended March 31, 2022. During the three months ended March 31, 2021, 263,886 Restricted Stock Units ("RSUs") were converted into ordinary shares. The RSUs granted on January 9, 2020 contains a nondiscretionary antidilution provision which entitles the grantee to additional RSUs to ensure that the aggregate RSUs granted equal 1.5% of the total fully diluted share capital of the Company. As of March 31, 2021, 264,042 RSUs were outstanding. No compensation cost has been recognized in respect of these outstanding RSUs which vests on the IPO Resolution Date as the initial public offering is not considered probable until it occurs.

Share based compensation expense is classified in the condensed consolidated statement of operations and comprehensive loss as follows (in thousands):

	Three months ended March 31,	
	2022	2021
Research and development	$ 842	$ 319
General and administrative	3,142	478
Total	$ 3,984	$ 797

12. Contract Assets and Liabilities

The Company discloses Accounts receivable separately in the Condensed Consolidated Balance Sheet at the net amount expected to be collected. Contract assets primarily relate to the Company's conditional right to consideration for work completed but not billed at the reporting date. As of March 31, 2022, the Company did not have any contract assets.

Contract liabilities primarily relate to payments received from customers in advance of performance under the contract and are disclosed as deferred revenue separately in the Condensed Consolidated Balance Sheet. The Company's contract liabilities arise when payment is received upfront for various multi-period extended license and service arrangements.

Changes in the contract liabilities during the period are as follows (in thousands):

	March 31, 2022
Balance as of January 1, 2022	$ 182
Revenue recognized related to contract liability balance	(15)
Foreign exchange translation	(5)
Balance as of March 31, 2022	$ 162

Revenue recognized related to the contract liability balance for the three months ended March 31, 2021 was $16 thousand.

During the three months ended March 31, 2022, the Company recognized revenue of $14,993 thousand (three months ended March 31, 2021: $Nil) in relation to the Amendment, Assignment and Revenue Sharing Agreement ("License Agreement Amendment") with Oxford University Innovation Limited entered into in April 2020, which vested and assigned all intellectual property rights in relation to any ChAdOx1 or ChAdOx2 vector-based vaccine in the field of SARS-CoV2 to Oxford University Innovation Limited.

13. Commitments and Contingencies

In-License Agreements

The Company is party to a number of licensing agreements most of which are with related parties. These agreements serve to provide the Company with the right to develop and exploit the counterparties' intellectual property for certain medical indications. As part of execution of these arrangements, the Company paid certain upfront fees, which have been expensed as incurred because the developing technology has not yet reached technical feasibility, the lack of alternative use, and the lack of proof of potential value. The agreements cover a variety of fields, including influenza, cancer, HPV, HBV and MERS. The Company's obligations for future

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

payments under these arrangements are dependent on its ability to develop promising drug candidates, the potential market for these candidates and potential competing products, and the payment mechanisms in place in countries where the Company retains the right to sell. Each agreement provides for specific milestone payments, typically triggered by achievement of certain testing phases in human candidates, and future royalties ranging from 1 to 5% for direct sales of a covered product to 3 to 7% of net payments received for allowable sublicenses of technology developed by the Company. The obligation to make these payments is contingent upon the Company's ability to develop candidates for submission for phased testing and approvals, and for the development of markets for the products developed by the Company. The Company has not made any material payments under these license agreements during the periods ended March 31, 2022 and March 31, 2021.

Leases

The Company leases certain laboratory and office space under operating leases, which are described below.

The Oxford Science Park, Oxford

The Company leases an office and laboratory space from a related party in Oxford, England under an operating lease with a contractual term expiring in 2028. The lease does not contain renewal terms. Variable payments include amounts due to the lessor for additional services and cost reimbursements. On February 1, 2022 the Company gave notice to terminate The Oxford Science Park lease. The lease will be terminated on July 30, 2022, by which date the Company will have relocated its corporate headquarters from Oxford to The Harwell Science and Innovation Campus, Oxfordshire.

The Harwell Science and Innovation Campus, Oxfordshire

On September 3, 2021, the Company entered into a lease agreement for the lease of approximately 31,000 square feet in Harwell, Oxfordshire which expires in September 2031. The Company intends to use the property as its corporate headquarters. As the Company's leases typically do not provide an implicit rate, the Company uses an estimate of its incremental borrowing rate based on the information available at the lease commencement date, being the rate incurred to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The Company has provided the lessor with a refundable security deposit of $702 thousand (£534 thousand) which is included in Other assets.

The Company recorded a right-of-use asset and a lease liability on the effective date of the lease term. The Company's right-of-use asset and lease liability are as follows (in thousands):

	March 31, 2022	December 31, 2021
Right-of-use asset	$ 6,699	$ 7,257
Lease liability, current	331	523
Lease liability, noncurrent	6,404	6,540
Weighted average remaining lease term (years)	9.35	9.45
Weighted average discount rate	8.0 %	7.9 %

Other information

	Three months ended March 31,	
	2022	2021
Short-term lease expense	101	—
Operating cash flows from operating leases	$ 307	$ 81

During the three months ended March 31, 2022, the Company recorded $488 thousand (three months ended March 31, 2021: $92 thousand) in operating lease costs (including short-term lease expense and variable lease costs).

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Future annual minimum lease payments under operating leases as of March 31, 2022 were as follows (in thousands):

Remainder of 2022	$	327
2023		472
2024		1,170
2025		1,170
2026		1,170
Thereafter		5,470
Total minimum lease payments	$	9,779
Less: imputed interest		(3,044)
Total lease liability	$	6,735

During the current period, we recognized an asset retirement obligation (“ARO”) for leasehold improvements in relation to the Harwell Science and Innovation Campus premises where in accordance with the terms of the lease, the Company has to restore part of the building upon vacating the premises. The ARO liability totaled $434 thousand and $Nil as of March 31, 2022 and December 31, 2021, respectively and are included in other non-current liabilities on the condensed consolidated balance sheets.

Other contingencies

The Company is a party in various contractual disputes, litigation, and potential claims arising in the ordinary course of business. The Company does not believe that the resolution of these matters will have a material adverse effect on its financial position or results of operations.

14. Related Party Transactions

During the three months ended March 31, 2022, the Company recognized net income of $55 thousand after offsetting lease costs for laboratory and office space in Oxford of $74 thousand against a refund of $129 thousand (three months ended March 31, 2021: $40 thousand expense) from its shareholder, Oxford Science Enterprises plc. As of March 31, 2022, the Company had a receivable of $154 thousand (December 31, 2021: $32 thousand payable) from Oxford Science Enterprises plc.

During the three months ended March 31, 2022, the Company incurred expenses of $1 thousand (three months ended March 31, 2021: $19 thousand) to its shareholder, the University of Oxford, related to clinical study costs. As of March 31, 2022, the Company owed $1 thousand (December 31, 2021: $Nil) to University of Oxford.

During the three months ended March 31, 2022, the Company incurred expenses of $193 thousand (three months ended March 31, 2021: $116 thousand) and recognized license revenue of $14,993 thousand (three months ended March 31, 2021: $Nil) from Oxford University Innovation Limited which is a wholly owned subsidiary of the Company’s shareholder, the University of Oxford. As of March 31, 2022, the Company was owed $17,791 thousand (December 31, 2021: $Nil) from Oxford University Innovation Limited.

There were no convertible loans outstanding during the three months period ended March 31, 2022. During the three months ended March 31, 2021, the interest on convertible loans issued to Oxford Science Enterprises plc and the University of Oxford, shareholders of the Company was $429 thousand. There were no convertible loans outstanding as of March 31, 2021.

There were no Series B Shares issued or outstanding during the three months period ended March 31, 2022. On March 15, 2021 Oxford Science Enterprises plc subscribed to 3,468 Series B Shares in an amount of $14,999 thousand. The Company also recognized a loss of $2,125 thousand on the conversion of the convertible loan notes into 2,008 Series B Shares. On May 4, 2021 prior to the closing of the Company’s initial public offering and pursuant to the terms of its articles of association, the Series B Shares were converted into 1,692,084 ordinary shares. At December 31, 2021 there were no Series B Shares outstanding.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

15. Subsequent Events

On April 4, 2022 a merger was effected between subsidiaries Vaccitech USA, Inc. and Vaccitech North America, Inc, with Vaccitech North America, Inc. being the surviving entity.

On April 28, 2022 the cash was received in full in respect of the license revenue and corresponding outstanding accounts receivable as of March 31, 2022 with Oxford University Innovation Limited.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes appearing elsewhere in this Unaudited Quarterly Report on Form 10-Q and our audited financial statements and related notes thereto for the year ended December 31, 2021 included in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on March 25, 2022. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties, and assumptions. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those set forth in our Annual Report on Form 10-K and in other filings with the SEC.

Overview

We are a clinical-stage biopharmaceutical company engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious diseases, autoimmunity, and cancer. We use our proprietary platform to develop product candidates that stimulate powerful, targeted immune responses against pathogens and tumor cells. We design our product candidates to stimulate immune responses that are robust, highly specific, and are differentiated by the magnitude of the T cell populations induced, which exhibit critical functionality and durability. We are focused on applying our platform capabilities and the expertise of our team to address significant unmet medical needs in two settings - the therapeutic setting, for the treatment of chronic infectious diseases and cancer, and the prophylactic setting, for the prevention of infectious diseases, based on our platform's ability to respond rapidly to epidemic and pandemic threats.

