UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2023

☐ **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: 001-36833

VOLITIONRX LIMITED

(Exact name of registrant as specified in its charter)

Delaware	**91-1949078**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1489 West Warm Springs Road
Suite 110 Henderson
Nevada 89014
(Address of principal executive offices)

+1 (646) 650–1351
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.001 per share	**VNRX**	**NYSE American, LLC**

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 3, 2023, there were 63,179,837 shares of the registrant's $0.001 par value common stock issued and outstanding.

VOLITIONRX LIMITED

QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE MONTHS ENDED MARCH 31, 2023

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Use of Terms

Except as otherwise indicated by the context, references in this Quarterly Report on Form 10-Q to the "Company," "VolitionRx," "Volition," "we," "us," and "our" are references to VolitionRx Limited and its wholly owned subsidiaries, Volition Global Services SRL, Singapore Volition Pte. Limited, Belgian Volition SRL, Volition Diagnostics UK Limited, Volition America, Inc., Volition Germany GmbH, and its majority-owned subsidiary, Volition Veterinary Diagnostics Development LLC. Additionally, unless otherwise specified, all references to "$" refer to the legal currency of the United States of America.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the quarterly period endedMarch 31, 2023, or this Report, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Report or incorporated by reference into this Report are forward-looking statements. These statements include, among other things, predictions of earnings, revenues, expenses or other financial items; plans or expectations with respect to our development activities or business strategy; statements concerning clinical studies and results; statements concerning industry trends; statements regarding anticipated demand for our products, or the products of our competitors; statements relating to manufacturing forecasts, and the potential impact of our relationship with contract manufacturers and original equipment manufacturers on our business; statements relating to the commercialization of our products, assumptions regarding the future cost and potential benefits of our research and development efforts; forecasts of our liquidity position or available cash resources; statements relating to the impact of pending litigation; statements regarding the anticipated impact of the COVID-19 pandemic and statements relating to the assumptions underlying any of the foregoing. Throughout this Report, we have attempted to identify forward-looking statements by using words such as "may," "believe," "will," "could," "project," "anticipate," "expect," "estimate," "should," "continue," "potential," "plan," "forecasts," "goal," "seek," "intend," other forms of these words or similar words or expressions or the negative thereof (although not all forward-looking statements contain these words).

We have based our forward-looking statements on our current expectations and projections about trends affecting our business and industry and other future events. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. Forward-looking statements are subject to substantial risks and uncertainties that could cause our future business, financial condition, results of operations or performance, to differ materially from our historical results or those expressed or implied in any forward-looking statement contained in this Report.

Some significant factors that may impact our estimates and forward-looking statements include, but are not limited to:

- *Our inability to generate any significant revenue or achieve profitability;*
- *Our need to raise additional capital in the future;*
- *Our expectations to expand our product development, research and sales and marketing capabilities could give rise to difficulties in managing our growth;*
- *Our limited experience with sales and marketing;*
- *The material weaknesses in our internal control over financial reporting that we have identified;*
- *The possibility that we may not be able to continue to operate, as indicated by the "going concern" opinion from our auditors;*
- *Our ability to successfully develop, manufacture, market, and sell our future products;*
- *Our ability to timely obtain necessary regulatory clearances or approvals to distribute and market our future products;*
- *The acceptance by the marketplace of our future products;*
- *The highly competitive and rapidly changing nature of the diagnostics market;*
- *Our reliance on third parties to manufacture and supply our intended products, and such manufacturers' dependence on third-party suppliers;*
- *Our dependence on third-party distributors;*
- *Protection of our patents, intellectual property and trade secrets;*
- *Business disruptions and economic and other uncertainties including the COVID-19 pandemic; and*
- *Other risks identified elsewhere in this Report, as well as in our other filings with the Securities and Exchange Commission (the "SEC").*

In addition, actual results may differ as a result of additional risks and uncertainties of which we are currently unaware or which we do not currently view as material to our business. For these reasons, readers are cautioned not to place undue reliance on any forward-looking statements. Our actual financial condition and results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" within this report, as well as in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on March 15, 2023, or our Annual Report, in the documents that we file as exhibits to this Report and the documents that we incorporate by reference into this Report, with the understanding that our future results may be materially different from what we currently expect. The forward-looking statements we make speak only as of the date on which they are made. Except as required by law or the listing rules of the NYSE American Market, we expressly disclaim any intent or obligation to update any forward-looking statements after the date hereof. If we do update or correct any forward-looking statements, readers should not conclude that we will make additional updates or corrections. We qualify all of our forward-looking statements with these cautionary statements.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

VOLITIONRX LIMITED
Condensed Consolidated Balance Sheets
(Expressed in United States Dollars, except share numbers)