We have a broad pipeline of both clinical and preclinical stage therapeutic and prophylactic programs. Our current therapeutic programs include VTP-300 for the treatment of chronic hepatitis B infection, or CHB, VTP-200 for the treatment of human papilloma virus infection, or HPV, VTP-850 for the treatment of prostate cancer and VTP-600 for the treatment of non-small cell lung cancer, or NSCLC. Our current prophylactic programs include VTP-400 for the prevention of herpes zoster, or shingles, and VTP-500 for the prevention of Middle East respiratory syndrome, or MERS. Preclinical, IND-enabling programs are underway to utilize the SNAPvax platform in both cancer and an immune tolerance indication. In addition, we co-invented a COVID-19 vaccine candidate with the University of Oxford, which we assigned to Oxford University Innovation, or OUI, to facilitate the license of those rights by OUI to AstraZeneca UK Limited, or AstraZeneca. The vaccine, formerly referred to as AZD1222, is now authorized for use under the marketing name Vaxzevria in a number of countries. AstraZeneca has exclusive worldwide rights to develop and commercialize Vaxzevria.

On May 4, 2021, we completed our initial public offering, or IPO, pursuant to which we issued and sold 6,500,000 American Depository Shares, or ADSs, at a public offering price of $17.00 per ADS, resulting in net proceeds of $102.8 million, after deducting underwriting discounts and commissions and offering expenses. Prior to our IPO, we funded our operations primarily from private placements of our ordinary and preferred shares, private placements of loan notes convertible into ordinary shares, as well as from grants and licensing agreements, research tax credit payments, investments from non-controlling interest a $2.4 million upfront payment from OUI in July 2020 in connection with the Amendment, Assignment and Revenue Share Agreement, or the OUI License Agreement Amendment, related to the licensing of the COVID-19 vaccine, Vaxzevria, formerly known as AZD1222. We do not expect to generate revenue from any of our own product candidates until we obtain regulatory authorization for one or more of such product candidates, if at all, and commercialize our products, or we enter into out-licensing agreements with third parties. Substantially all of our net losses have resulted from costs incurred in connection with our research and development activities and from general and administrative costs associated with our operations.

On March 28, 2022, pursuant to the OUI License Agreement Amendment, we were notified of the commencement of the royalty payments, arising from AstraZeneca's commercial sales of Vaxzevria. Under the terms of an exclusive worldwide license agreement between OUI and AstraZeneca, OUI is entitled to milestone payments and royalties on commercial sales of Vaxzevria that began after the pandemic period. As part of the assignment from us to OUI, we are entitled to receive approximately 24% of payments received by OUI from AstraZeneca. Our share of the milestone and royalty payments received by OUI from AstraZeneca in the first quarter of 2022 amounted to approximately $15.0 million. There is, however, no guarantee that such royalty payments will continue in the future and, if they do, that we will be notified of such royalty and milestone payment in a timely manner. If we do not receive notification of our share of the royalty and milestone payments in a timely manner, we may not be able to recognize the milestone and royalty payments as revenue in the quarter they are earned.

We have incurred net losses each year since inception. For the three months ended March 31, 2022, we generated net income of $2.6 million. For the three months ended March 31, 2021, we incurred net loss of $15.4 million. As of March 31, 2022, we had an accumulated deficit of $106.0 million and we do not expect positive cash flows from operations in the foreseeable future. We expect to continue to incur net operating losses for at least the next several years as we advance our product candidates through clinical development, seek regulatory approval, prepare for approval, and in some cases proceed to commercialization of our product candidates, as well as continue our research and development efforts and invest to establish a commercial manufacturing facility, as and when appropriate.

At this time, we cannot reasonably estimate, or know the nature, timing and estimated costs of all of the efforts that will be necessary to complete the development of any of our product candidates that we develop through our programs. We are also unable to predict when, if ever, material net cash inflows will commence from sales of product candidates we develop, if at all. This is due to the numerous risks and uncertainties associated with developing product candidates to approval and commercialization, including the uncertainty of:

- successful completion of preclinical studies and clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of investigational new drug applications, or INDs, for our planned clinical trials or future clinical trials;
- successful enrollment and completion of clinical trials;
- data from our clinical program supporting approvable and commercially acceptable risk/benefit profiles for our product candidates in the intended populations;
- receipt and maintenance of necessary regulatory and marketing approvals from applicable regulatory authorities, in the light of the commercial environment then existent;
- availability and successful procurement of raw materials required to manufacture our products for clinical trials, scale-up of our manufacturing processes and formulation of our product candidates for later stages of development and commercial production;
- establishing either our own manufacturing capabilities or satisfactory agreements with third-party manufacturers for clinical supply for later stages of development and commercial manufacturing;
- entry into collaborations where appropriate to further the development of our product candidates;
- obtaining and maintaining intellectual property and trade secret protection or regulatory exclusivity for our product candidates as well as qualifying for, maintaining, enforcing and defending such intellectual property rights and claims;
- successfully launching or assisting with the launch of commercial sales of our product candidates following approval;
- acceptance of each product’s benefits and uses by patients, the medical community and third-party payors following approval;
- the prevalence and severity of any adverse events experienced with our product candidates in development;
- establishing and maintaining a continued acceptable safety profile of the product candidates following approval;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors if necessary or desirable; and
- effectively competing with other therapies.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and/or timing associated with the development of that product candidate or could prevent continuation of that program being in the company’s interests. For example, if the FDA or another regulatory authority were to require us to conduct clinical

trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we might be required to expend significant additional financial resources and time on the completion of clinical development. In some circumstances, such as the emergence of a significantly more effective therapy from a competitor, it may be appropriate to discontinue a product candidate program. We expect that our cash balance as of March 31, 2022 will enable us to fund our operating expenses and capital requirements into the fourth quarter of 2024.

Recent Developments

On April 6, 2022, we announced that we were notified of the commencement of royalty payments relating to commercial sales of Vaxzevria. Our share of the milestone and royalty payments received by OUI from AstraZeneca in the first quarter of 2022 amounted to approximately $15.0 million.

In April 2022, we launched a program in HPV-associated cancer utilizing the SNAPvax platform, for which we expect to file an Investigational New Drug, or IND, application in the first quarter of 2023. In addition, we are moving forward with an immunotherapeutic designed to induce regulatory T cells. The first indication we will target is celiac disease which should enter the clinic in a similar timeframe.

On April 29, 2022, we received scientific advice from the European Medicines Agency defining a licensure pathway for our candidate MERS vaccine, VTP-500, which allows us to estimate expenses of the development pathway more accurately.

Impact of the COVID-19 Pandemic

The ongoing spread of COVID-19, which we refer to as the COVID-19 pandemic, and the policies and regulations implemented by governments in response to the COVID-19 pandemic have had a significant impact, both directly and indirectly, on the global economy and our business and operations, including continuing disruption to our clinical trial activities. Of note, the initiation of our Phase 1 clinical trial for VTP-500, which was being conducted at the University of Oxford, was paused and discontinued due to COVID-19. In addition, the COVID-19 pandemic has had a negative effect on the operations of our third-party manufacturers and the supply chain for our product candidates and clinical trial materials, due to limitations on travel imposed or recommended by federal, state/provincial, or municipal governments, employers and others.

Our study protocols have been amended so that participants who have previously received Vaxzevria (or any other adenovirus-based vaccine) wait for a minimum of three months between their last adenovirus vaccine and injection with our immunotherapeutic product candidates to prevent prior vector immunity affecting the study.

In the VTP-200 program, the initiation of investigational sites for the Phase 1b/2 clinical trial (HPV001) across all countries has been impacted by COVID-19. The UK is particularly affected as resources to support set up of trials not related to COVID-19 have been low across sites. Other pandemic related issues affecting recruitment include the mass vaccination programs and the adverse publicity early in the second quarter of 2021 around Vaxzevria. Participant recruitment continues to be delayed with last patient first visit anticipated in the second quarter of 2022 and the interim analysis is expected to be available in the fourth quarter of 2022.

For our Phase 1 (HBV001) clinical trial for VTP-300, recruitment of patients with Chronic Hepatitis B (CHB) in the UK has been challenging, due to COVID-19 lockdowns. We completed recruitment for all cohorts in first quarter of 2022. For our Phase 1b/2a (HBV002) clinical trial for VTP-300, CHB patient recruitment continues with delays in Taiwan, South Korea, and the United Kingdom due to the ongoing COVID-19 restrictions in those countries. Patient recruitment has also been delayed in South Korea due to the roll out of Vaxzevria vaccine and vaccine hesitancy. Patient recruitment is estimated to be completed in the second quarter of 2022, with full efficacy data expected in the second half of 2022.

If the disruption due to the COVID-19 pandemic continues, our planned future preclinical and clinical development for our other product candidates could also be delayed due to government orders and site policies as a result of the pandemic. The pandemic and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. In response to the spread of COVID-19, in most of 2020 and 2021, we mandated that our non-laboratory based employees, such as clinical, manufacturing, finance, administrative, quality, regulatory and program managers split their time between working from home and the

office, being sure to adhere to COVID-19 working guidelines when on the office premises. Our increased reliance on personnel working from home may negatively impact productivity, increase the potential risks of data privacy or security breaches, or disrupt, delay, or otherwise adversely impact our business.

We are still assessing our business plans and the impact the COVID-19 pandemic may have on our ability to advance the development of our product candidates as a result of adverse impacts on the research sites, service providers, vendors, or suppliers on whom we rely, or to raise financing to support the development of our ongoing product candidate development. No assurances can be given that this analysis will enable us to avoid part or all of any impact from the COVID-19 pandemic, including downturns in business sentiment generally or in our sector in particular. Additionally, as new variants may arise, COVID-19 case counts may continue to rise significantly, which may further impact our ability to conduct our business. The impact of government regulations, vaccine adoption rates (including boosters), the effectiveness of vaccines, and the continuing economic effects of the pandemic and containment measures may also further adversely impact our business. We cannot currently predict the scope and severity of any potential business shutdowns or disruptions, but if we or any of the third parties on whom we rely or with whom we conduct business were to experience shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and adversely impacted.

Impact of the Ukraine Crisis

In respect of the international situation in Ukraine, we have assessed the impact on the Company as minimal. We have no operations or suppliers based in Ukraine, Belarus, or Russia, and there is consequently no additional risk or negative impact on the unaudited condensed consolidated financial statements.

Components of Our Operating Results

Revenue

To date, we have not generated any revenue from direct product sales and do not expect to do so in the near future, if at all. Our revenue to date has been derived from a research grant from BARDA, a research collaboration and license agreement with Enara Bio and the OUI License Agreement Amendment with OUI relating to Vaxzevria.

In April 2020, we entered into the OUI License Agreement Amendment with OUI in respect of our rights to use the ChAdOx1 technology in COVID-19 vaccines to facilitate the license of those rights by OUI to AstraZeneca. Under this agreement, we are entitled to receive from OUI a share of payments, including royalties and milestones, received by OUI from AstraZeneca in respect of this vaccine. As a direct result of the OUI License Agreement Amendment, we received a payment of $2.4 million, of which we have recognized $2.4 million as revenue during the year ended December 31, 2020. In March 2022, we were notified of the commencement of royalty payments relating to commercial sales of Vaxzevria. Our share of the milestone and royalty payments received by OUI from AstraZeneca in the first quarter of 2022 amounted to approximately $15.0 million.

We determined that we have no further performance obligations under the terms of the OUI License Agreement Amendment, which comprised the transfer of intellectual property rights only. Accordingly, we plan to recognize these and any future amounts as revenue when earned, which is defined as an estimate of the transaction price when uncertainty is suitably resolved, and it is probable that a significant reversal of revenue will not occur.

Operating Expenses

Our operating expenses since inception have consisted of research and development costs and general administrative costs.

Research and Development Expenses

Since our inception, we have focused significant resources on our research and development activities, including establishing and building on our adenovirus platform, further enhancing our in-licensed ChAdOx1, ChAdOx2 and MVA vectors, developing a new next-generation adenoviral vector, conducting preclinical studies, developing various manufacturing processes, and advancing clinical development of our programs including Phase 2 clinical trials for VTP-100, which we subsequently discontinued development of, as well as initiating the clinical trials for VTP-200, VTP-300, and VTP-600 and readying VTP-850 and VTP-500 for clinical trials.

Research and development activities account for the major portion of our operating expenses. Research and development costs are expensed as incurred. These costs include:

- salaries, benefits, and other related costs, including share-based compensation, for personnel engaged in research and development functions;
- expenses incurred in connection with the development of our programs including preclinical studies and clinical trials of our product candidates, under agreements with third parties, such as consultants, contractors, academic institutions and CROs;
- the cost of manufacturing drug products for use in preclinical development and clinical trials, including under agreements with third parties, such as CMOs, consultants and contractors;
- laboratory costs;
- leased facility costs, equipment depreciation and other expenses, which include direct and allocated expenses; and
- intellectual property costs incurred in connection with filing and prosecuting patent applications as well as third-party license fees.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel costs, including share-based compensation, in our executive, finance, business development and other administrative functions. Other general and administrative expenses include consulting fees and professional service fees for auditing, tax, and legal services, rent expenses related to our offices, depreciation, foreign exchange gains and losses on our cash balances and other central non-research costs. We expect our general and administrative expenses to continue to increase in the future as we expand our operating activities in both the UK and USA and potentially prepare for manufacturing and/or commercialization of our current and future product candidates. These costs would normally increase as our headcount rises to allow full support for our operations as a public company, including increased expenses related to legal, accounting, regulatory and tax-related services associated with maintaining compliance with requirements of the Nasdaq Global Market and the Securities and Exchange Commission, directors' and officers' liability insurance premiums and investor relations activities.

Other Income (Expense)

Change in Fair Value of Derivatives

We recognized a change in fair value in relation to the conversion and redemption features embedded in the convertible loan notes in the consolidated statements of operations and comprehensive loss for the three months ended March 31, 2021. We had an embedded derivative liability related to the conversion features, the cash redemption feature on maturity and the cash redemption feature upon an exit event that settles in noncash consideration embedded in convertible loan notes. The fair value of the embedded derivatives is a Level 3 valuation with the significant unobservable inputs being the probability of exercise of conversion and cash redemption features. Significant judgment is employed in determining the appropriateness of certain of these inputs.

Loss on Extinguishment of Convertible Loan Notes

On March 15, 2021, we issued 28,957 Series B preferred shares, or Series B Shares, amounting to $125.2 million. Each Series B Share is convertible into 309 ordinary shares and nine deferred shares at the holders' option at any time. The Series B funding constituted a qualified equity financing in accordance with the terms of the convertible loan notes. As a result, the convertible loan notes were converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

The conversion was accounted for as an extinguishment of the convertible loan notes. As a result, the 12,421 Series B preferred shares issued on conversion was recognized at the settlement-date fair value of the Series B shares and a loss was recognized in earnings for the difference between (1) the fair value of those shares and (2) the sum of the carrying amounts of the convertible loan notes and the bifurcated conversion and redemption feature liability.

Interest Expense

Interest expense results primarily from our convertible loan notes, which carry a market rate of interest. These notes were issued between July and November 2020 and converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

Interest Income

Interest income results primarily from the interest earned on our short-term cash deposits and cash balances held by Vaccitech (UK) Limited in U.S. dollars.

Research and Development Incentives

Research and development incentives contain payments receivable from the United Kingdom government related to corporation tax relief on research and development projects incentive programs in the United Kingdom. We account for such relief received as other income.

Critical Accounting Policies and Use of Estimates

This discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or US GAAP. The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including those related to accruals for external manufacturing of clinical trial material as well as clinical study conduct, fair value of assets and liabilities, and the fair value of ordinary shares and share-based compensation. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

We believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results.

Going Concern

The consolidated financial statements included elsewhere herein have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have financed our activities principally from the issuance of ordinary and preferred equity securities and convertible loan notes. We have experienced recurring losses since inception and expect to incur additional losses in the future in connection with research and development activities. Our ability to continue as a going concern is dependent upon our ability to raise additional debt and equity capital. There can be no assurance that such capital will be available in sufficient amounts or on terms acceptable to us.

We generated a net income of $2.6 million and used $6.6 million in cash to fund our operating activities during the quarter ended March 31, 2022. During the quarter ended March 31, 2021, we incurred a net loss of $15.4 million and used $8.0 million in cash to fund our operating activities. We had an accumulated deficit of $106.0 million as of March 31, 2022. As of March 31, 2022, we had $200.6 million in cash and cash equivalents mainly as a result of equity issuance and the IPO in 2021. Our management believes that we have sufficient cash to support our operations into the fourth quarter of 2024, without additional financing. If we are unable to obtain additional financing in sufficient amounts or on acceptable terms, we may be forced to delay, reduce, or eliminate some or all of our research and development programs and product portfolio expansion, which could adversely affect our operating results or business prospects. Although our management continues to pursue these plans, there is no assurance that we will be successful in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all. After considering the uncertainties, management consider it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements.

Convertible Loan Notes and Embedded Derivatives

In 2020, we entered into a series of unsecured convertible loan notes arrangements on various dates between July through November 2020. The convertible loan notes accrue interest daily at 8% per annum, which is payable in (a) cash upon an event of default or (b) cash

or shares at the Board's discretion upon conversion. The convertible loan notes will mature on June 6, 2023. On maturity, the lenders can elect cash redemption in lieu of conversion, in an amount that equals all outstanding principal plus a redemption premium. The convertible loan notes may not be prepaid without the consent of the lenders.

We review the terms of convertible loan notes and other financing arrangements to determine whether there are embedded derivative instruments, including embedded conversion options that are required to be bifurcated and accounted for separately as a derivative financial instrument. Derivative financial instruments are initially measured at fair value, and then re-valued at each reporting date, with changes in the fair value reported as charges or credits to consolidated statement of operations and comprehensive loss. To the extent that the initial fair values of the freestanding and/or bifurcated derivative instrument exceed the total proceeds received an immediate charge to consolidated statement of operations and comprehensive loss is recognized in order to initially record the derivative instrument at fair value.

The discount from the face value of the convertible loan notes resulting from allocating some or all of the proceeds to the derivative instruments, together with the stated rate of interest on the instrument, is amortized over the life of the instrument through periodic charges to consolidated statement of operations and comprehensive loss, using the effective interest method.

Embedded derivatives bifurcated are presented along with the host contract on the balance sheet.

The Series B funding on March 15, 2021 constituted a qualified equity financing in accordance with the terms of the convertible loan notes. As a result, the convertible loan notes were converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

Recognition of Revenue from Contracts with Customers

In 2020, we entered into the OUI License Agreement Amendment with OUI to facilitate the license of our rights to the COVID-19 vaccine we co-invented with OUI to AstraZeneca, which is now known as Vaxzevria. Our performance obligations under the terms of this agreement are limited to the transfer of intellectual property rights (licenses and other rights). Payments by AstraZeneca to OUI under this agreement include an up-front payment, payments based upon the achievement of defined milestones, royalties on product sales, and may include payments of commercial and other milestones, if certain future conditions are met. We are entitled to a specified percentage of payments, including royalties and milestones, received by OUI from that license agreement with AstraZeneca as set out in the OUI License Agreement Amendment.

We evaluate our collaboration and licensing arrangements pursuant to Accounting Standards Codification 606, or ASC 606. To determine the recognition of revenue from arrangements that fall within the scope of ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize determinable revenue when, or as, the company satisfies a performance obligation or (if later) when such revenue becomes payable. We use judgment to determine whether milestones or other variable consideration, except for sales-based royalties, should be included in the transaction price. The transaction price is allocated to each performance obligation on a relative standalone selling price basis, for which we recognize revenue as or when the performance obligations under the contract are satisfied. In validating its estimated standalone selling price, we evaluate whether changes in the key assumptions used to determine its estimated standalone selling price will have a significant effect on the allocation of arrangement consideration between performance obligations.