	March 31, 2023 $	December 31, 2022 $
ASSETS	(UNAUDITED)	
Current Assets		
Cash and cash equivalents	10,010,878	10,867,050
Accounts receivable	118,592	72,609
Prepaid expenses	1,111,318	784,920
Other current assets	716,910	447,566
Total Current Assets	11,957,698	12,172,145
Property and equipment, net	5,401,896	5,393,012
Operating lease right-of-use assets	593,108	619,392
Intangible assets, net	90,831	110,505
Total Assets	**18,043,533**	**18,295,054**
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	2,989,460	3,043,008
Accrued liabilities	2,719,182	2,872,247
Deferred revenue	10,000,000	10,000,000
Management and directors' fees payable	80,138	71,119
Current portion of long-term debt	1,121,069	1,066,700
Current portion of finance lease liabilities	46,917	46,014
Current portion of operating lease liabilities	238,764	245,163
Current portion of grant repayable	42,382	41,836
Total Current Liabilities	17,237,912	17,386,087
Long-term debt, net of current portion	2,549,116	2,779,240
Finance lease liabilities, net of current portion	429,977	436,132
Operating lease liabilities, net of current portion	381,722	400,091
Grant repayable, net of current portion	425,951	420,466
Total Liabilities	21,024,678	21,422,016
Stockholders' Equity (Deficit)		
Common Stock		
Authorized: 100,000,000 shares of common stock, at $0.001 par value		
Issued and outstanding: 63,111,766 shares and 57,873,379 shares, respectively	63,112	57,873
Additional paid-in capital	173,467,433	164,397,468
Accumulated other comprehensive income	170,619	227,097
Accumulated deficit	(176,036,977)	(167,257,429)
Total VolitionRx Limited Stockholders' Equity (Deficit)	(2,335,813)	(2,574,991)
Non-controlling interest	(645,332)	(551,971)
Total Stockholders' Equity (Deficit)	(2,981,145)	(3,126,962)
Total Liabilities and Stockholders' Equity (Deficit)	**18,043,533**	**18,295,054**

(The accompanying notes are an integral part of these condensed consolidated financial statements)

VOLITIONRX LIMITED
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(Expressed in United States Dollars, except share numbers)

	Three Months Ended March 31,	
	2023	**2022**
	$	**$**
Revenues		
Service	5,356	60,254
Product	144,452	53,957
Total Revenues	**149,808**	**114,211**
Operating Expenses		
Research and development	4,905,678	3,590,053
General and administrative	2,581,703	2,602,152
Sales and marketing	1,707,457	1,598,983
Total Operating Expenses	9,194,838	7,791,188
Operating Loss	**(9,045,030)**	**(7,676,977)**
Other Income (Expenses)		
Grant income	165,795	-
Interest income	57,648	2
Interest expense	(51,322)	(41,032)
Total Other Income (Expenses)	172,121	(41,030)
Net Loss	(8,872,909)	(7,718,007)
Net Loss attributable to Non-Controlling Interest	93,361	83,977
Net Loss attributable to VolitionRx Stockholders	(8,779,548)	(7,634,030)
Other Comprehensive Loss		
Foreign currency translation adjustments	(56,478)	(117,904)
Net Comprehensive Loss	**(8,929,387)**	**(7,835,911)**
Net Loss Per Share – Basic and Diluted attributable to VolitionRx Stockholders	(0.15)	(0.14)
Weighted Average Shares Outstanding – Basic and Diluted	60,176,975	53,775,096

(The accompanying notes are an integral part of these condensed consolidated financial statements)

VOLITIONRX LIMITED
Condensed Consolidated Statements of Stockholders' Equity (Deficit) (Unaudited)
(Expressed in United States Dollars, except share numbers)

For the Three Months Ended March 31, 2023 and March 31, 2022

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non Controlling Interest	Total
	Shares #	Amount $	$	$	$	$	$
Balance, December 31, 2022	**57,873,379**	**57,873**	**164,397,468**	**227,097**	**(167,257,429)**	**(551,971)**	**(3,126,962)**
Common stock issued for cash	5,224,703	5,225	8,422,430	-	-	-	8,427,654
Common stock issued for settlement of RSUs	26,978	27	(27)	-	-	-	-
Common stock repurchased	(13,294)	(13)	(31,759)	-	-	-	(31,772)
Stock-based compensation	-	-	693,657	-	-	-	693,657
Tax withholdings paid related to stock-based compensation	-	-	(14,336)	-	-	-	(14,336)
Foreign currency translation	-	-	-	(56,478)	-	-	(56,478)
Net loss for the period	-	-	-	-	(8,779,548)	(93,361)	(8,872,909)
Balance, March 31, 2023	**63,111,766**	**63,112**	**173,467,433**	**170,619**	**(176,036,977)**	**(645,332)**	**(2,981,145)**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non Controlling Interest	Total
	Shares #	Amount $	$	$	$	$	$
Balance, December 31, 2021	**53,772,261**	**53,772**	**154,730,938**	**148,326**	**(136,988,636)**	**(222,295)**	**17,722,105**
Common stock issued for cash	3,000	3	9,464	-	-	-	9,467
Common stock issued for settlement of RSUs	15,000	15	(15)	-	-	-	-
Stock-based compensation	-	-	915,031	-	-	-	915,031
Foreign currency translation	-	-	-	(117,904)	-	-	(117,904)
Net loss for the period	-	-	-	-	(7,634,030)	(83,977)	(7,718,007)
Balance, March 31, 2022	**53,790,261**	**53,790**	**155,655,418**	**30,422**	**(144,622,666)**	**(306,272)**	**10,810,692**