For sales-based and clinical development milestones and royalties, when the license is deemed to be the predominant item to which the royalties relate, we recognize revenue at the later of (i) when the related sales or milestone achievement occurs or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). This could require management to estimate the amount of revenue to recognize in the period if the actual data has not been provided.

Amounts received by us as non-refundable upfront payments under the OUI License Agreement Amendment prior to satisfying the above revenue recognition criteria would be recorded as deferred revenue in our consolidated balance sheets. Such amounts would be recognized as revenue over the performance period of the respective services on a percent of completion basis for each of the obligations.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including salaries and bonuses, share-based compensation, employee benefits, facilities costs, laboratory supplies, depreciation, manufacturing expenses and external costs of vendors engaged to conduct preclinical development activities and clinical trials as well as the cost of licensing technology. Advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are then expensed as the related goods are delivered or the services are performed.

All patent-related costs incurred in connection with filing and prosecuting patent applications are classified as research and development costs and expensed as incurred due to the uncertainty about any future recovery of the expenditure. Upfront payments, milestone payments and annual payments made for the licensing of technology are generally expensed as research and development in the period in which they are incurred. Incremental sublicense fees triggered by contracts with customers are capitalized and expensed as research and development expenses over the period in which the relating revenue is recognized.

Share-based Compensation

We grant options and restricted shares to employees and directors and account for share-based compensation using a fair value method. All of these arrangements are settled in equity at a predetermined price and generally vest over a period of three years. All share options have a life of 10 years before expiration. To the extent such incentives are in the form of share options, up until the first quarter of 2021, the options may have been granted pursuant bilateral EMI option awards or unapproved option awards. The EMI option award agreements provide for the grant of potentially tax favored Enterprise Management Incentive, or EMI, options, to our U.K. employees and directors. Options issued pursuant to such agreements have an exercise price agreed with HM Revenue & Customs. On April 8, 2021, we adopted the Vaccitech plc Share Award Plan 2021 and the Vaccitech plc Non-Employee Sub-Plan which is a sub-plan of the Vaccitech plc Share Award Plan 2021. Under the terms of the Vaccitech plc Share Award Plan 2021, the Board is permitted to grant awards to employees as restricted share units, options, share appreciation rights, restricted shares. Upon adoption of the Vaccitech plc Share Award Plan 2021, no further awards are granted pursuant bilateral EMI option awards or unapproved option awards.

Share based compensation awards are measured at the grant date fair value. For service-based awards, compensation expense is generally recognized over the requisite service period of the awards, usually the vesting period. We apply the “multiple option” method of allocating expense. In applying this method, each vesting tranche of an award is treated as a separate grant and recognized on a straight-line basis over that tranche’s vesting period. For performance-based awards where the vesting of the awards may be accelerated upon the achievement of certain milestones. vesting and the related share-based compensation is recognized as an expense when it is probable the milestone will be met. We have elected to recognize the effect of forfeitures on share-based compensation when they occur. Any differences in compensation recognized at the time of forfeiture are recorded as a cumulative adjustment in the period where the forfeiture occurs.

We measure share-based awards granted to employees and directors based on the fair value on the date of grant using the Black-Scholes option-pricing model for options. Black-Scholes utilizes assumptions related to expected term, forfeitures, volatility, the risk-free interest rate, the dividend yield (which is assumed to be zero, as we have not paid any cash dividends). For options granted prior to our IPO, we applied a discount for lack of marketability calculated using the Finnerty model.

The assumptions used in the Black-Scholes model to determine fair value for the share option grants during the three months ended March 31, 2022 and March 31, 2021 and were:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Expected volatility	92.3 %	125.0 %
Expected term (years)	6.00	6.42
Risk-free interest rate	1.9 %	0.7 %
Expected dividend yield	0.00 %	0.00 %

For the three months ended March 31, 2022, 1,632,922 share options were granted and 364,620 share options were granted for the three months ended March 31, 2021.

Business Combinations

We acquired Avidea Technologies, Inc. on December 10, 2021 and have accounted for the acquisition using the acquisition method of accounting. This required us to assess and make judgments as to whether the acquisition met the criteria of a business combination or an asset acquisition. In determining that the acquisition of Avidea Technologies, Inc. met the criteria of a business combination we first used the "screen" to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. As the screen was not met, we then applied the "framework" for determining whether the acquired set included at minimum, an input and substantive process that together significantly contribute to the ability to create output. We concluded that the framework criteria are met because the scientists make up an organized workforce that has the necessary skills, knowledge, or experience to perform processes that when applied to the developed technology (input) is critical to the ability undertake research and development of a product that can be provided to a customer. The more than-insignificant amount of goodwill (including the fair value associated with the workforce) was also an indicator that management considered in determining that the workforce is performing a critical process.

We recognize tangible and identifiable intangible assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. Any excess purchase price over the estimated fair value assigned to the net tangible and identifiable intangible assets acquired and liabilities is allocated to goodwill. The estimate of fair value as of the acquisition date required the use of significant assumptions and estimates. The developed technology was valued using the cost approach. The critical assumptions and estimates included, but were not limited to, developer margins, mark up on costs, opportunity costs, discount rates and market rates for salary, bonus and benefits of staff involved in the development of the technology. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as any contingent consideration, we will continue to evaluate certain assets, liabilities and tax estimates that are subject to change within the measurement period (up to one year from the acquisition date).

We acquired Avidea for an up-front amount of $33.3 million, of which $12.2 million was payable in cash and $21.1 million in 2,163,694 of American Depositary Shares. In addition, Avidea's stockholders may be entitled to receive an aggregate of up to $40 million in additional payments, payable in a mixture of cash and ADSs, upon the achievement of certain milestones. This contingent consideration is included within the purchase price and is recognized at its fair value on the acquisition date, and subsequently remeasured to fair value at each reporting date until the contingency is resolved. Changes in fair value are recognized in earnings. The fair value of Contingent Consideration is determined based on the probability of pursuit, the probability of success of the achievement of the milestone, the expected date of milestone achievement and applying the relevant discount rate.

Transaction costs are expensed as incurred in general and administrative expenses. Results of operations and cash flows of acquired companies are included in our operating results from the date of acquisition.

Goodwill and Purchased Intangible Asset

We test goodwill for impairment at least annually on November 30, or more frequently if events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. We have elected to assess goodwill for impairment by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis of determining whether it is necessary to perform the quantitative goodwill impairment test. We have one reporting unit. Accordingly, our review of goodwill impairment indicators is performed at the entity-wide level. This requires us to assess and make judgments regarding a variety of factors, including clinical data results, business plans, anticipated future cash flows, economic projections and other market data. Because there are inherent uncertainties involved in these factors, significant differences between these estimates and actual results could result in future impairment charges and could materially impact our future financial results. The goodwill of $12.6 million recognized to March 31, 2022 wholly relates to the acquisition of Avidea Technologies, Inc. on December 10, 2021. During the first quarter of 2022, the Company identified qualitative indicators of impairment due to sustained decline in the price of the Company's American Depositary Shares. Therefore, the Company performed an interim qualitative assessment as of March 31, 2022 to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Based on this assessment, management determined it is not more likely than not that the fair value of the reporting unit is less than its carrying amount. The Company will perform its annual goodwill impairment test as of November 30, 2022.

Our purchased intangible assets were recently acquired in connection with the Avidea Technologies, Inc. business combination, and consist of developed technologies, notably SNAPvax. We have determined a useful life of 10 years and will amortize the developed technology over this period. If we were to identify an impairment indicator in the future, we may conclude that the carrying value of the

intangible asset is not recoverable within the remaining useful life of the asset and recognize a non-cash impairment charge. An impairment of this asset could have a material impact on our results of operations.

Results of Operations

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

The following table sets forth the significant components of our results of operations (in thousands):

	Three months ended March 31, 2022	Three months ended March 31, 2021	Change
Revenue from Licenses, Grants & Services	$ 15,018	$ 215	14,803
Operating expenses:			
Research & development	10,701	4,610	6,091
General and administrative	3,663	1,777	1,886
Total operating expenses	14,364	6,387	7,977
Income/(loss) from operations	654	(6,172)	6,826
Other income (expense)			
Change in fair value of derivatives	—	5,994	(5,994)
Unrealized exchange gain on convertible loan notes	—	209	(209)
Loss on extinguishment of convertible loan notes	—	(13,789)	13,789
Interest income	83	2	81
Interest expense	(74)	(2,650)	2,576
Research and development incentives	1,048	955	93
Total other income (expenses)	1,057	(9,279)	10,336
Tax benefit	863	65	798
Net income/(loss)	$ 2,574	$ (15,386)	17,960

Revenue

For the three months ended March 31, 2022, our revenue primarily consisted of $15.0 million from the OUI License Agreement Amendment with respect to milestone and royalty payments, arising from AstraZeneca's commercial sales of Vaxzevria. For the three months ended March 31, 2021, our revenue primarily consisted of $0.2 million of reimbursement of research and development expenses from BARDA.

Research and Development Expenses

The following table summarizes our research and development expenses for the three months ended March 31, 2022 and March 31, 2021:

	Three months ended March 31, 2022	Three months ended March 31, 2021	Change
Direct research and development expenses by program:			
VTP-200 HPV	1,156	677	479
VTP-300 HBV	4,185	1,686	2,499
VTP-600 NSCLC	162	414	(252)
VTP-800/850 Prostate cancer	1,339	373	966
Other and earlier stage programs	739	438	301
Internal research and development expenses:			
Personnel-related (including share-based compensation)	2,726	968	1,758
Facility related	340	43	297
Other internal costs	54	11	43
Total research and development expense	$ 10,701	$ 4,610	6,091

Our research and development expenses for the three months ended March 31, 2022 and 2021 were $10.7 million and $4.6 million, respectively. Personnel-related expenses were $2.7 million and $1.0 million, respectively, as a result of the relative increase in our headcount across both the UK and US. Direct expenses for outside services and consultants and laboratory materials were $7.6 million for the three months ended March 31, 2022 and $3.6 million for the three months ended March 31, 2021 and mainly comprised of costs for clinical trials, manufacturing of clinical trial materials, as well as costs for external preclinical services and sample testing.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2022 were $3.7 million, which were mainly attributable to personnel expenses of $4.3 million, including the share-based payment charge of $3.1 million, insurance costs of $1.7 million and legal and professional fees of $1.3 million, netted by unrealized foreign exchange gain on cash balances of $5.3 million. General and administrative expenses for the three months ended March 31, 2021 were $1.8 million, which were mainly attributable to lease costs, plus personnel expenses of $1.2 million and professional fees and consulting fees of $0.6 million.

Change in fair value of derivatives

For the three months ended March 31, 2021, we recognized a change in fair value of $6.0 million in relation to the conversion and redemption features embedded in the convertible loan notes.

Loss on extinguishment of convertible loan notes

For the three months ended March 31, 2021, we recognized a loss of $13.8 million related to conversion of convertible loan notes into 12,421 Series B preferred shares. The loss is a difference between (1) the fair value of those shares ($53.7 million) and (2) the sum of the carrying amounts of the convertible loan notes ($25.6 million) and the bifurcated conversion and redemption feature liability ($14.4 million).

Interest Expense

For the three months ended March 31, 2022, interest expense was $0.7 million, which primarily relates to the interest unwinding on the contingent consideration recognized on the acquisition of Avidea Technologies, Inc. on December 10, 2021. For the three months ended March 31, 2021, interest expense was $2.7 million, which primarily relate to our convertible loan notes, which carry a market rate of interest.

Interest Income

For the three months ended March 31, 2022 and March 31, 2021, interest income was $0.08 million and $0.002 million respectively, which primarily result from the interest earned on our short-term cash deposits and cash balances held by Vaccitech (UK) Limited in U.S. dollars.

Research and Development Incentives

For the three months ended March 31, 2022 and March 31, 2021, we accrued research and development incentives of $1.0 million and $1.0 million, respectively. Such research and development incentives relate to corporation tax relief on research and development projects incentive programs in the United Kingdom. We account for such relief received as other income.

Tax benefit

For the three months ended March 31, 2022 and March 31, 2021, the tax benefit was $0.9 million and $0.1 million respectively, which primarily relates to movements in deferred tax.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations primarily through private and public placements of our ordinary and preferred shares as well as from grants and research incentives, various agreements with public funding agencies, and most recently from an upfront, royalty and milestone payments from OUI in connection with the OUI License Agreement Amendment and the issuance of convertible loan notes. Through March 31, 2022, we had received gross proceeds of approximately $324.8 million from the issuance of our ordinary and preferred shares and convertible loan notes. As of March 31, 2022, we had cash and cash equivalents of $200.6 million. Key financing and corporate milestones include the following:

- In March 2016, we raised gross proceeds of approximately $14.0 million from the issuance of our seed round of ordinary shares.
- Between November 2017 and December 2018, we raised gross proceeds of $33.9 million from the issuance of our Series A Shares.
- Between July 2020 and November 2020, we raised gross proceeds of $41.2 million from the issuance of convertible loan notes.
- In March 2021, we raised gross proceeds of $125.2 million from the issuance of our Series B shares.
- In May 2021, we raised gross proceeds of $110.5 million from the initial public offering of our ordinary shares on NASDAQ.

We do not expect positive cash flows from operations in the foreseeable future, if at all. Historically, we have incurred operating losses as a result of ongoing efforts to develop our heterologous ChAdOx1-MVA prime-boost immunotherapy platform and our product candidates, including conducting ongoing research and development, preclinical studies, clinical trials, providing general and administrative support for these operations and developing our intellectual property portfolio. We expect to continue to incur net operating losses for at least the next few years as we progress clinical development, seek regulatory approval, prepare for and, if approved, proceed to manufacture and commercialization of our most advanced product candidates. Operating profits may arrive earlier if programs are licensed or sold to third parties before final approval, but this cannot be guaranteed.

Cash Flows

The following table sets forth a summary of the primary sources and uses of cash (in thousands) for each period presented:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Net cash used in operating activities	(6,579)	(7,969)
Net cash used in investing activities	(1,092)	(392)
Net cash (used)/provided by financing activities	(159)	121,815
Effect of exchange rates on cash and cash equivalents	(5,628)	(785)
Net (decrease)/increase in cash and cash equivalents	(13,458)	112,669

Cash Used in Operating Activities

During the three months ended March 31, 2022, net cash used in operating activities was $6.6 million, primarily resulting from our net income of $2.6 million, adjusted by share based compensation of $3.9 million, depreciation of $1.0 million and changes in our operating assets and liabilities, net of $13.6 million. During the three months ended March 31, 2021, net cash used in operating activities was $8.0 million, primarily resulting from our net loss of $15.4 million, adjusted by fair value gain on embedded derivatives of $6.0 million, loss on conversion of convertible loan notes of $13.8 million, share-based compensation of $0.8 million, non-cash interest expense of $0.8

million, depreciation and amortization of $0.1 million, foreign exchange gain on convertible loan notes of $0.2 million and changes in our operating assets and liabilities, net of $1.9 million.

Net Cash Used in Investing Activities

During the three months ended March 31, 2022, cash used in investing activities was $1.1 million primarily resulted from capital expenditures related to our new offices in the United Kingdom. During the three months ended March 31, 2021, cash used in investing activities was $0.4 million, which resulted from capital expenditures in connection with the new laboratory, improvements to expand our laboratory space and purchases of property and equipment.

Net Cash (Used)/Provided by Financing Activities

During the three months ended March 31, 2022, cash used by financing activities was $0.2 million resulted from the repayment of debt incurred previously by Avidea Technologies. During the three months ended March 31, 2021, cash provided by financing activities was $121.8 million primarily consisting of net proceeds from the issuance of Series B shares.

Effect of exchange rates on cash and cash equivalents

During the three months ended March 31, 2022 and 2021, the effect of foreign exchange on cash and cash equivalents was losses of $5.6 million loss and $0.8 million respectively, primarily as a result of fluctuations between the U.S dollar and pound sterling exchange rates.

Future Funding Requirements

To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, undertaking preclinical studies and conducting clinical trials of our product candidates. As a result, we are not yet profitable and have incurred losses in each period since our inception in 2016. As of March 31, 2022, we had an accumulated deficit of $106.0 million. We expect to continue to incur significant losses for the foreseeable future. We anticipate that our expenses will increase substantially as we:

- pursue the clinical and preclinical development of our current product candidates;
- use our technologies to advance additional product candidates into preclinical and clinical development;
- seek marketing authorizations for product candidates that successfully complete clinical trials, if any;
- attract, hire and retain additional clinical, regulatory, quality control and other scientific personnel;
- establish our manufacturing capabilities through third parties or by ourselves and scale-up manufacturing to provide adequate supply for clinical trials and commercialization, including any manufacturing finishing and logistics personnel;
- expand our operational, financial and management systems and increase personnel appropriately, including personnel to support our manufacturing and commercialization efforts and our operations as a public company;
- maintain, expand, enforce, and protect our intellectual property portfolio as appropriate;
- establish sales, marketing, medical affairs and distribution teams and infrastructure to commercialize any products for which we may obtain marketing approval and intend to commercialize on our own or jointly;
- acquire or in-license other companies, product candidates and technologies; and
- incur additional legal, accounting and other expenses in operating our business, including office expansion and the additional costs associated with operating as a public company.

Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development and other expenditure to develop and market additional product candidates. We may encounter unforeseen expenses, difficulties, complications, delays and other factors that may adversely affect our business. The size of our future net losses will depend on the rate of future growth of our expenses combined with our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our shareholders' equity and working capital unless and until eliminated by revenue growth.

We may require substantial additional financing in the future to meet any such unanticipated factors and a failure to obtain this necessary capital could force us to delay, limit, reduce or terminate our product development programs, commercialization efforts or other operations.

Since our foundation, we have invested a significant portion of our efforts and financial resources in research and development activities for our ChAdOx1, ChAdOx2 and MVA technologies, acquisition of additional complementary platforms, development of new technologies in house, and our product candidates derived from these technologies. Preclinical studies and especially clinical trials and additional research and development activities will require substantial funds to complete. We believe that we will continue to expend substantial resources for the foreseeable future in connection with the development of our current product candidates and programs as well as any future product candidates we may elect to pursue, as well as the gradual gaining of control over our required manufacturing capabilities and other corporate functions. These expenditures will include costs associated with conducting preclinical studies and clinical trials, obtaining regulatory approvals, and potentially in-house manufacturing and supply, as well as marketing and selling any products approved for sale. In addition, other unanticipated costs may arise as outlined above. Because the outcome of any preclinical study or clinical trial is uncertain and the rate of change of third-party costs is also unpredictable, we cannot reasonably estimate now the actual amounts which will be necessary to complete the development and commercialization of our current or future product candidates successfully.

Our future capital requirements may depend on many factors, including:

- the scope, progress, results and costs of researching and developing our current and future product candidates and programs, and of conducting preclinical studies and clinical trials;
- the number and development requirements of other product candidates that we may pursue, and of other indications for our current product candidates that we may pursue;
- the stability, scale and yield of future manufacturing processes as we scale-up production and formulation of our product candidates either internally or externally for later stages of development and commercialization;
- the timing of, success achieved and the costs involved in obtaining regulatory and marketing approvals and developing our ability to establish license or sale transactions and/or sales and marketing capabilities, if any, for our current and future product candidates if clinical trials and approval processes are successful;
- the success of our collaborations with CanSino, CRUK and the Ludwig Institute and any future collaboration partners;
- the success of OUI's licensed product candidate with AstraZeneca;
- our ability to establish and maintain collaborations, strategic licensing or other arrangements and the financial terms of such agreements;
- the cost to the company of commercialization activities for our current and future product candidates that we may take on, whether alone or with a collaborator;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent and other intellectual property claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties or other income from, our future products, if any; and

- the emergence and success or otherwise of competing oncology and infectious disease therapies and other market developments.

A change in the outcome of any of these or other variables with respect to the development of any of our current and future product candidates could significantly change the costs and timing associated with the development of that product candidate, in either direction. Furthermore, our operating plans may change in the future owing to research outcomes or other opportunities, and we may need additional funds to meet operational needs and capital requirements associated with such altered operating plans.

Based on our research and development plans, we expect that the net proceeds from our IPO, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements into the fourth quarter of 2024. These estimates are based on assumptions that may prove to be wrong, and we could use our available capital resources more quickly than we expect.

Lease, Purchase, and Other Obligations

We have operating lease obligations related to our property, plant and equipment. The obligations related to both short- and long-term lease arrangements is set forth in Note 13 “Commitment and Contingencies” to our consolidated financial statements.

We enter into contracts in the normal course of business with CROs and other third parties for clinical trials and preclinical research studies and testing. These contracts are generally cancellable by us upon prior notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancellable obligations of our service providers, up to the date of cancellation.

We have contingent payment obligations that we may incur upon achievement of clinical, regulatory and commercial milestones, as applicable, or royalty payments that we may be required to make under our licenses; however, the amount, timing and likelihood of such payments are not known as of March 31, 2022.

Emerging Growth Company Status

We are an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an emerging growth company, we may delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the closing of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs held by non-affiliates exceeded $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncement that may potentially impact our financial position and results of operations is disclosed in Note 2 to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Foreign Currency and Currency Translation

We are subject to the risk of fluctuations in foreign currency exchange rates, specifically with respect to the euro, pound sterling and Australian dollar. Our reporting currency is the U.S. dollar, our functional currency is the pound sterling and the functional currency of our wholly owned foreign subsidiary, Vaccitech Australia Pty, is the Australian dollar. Our cash and cash equivalents as of March 31, 2022 consisted primarily of cash balances held by Vaccitech (UK) Limited in U.S. dollars.

Assets and liabilities are translated into U.S. dollars at the exchange rate in effect on the balance sheet date. Revenue and expenses are translated at the average exchange rate in effect during the period. Translation adjustments are included in the consolidated Balance

Sheet as a component of accumulated other comprehensive loss. Adjustments that arise from exchange rate changes on transactions denominated in a currency other than the local currency are included in operating expenses, net in the consolidated Statements of Operations and Comprehensive Loss as incurred.

Interest Rate Sensitivity

We are not currently exposed significantly to market risk related to changes in interest rates, as we have no significant interest-bearing liabilities. We had cash and cash equivalents of $200.6 million as of March 31, 2022, which were primarily held as account balances with banks in the United Kingdom, United States and Australia. A hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

In connection with the audits of our consolidated financial statements for each of the years ended December 31, 2020, and 2021, our management and independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. As a result, a number of adjustments to our consolidated financial statements for the year ended December 31, 2020 and 2021 were identified and corrected during the course of the quarterly review and audit process.

The material weaknesses related to: (i) our lack of a sufficient number of personnel with an appropriate level of knowledge and experience in the application of U.S. generally accepted accounting principles, or U.S. GAAP, commensurate with our financial reporting requirements; (ii) our IT general control environment has not been sufficiently designed to include appropriate user access rights and (iii) policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or not operating effectively.

We have commenced measures to remediate these material weaknesses, including hiring a new Head of Financial Reporting at the end of the third quarter of 2021, consultants with appropriate experience and technical accounting knowledge, and additional staff. The additional personnel are overseeing the implementation of improved processes and internal controls, building our financial management and reporting infrastructure. We continue to engage with third party specialists, as required, for complex accounting matters. Our management concluded that the material weakness related to the application of U.S GAAP as described above has been remediated as of December 31, 2021.

We are also taking measures to address the IT general control environment through the implementation of a new enterprise resource planning system, of which we are in the final stages of its implementation.

Although we have made progress to enhance our in-house accounting and finance function, in connection with the audit of our financial statements as of the year ended December 31, 2021, our management and our independent registered public accounting firm concluded that the two remaining material weaknesses are still present.

Changes in Internal Control over Financial Reporting

Other than the changes intended to remediate the material weaknesses noted above, no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become subject to various legal proceedings and claims that arise in the ordinary course of our business activities. Although the results of litigation and claims cannot be predicted with certainty, as of March 31, 2022, we do not believe we are party to any claim or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be

reasonably expected to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A Risk Factors.

Except as set forth below, there have been no material changes from the risk factors previously disclosed in the Company's most recent Annual Report on Form 10-K as filed with the SEC on March 25, 2022.

Actual payments we may receive in connection with certain milestones or royalties on net sales under the AstraZeneca License Agreement may differ materially from those described in this report, and there can be no assurance that we will receive any such payments at all.

While we expect to receive a share of certain milestones and royalties on net sales of certain vaccines under the research collaboration and exclusive worldwide license agreement, or the AstraZeneca License Agreement, between Oxford University Innovation Limited, or OUI, and AstraZeneca UK Limited, or AstraZeneca, there can be no assurance as to the timing or amount of any such milestones or royalties on net sales.

In particular, we are not party to the AstraZeneca License Agreement, and we do not have any direct claim against AstraZeneca to receive a share of any milestones or net sales, or any other payments under the AstraZeneca License Agreement. Instead, we are party to the amendment, assignment and revenue share agreement, or the OUI License Agreement Amendment, with OUI, to the license agreement we entered into with OUI in March 2016, pursuant to which OUI agreed to pay us approximately 24% of payments, including royalties and milestones, received by OUI in connection with the commercialization of any ChAdOx1 vector-based or ChAdOx2 vector-based vaccine in the field of SARS-CoV2 covered by or disclosed in the assigned patent application. As a result, we will only receive a share of any milestones or royalties paid on net sales of any such vaccine under the AstraZeneca License Agreement if, and to the extent that, OUI receives a share of any such milestones or royalties pursuant to that agreement.

Moreover, our understanding is that, under the AstraZeneca License Agreement, OUI agreed to forego its share of any royalties from the commercialization of AZD1222 until after the pandemic period, which will end on July 1, 2021 (or such later date when AstraZeneca, in good faith, determines that the COVID-19 pandemic is over). In April 2022, we were notified of the commencement of royalty payments relating to commercial sales of Vaxzevria (formerly AZD1222).

Our understanding of the terms of the AstraZeneca License Agreement is based solely on an extract of the agreement provided by the parties to that agreement. We are not a party to the AstraZeneca License Agreement and do not have access to a copy of that agreement to verify such extract. In addition, no party to the AstraZeneca License Agreement has confirmed that there are no material terms in that agreement that could adversely impact the economic and other terms of the AstraZeneca License Agreement. Moreover, there can be no assurance that the AstraZeneca License Agreement is an enforceable agreement, that the parties thereto will comply with their obligations under the agreement (including any obligations of AstraZeneca to make milestone or royalty payments to OUI), that the agreement will not be terminated pursuant to its terms or otherwise, or that the terms of the agreement (including royalty rates and other economic terms) will not be modified by the parties in the future. Accordingly, these and other factors could cause amounts received by OUI pursuant to the AstraZeneca License Agreement, and accordingly any share of the revenue under that agreement that we may receive, to fluctuate. Any such fluctuations could be material. Additionally, our understanding of the terms of the AstraZeneca License Agreement is that AstraZeneca is required to notify OUI of OUI's shares of milestone and royalty payments within 30 days following the close of a fiscal quarter. OUI is then required to notify us of our share of the payments within 30 days after the end of a quarter when OUI received such milestone or royalty payments from AstraZeneca. If the required notifications are not made in accordance with the terms of the agreements, we may not be able to recognize revenue in the period in which it is earned.

In addition, the announcement of adverse events observed in individuals who receive Vaxzevria and any negative impact on the perceptions of Vaxzevria safety may reduce sales of the vaccine and therefore the potential payments that we would receive from royalties paid on net sales of Vaxzevria. Further, if Vaxzevria is found to be less effective against certain variants of COVID-19, then that may also reduce sales of the vaccine. Any association of Vaxzevria with adverse events, or the perception of such association, or any findings that Vaxzevria is less effective against certain variants of COVID-19, may prevent or reduce sales of Vaxzevria and therefore the potential payments that we may receive from net sales of the vaccine, and may otherwise adversely impact the development of, and our ability to commercialize, any of our product candidates.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains express or implied forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue," "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this quarterly report are based upon information available to our management as of the date of this quarterly report and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements contained in this quarterly report include, but are not limited to, statements about:

- the success, cost and timing of our product development activities and clinical trials;
- the timing, scope or likelihood of regulatory filings and approvals, including timing of Investigational New Drug Application and Biological License Application filings for our current and future product candidates, and final U.S. Food and Drug Administration, European Medicines Agency, United Kingdom Medicines and Healthcare products Regulatory Agency or other foreign regulatory authority approval of our current and future product candidates;
- our ability to develop and advance our current and future product candidates and programs into, and successfully complete, clinical trials;
- our ability to establish future or maintain current collaborations or strategic relationships or obtain additional funding;
- the rate and degree of market acceptance and clinical utility of our current and future product candidates;
- our expectations surrounding the payments we expect to receive pursuant to the AstraZeneca License Agreement;
- the ability and willingness of our third-party collaborators to continue research and development activities relating to our product candidates;
- our and our collaborators' ability to obtain, maintain, defend and enforce our intellectual property protection for our product candidates, and the scope of such protection;
- our manufacturing, commercialization and marketing capabilities and strategy;
- future agreements with third parties in connection with the commercialization of our product candidates and any other approved products;
- regulatory developments in the United States and foreign countries;
- competitive companies, technologies and our industry and the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- our ability to obtain funding for our operations, including funding necessary to complete further development and commercialization of our product candidates;
- the accuracy of our estimates of our annual total addressable markets, future revenue, expenses, capital requirements and needs for additional financing;
- our expectations about market trends;

- our ability to overcome the challenges posed by the COVID-19 pandemic to the conduct of our business; and
- our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended.

If our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should read this quarterly report and the documents that we reference in this quarterly report with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements in this quarterly report by these cautionary statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Set forth below is information regarding shares of equity securities sold, and options granted, by us during the three months ended March 31, 2022 that were not registered under the Securities Act.

Recent Sales of Unregistered Equity Securities

During the three months ended March 31, 2022, we issued to certain of our employees and advisors, options to purchase an aggregate of 1,632,922 ordinary shares at an average exercise price of $11.24 per share.

Use of Proceeds from Initial Public Offering

On May 4, 2021, we completed our initial public offering, or the IPO, of 6,500,000 ADSs at a price of $17.00 per ADS for an aggregate offering price of approximately $110.5 million. Morgan Stanley & Co., Jefferies LLC, Barclays Capital Inc., William Blair & Company, L.L.C. and H.C. Wainwright & Co., LLC served as the underwriters of the IPO. The offer and sale of all of the ADSs in the offering were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-255158), which became effective on April 29, 2021.

We received aggregate net proceeds from the offering of approximately $99.9 million, after deducting underwriting discounts and commissions, as well as other offering expenses. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

There has been no material change in our planned use of the net proceeds from the IPO as described in the final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
4.1	Form of Deposit Agreement (Incorporated by reference to Exhibit 4.1 to our Registration Statement on Form S-1/A (File No. 333-255158) filed on April 27, 2021)
4.2	Form of American Depositary Receipt (included in Exhibit 4.1)
10.1*	Registration Rights Agreement, dated March 28, 2022, by and among Vaccitech plc and Benjamin Eisler, as the Securityholder Agent
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

* Filed herewith.

** This certification will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VACCITECH PLC

Date: May 11, 2022

By: /s/ William Enright
William Enright
Chief Executive Officer
(Principal Executive Officer)

Date: May 11, 2022

By: /s/ Georgy Egorov
Georgy Egorov
Chief Financial Officer
(Principal Financial
and Accounting Officer)

VACCITECH PLC

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "***Agreement***") is entered into as of the 28th day of March 2022, by and among **VACCITECH PLC** (the "***Company***") (Company no. 13282620) and Benjamin Eisler (the "***Securityholder Agent***") acting on behalf of the investors listed on Exhibit A hereto (together with their permitted assigns, the "***Investors***"), pursuant to Section 4.10 of the Merger Agreement (as defined herein).

RECITALS

WHEREAS, the Company, VA Merger Sub 1 Inc., a Delaware corporation ("***Merger Sub 1***"), Vaccitech North America, Inc. (previously known as VA Merger Sub 2 Inc.), a Delaware corporation ("***Merger Sub 2***"), and Avidea Technologies, Inc., a Delaware corporation ("***Avidea***") entered into that certain Agreement and Plan of Merger and Reorganization, dated December 9, 2021 (the "***Merger Agreement***"), pursuant to which Merger Sub 1 merged with and into Avidea upon the First Effective Time (as defined in the Merger Agreement) and Avidea continued as the surviving company ("***Merger 1***") and following Merger 1, Avidea, as the surviving company of Merger 1, merged with and into Merger Sub 2 upon the Second Effective Time (as defined in the Merger Agreement) and Merger Sub 2 continued as the surviving company; and

WHEREAS, pursuant to Section 4.10 of the Merger Agreement, the Company and the Securityholder Agent desire to set forth certain registration rights, as more fully described below.

NOW, THEREFORE, the Company and the Securityholder Agent hereby agree as follows:

1. GENERAL

1.1 **Definitions**. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Merger Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Affiliate***" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or other investment fund now or hereafter existing that is controlled by one (1) or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

(b) "***Articles***" means the articles of association of the Company, as may be amended and/or amended and restated from time to time.

(c) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(d) "***Form S-3***" means a Form S-3 or Form F-3 under the Securities Act as in effect on the date hereof or any successor or similar short-form registration form under the Securities Act subsequently adopted by the SEC, which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(e) "***Initial Registration Statement***" shall have the meaning given to it in Section 2.1.

(f) ""***Milestone Registration Statement***" shall have the meaning given to it in Section 2.1.

(g) "***Ordinary Shares***" shall have the meaning given to the term in the Articles.

(h) "***Person***" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(i) "***Register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and the declaration or ordering of effectiveness of such registration statement or document.

(j) "***Registrable Securities***" means: (i) the Acquirer ADSs, (ii) any Ordinary Shares issued or issuable upon conversion of the Acquirer ADSs, and (iii) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right or other security, which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities: (i) sold by a Person to the public pursuant to either a registration statement or Rule 144; or (ii) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(k) *"**Registration Expenses**"* means all expenses incurred by the Company in complying with Section 2.1 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(l) "***Registration Notice***" shall have the meaning given to it in Section 2.1.

(m) "***Registration Statement***" shall have the meaning given to it in Section 2.1.

(n) "***Rule 144***" means Rule 144 promulgated by the SEC under the Securities Act.

(o) "***SEC***" or "***Commission***" means the Securities and Exchange Commission.

(p) "***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(q) "***Selling Expenses***" means all underwriting discounts and selling commissions applicable to the sale of Registrable Securities.

2. REGISTRATION.

2.1 **Form S-3 Registration.** As soon as practicable after June 8, 2022 (but in no event later than June 22, 2022), the Company shall file a registration statement on Form S-3 and any related qualification or compliance with respect to the resale of the Registrable Securities as set forth on Exhibit A on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (the "***Initial Registration Statement***"), and shall use all reasonable efforts to, as soon as practicable thereafter, cause the Initial Registration Statement to be declared effective to permit or facilitate the offer, sale and distribution of the Registrable Securities, subject to the conditions and limitation set forth herein. Any Indemnity ADSs (prior to their Release from Indemnity pursuant to the Merger Agreement) and those Acquirer ADSs subject to the Company's right of repurchase pursuant to any Employment Agreement, Non-Competition Agreement or Lockup Agreement applicable to any particular Investor, as set forth on Exhibit A, shall continue to bear applicable legends following their registration until removed pursuant to Section 4.9 of the Merger Agreement. Within 60 days of any Milestone Payment, the Company shall file an additional registration statement on Form S-3 or a prospectus supplement thereto, and any related qualification or compliance with respect to the resale of the Acquirer ADSs included in such Milestone Payment (on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (each, a "***Milestone Registration Statement***" and together with the Initial Registration Statement, a "***Registration Statement***"), and shall use all reasonable efforts to, as soon as practicable thereafter, cause such Milestone Registration Statement to be declared effective to permit or facilitate the offer, sale and distribution of such Acquirer ADSs, subject to the conditions and limitation set forth herein.

The Company will notify the Securityholder Agent in writing at least ten (10) days prior to the filing of a Registration Statement (the "***Registration Notice***") and will afford the Securityholder Agent an opportunity to review, and comment on, such Registration Statement and provide necessary information on the Investors per Section 2.4(b) within seven (7) days of receipt of the Registration

Notice. The Company will consider all comments provided in good faith and shall make the corrections reasonably requested by the Securityholder Agent with respect to any information pertaining solely to the Investors and the plan of distribution prior to filing any such documents.

A registration shall not be counted as "effected" for purposes of this Subsection 2.1 until such time as the applicable Registration Statement has been declared effective by the SEC.

2.2 **Expenses of Registration**. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.1 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder shall be borne by the holders of the Registrable Securities so registered *pro rata* on the basis of the number of Registrable Securities so registered.

2.3 **Obligations of the Company**. The Company shall, as expeditiously as reasonably possible with respect to each Registration Statement:

(a) Prepare and file with the SEC such Registration Statement with respect to the Registrable Securities.

(b) Prepare and file with the SEC such amendments and post-effective amendments to such Registration Statement and any prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective, and cause the prospectus to be supplemented pursuant to Rule 424 under the Securities Act, to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such Registration Statement; provided that, unless such obligation or period is waived by the Securityholder Agent, at least ten (10) days prior to filing any such amendments and post-effective amendments or supplements thereto, the Company shall furnish to the Securityholder Agent all such documents proposed to be filed, the Securityholder Agent shall have the opportunity to comment on any information that is contained therein and the Company shall consider all such comments in good faith and make the corrections reasonably requested by the Securityholder Agent with respect to any information pertaining solely to the Investors and the plan of distribution prior to filing any such documents.

(c) Furnish to the Securityholder Agent such number of copies of such Registration Statement, each amendment and supplement thereto, and the prospectus included in such Registration Statement (including each preliminary prospectus or free writing prospectus) in conformity with the requirements of the Securities Act, and furnish such other documents as the Securityholder Agent may reasonably request on behalf of the Investors in order to facilitate the disposition of Registrable Securities owned by the Investors.

(d) Notify the Securityholder Agent promptly (and in no event more than 24 hours) after the Company shall receive notice of the time when such Registration Statement becomes or is declared effective or when any amendment or supplement or any prospectus forming a party of such Registration Statement has been filed.

(e) Notify the Securityholder Agent promptly of any request by the SEC for the amending or supplementing of such Registration Statement or prospectus or for additional information and promptly deliver to the Securityholder Agent any comments received from the SEC.

(f) Notify the Securityholder Agent promptly of any stop order suspending the effectiveness of such Registration Statement or prospectus or the initiation of any proceedings for that purposes, and use all commercially reasonable efforts to obtain the withdrawal of any such order or the termination of such proceedings at the earliest practicable time.

(g) Use all commercially reasonable efforts to register and qualify the Registrable Securities covered by such Registration Statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Securityholder Agent, use reasonable efforts to keep such registration or qualification effective, including through new filings, or amendments or renewals, and notify the Securityholder Agent of the

receipt of any written notification with respect to any suspension of any such qualification; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, except as may be required by the Securities Act.

(h) Promptly notify the Securityholder Agent at any time when a prospectus relating to such Registration Statement is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such Registration Statement or any offering memorandum or other offering document includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and promptly prepare a supplement or amendment to such prospectus or file any other required document so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of material fact or omit to state any fact necessary to make the statements therein not misleading.

(i) Use all commercially reasonable efforts to comply with all applicable rules and regulations of the SEC relating to such registration and make available to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act; provided that the Company will be deemed to have complied with this Section 2.3(i) with respect to such earning statements if it has satisfied the provisions of Rule 158 promulgated under the Securities Act.

(j) If requested by the Securityholder Agent, promptly incorporate in a prospectus supplement or post-effective amendment such information as the Securityholder Agent reasonably requests to be included therein, with respect to the Registrable Securities being sold by the Investors, and promptly make all required filings of such prospectus supplement or post-effective amendment.

(k) Use all commercially reasonable efforts to cause all Registrable Securities covered by such Registration Statement to be listed on each securities exchange, interdealer quotation system or other market on which similar securities issued by the Company are then listed.

(l) Provide a transfer agent and registrar and, as needed, a depositary, for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

2.4 **Delay of Registration; Furnishing Information**.

(a) The Securityholder Agent agrees to execute and deliver, and obtain from the Investors (excluding any Investor who shall determine to exclude all of such Investor's Registrable Securities from a Registration Statement) the execution and delivery of, such other agreements as may be reasonably requested by the Company that are consistent with such Investors' obligations under this Agreement to provide the information reasonably required by the Company or that are necessary to give further effect thereto. In addition, if requested by the Company, the Securityholder Agent shall provide, within ten (10) days of such request, such information as may be reasonably required by the Company in connection with the completion of any public offering of the Company's securities pursuant to a Registration Statement filed under the Securities Act. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to such Ordinary Shares (or other securities) until the end of such period. Any permitted transferee of any Registrable Securities shall be bound by Section 2.5.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.1 that the Securityholder Agent shall furnish to the Company such information regarding the selling Investors, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities. The Securityholder Agent agrees that, upon

receipt of any notice from the Company of the happening of an event pursuant to Section 2.3(h) hereof, the Securityholder Agent will instruct the Investors to immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement covering such Registrable Securities, until the Securityholder Agent is advised by the Company that such dispositions may again be made. The Securityholder Agent covenants and agrees that it will instruct the Investors to comply with the prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to a Registration Statement.

2.5 **Indemnification**.

(a) To the extent permitted by law, the Company shall indemnify and hold harmless the Investors with respect to which registration, related qualification, or related compliance of Registrable Securities has been effected pursuant to this Agreement, and, as applicable, each Investor's officers, directors, employees, agents, successors, assigns, constituent partners, and legal counsel; any Person or Persons controlling the Investors; and any underwriter or Person who controls any underwriter within the meaning of the Securities Act against all claims, losses, damages, or liabilities (or actions in respect thereof) to the extent, but only to the extent, such claims, losses, damages, or liabilities arise out of or are based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus or other document (including any related Registration Statement) incident to any such registration, qualification, or compliance, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance; and the Company shall pay as incurred to the Holders, each such underwriter, and each Person who controls the Holders, any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action; provided, however, that the indemnity contained in this Section 2.5(a) shall not apply to amounts paid in settlement of any such claim, loss, damage, liability, or action if settlement is effected without the consent of the Company (which consent shall not unreasonably be withheld); and provided, further, that the Company shall not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based upon any violation by such Investor of the obligations set forth in this Agreement or any untrue statement or omission contained in such prospectus or other document based upon written information furnished to the Company by the Investors, such underwriter, or such controlling Person and stated to be for use therein.

(b) To the extent permitted by law, each Investor (severally and not jointly) shall, if Registrable Securities held by such Investor are included for sale in a Registration Statement, indemnify and hold harmless the Company; each of its directors; each officer, employee, agent, successor and assign of the Company who signs the applicable Registration Statement; each legal counsel and each underwriter with respect to the Company's securities covered by such Registration Statement; and each Person who controls the Company or such underwriter within the meaning of the Securities Act against all claims, losses, damages, and liabilities (or actions in respect thereof) arising out of or based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, or related document, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by such Investor of the obligations set forth in this Agreement, the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law applicable to such Investor and relating to action or inaction required of such Investor in connection with any such registration and related qualification and compliance, and shall pay as incurred to such Persons, any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to

the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in (and such violation pertains to) such Registration Statement or related document in reliance upon and in conformity with written information furnished to the Company by such Investor and stated to be specifically for use therein; provided, however, that the indemnity contained in this Section 2.5(b) shall not apply to amounts paid in settlement of any such claim, loss, damage, liability, or action if settlement is effected without the consent of such Investor (which consent shall not unreasonably be withheld); provided, further, that such Investor's liability under this Section 2.5(b) (when combined with any amounts such Investor is liable for under Section 2.5(d)) shall not exceed such Investor's net proceeds received from the offering of securities made in connection with such registration.

(c) Promptly after receipt by an indemnified party under this Section 2.5 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 2.5, notify the indemnifying party in writing of the commencement thereof and generally summarize such action, provided that if the indemnified party is the Company, notice pursuant hereto shall be provided to the Securityholder Agent on behalf of the Investors as the indemnifying party. The indemnifying party shall have the right to participate in and to assume the defense of such claim; provided, however, that the indemnifying party shall be entitled to select counsel for the defense of such claim with the approval of any parties entitled to indemnification, which approval shall not be unreasonably withheld; provided further, however, that if either party reasonably determines that there may be a conflict between the position of the Company and the Investors in conducting the defense of such action, suit, or proceeding by reason of recognized claims for indemnity under this Section 2.5, then counsel for such party shall be entitled to conduct the defense to the extent reasonably determined by such counsel to be necessary to protect the interest of such party. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to the ability of the indemnifying party to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 2.5, but the omission so to notify the indemnifying party shall not relieve such party of any liability that such party may have to any indemnified party otherwise than under this Section 2.5.

(d) If the indemnification provided for in this Section 2.5 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. In no event, however, shall (i) any amount due for contribution hereunder be in excess of the amount that would otherwise be due under Section 2.5(a) or Section 2.5(b), as applicable, based on the limitations of such provisions and (ii) a Person guilty of fraudulent misrepresentation (within the meaning of the Securities Act) be entitled to contribution from a Person who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with an underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; provided, however, that the failure of the underwriting agreement to provide for or address a matter provided for or addressed by the foregoing provisions shall not be a conflict between the underwriting agreement and the foregoing provisions.

(f) The obligations of the Company and the Investors under this Section 2.5 shall survive the completion of any offering of Registrable Securities in a registration statement under this Agreement or otherwise.

3. MISCELLANEOUS.

3.1 **Governing Law**. This Agreement, all acts and transactions pursuant hereto and all obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Delaware without reference to such state's principles of conflicts of law that would refer a matter to a different jurisdiction.

3.2 **Successors and Assigns**. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns, heirs, executors, and administrators and shall inure to the benefit of and be enforceable by each Person who shall be a holder of Registrable Securities from time to time; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the Person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

3.3 **Entire Agreement**. This Agreement and the Exhibit hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

3.4 **Severability**. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

3.5 **Amendment and Waiver.** Except as otherwise expressly provided, this Agreement may be amended or modified, and the obligations of the Company and the rights of the Investors under this Agreement may be waived, only upon the written consent of the Company and the Securityholder Agent. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

3.6 **Delays or Omissions.** It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

3.7 **Notices**. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not, then on the next business day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or at such other address or electronic mail address as such party may designate by ten (10) days' advance written notice to the other parties hereto. In providing any notices to the Securityholder Agent under this Agreement, the Company shall not deliver any information that would constitute material non-public information within the meaning of applicable securities laws

without first obtaining written confirmation that the Securityholder Agent wishes to obtain such information.

3.8 **Titles and Subtitles**. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

3.9 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[*Intentionally left blank, Exhibit A and signature pages to follow.*]

Exhibit A

Investors and Registerable Securities

IN WITNESS WHEREOF, the parties hereto have executed this **REGISTRATION RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof:

Signature /s/ Benjamin Eisler

Print Name Benjamin Eisler

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this **REGISTRATION RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof:

VACCITECH PLC

Signature */s/ William Enright*

Print Name William Enright

Title Chief Executive Officer

[Signature Page to Registration Rights Agreement]

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William Enright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vaccitech plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2022

By: /s/ William Enright
William Enright
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Georgy Egorov, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vaccitech plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2022

By: /s/ Georgy Egorov
Georgy Egorov
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vaccitech plc (the "Company") on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his or her knowledge that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 11, 2022 By: /s/ William Enright
William Enright
Chief Executive Officer

Date: May 11, 2022 By: /s/ Georgy Egorov
Georgy Egorov
Chief Financial Officer