(The accompanying notes are an integral part of these condensed consolidated financial statements)

VOLITIONRX LIMITED
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Expressed in United States Dollars)

	Three Months Ended March 31,	
	2023	**2022**
	$	**$**
Operating Activities		
Net Loss	(8,872,909)	(7,718,007)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	271,990	224,310
Amortization of operating lease right-of-use assets	62,585	65,361
Stock-based compensation	693,657	915,031
Changes in operating assets and liabilities:		
Prepaid expenses	(253,447)	(664,782)
Accounts receivable	(118,592)	(59,861)
Other current assets	(269,344)	(102,185)
Deferred revenue, current and non-current	-	10,000,000
Accounts payable and accrued liabilities	(206,562)	981,786
Management and directors' fees payable	9,019	25,750
Right-of-use assets operating leases liabilities	(61,141)	(57,008)
Net Cash (Used In) / Provided by Operating Activities	**(8,744,744)**	**3,610,395**
Investing Activities		
Purchases of property and equipment	(200,592)	(124,648)
Net Cash Used In Investing Activities	**(200,592)**	**(124,648)**
Financing Activities		
Net proceeds from issuances of common stock	8,427,655	9,467
Tax withholdings paid related to stock-based compensation	(14,336)	-
Common stock repurchased	(31,772)	-
Payments on long-term debt	(223,340)	(250,711)
Payments on finance lease obligations	(11,445)	(13,133)
Net Cash Provided By (Used In) Financing Activities	**8,146,762**	**(254,377)**
Effect of foreign exchange on cash	(57,598)	(80,304)
Net Change in Cash and Cash Equivalents	(856,172)	3,151,066
Cash and cash equivalents – Beginning of Period	10,867,050	20,581,313
Cash and cash equivalents – End of Period	**10,010,878**	**23,732,379**
Supplemental Disclosures of Cash Flow Information		
Interest paid	51,322	41,009
Non-Cash Financing Activities		
Common stock issued on cashless exercises of stock options and settlement of vested RSUs	27	15
Offering costs from issuance of common stock	195,892	-
Non-cash note payable	356,258	620,549

(The accompanying notes are an integral part of these condensed consolidated financial statements)

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The interim condensed consolidated financial statements of VolitionRx Limited (the "Company" or "VolitionRx") for the three months ended March 31, 2023 and March 31, 2022, respectively, are unaudited. These interim consolidated financial statements are prepared in accordance with the requirements for unaudited interim periods and, consequently, do not include all disclosures required to be made in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In the opinion of the Company's management, the accompanying condensed consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the Company's financial position as of March 31, 2023, and its results of operations and cash flows for the periods ended March 31, 2023 and March 31, 2022, respectively. The results of operations for the periods ended March 31, 2023 and March 31, 2022, respectively, are not necessarily indicative of the results for a full-year period. These interim condensed consolidated financial statements should be read in conjunction with the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the Securities and Exchange Commission (the "SEC") on March 15, 2023 (the "Annual Report").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also regularly evaluates estimates and assumptions related to deferred income tax asset valuation allowances, useful lives of property and equipment and intangible assets, borrowing rate used in operating lease right-of-use asset and liability valuations, impairment analysis of intangible assets, and valuations of stock-based compensation.

The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. In addition, the Company has considered the potential impact of the COVID-19 pandemic, as well as certain economic factors, including inflation, rising interest rates, and recessionary pressures, on its business and operations. Although the full impact of these factors is unknown and cannot be reasonably estimated, the Company believes it has made appropriate accounting estimates and assumptions based on the facts and circumstances available as of the reporting date. However, the Company's actual results may differ materially and adversely from these estimates and assumptions, which may result in material effects on the Company's financial condition, results of operations, and liquidity. To the extent there are material differences between the estimates and the actual results, the Company's condensed consolidated financial statements could be materially affected.

Principles of Consolidation

The accompanying condensed consolidated financial statements for the period ended March 31, 2023 include the accounts of the Company and its subsidiaries. The Company has two wholly owned subsidiaries, Singapore Volition Pte. Limited ("Singapore Volition") and Volition Global Services SRL ("Volition Global"). Singapore Volition has one wholly owned subsidiary, Belgian Volition SRL ("Belgian Volition"). Belgian Volition has four subsidiaries, Volition Diagnostics UK Limited ("Volition Diagnostics"), Volition America, Inc. ("Volition America"), Volition Germany GmbH ("Volition Germany"), and its one majority owned subsidiary Volition Veterinary Diagnostics Development LLC ("Volition Vet"). See Note 8(f), *Commitments and Contingencies – Other Commitments*, for more information regarding VolitionRx, Volition Vet, Volition Germany and Volition America. All intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Company considers interest bearing deposits with original maturity dates of three months or less to be cash equivalents. The Company invests excess cash from its operating cash accounts in overnight investments and reflects these amounts in cash and cash equivalents in the condensed consolidated balance sheets at fair value using quoted prices in active markets for identical assets. As of March 31, 2023, cash and cash equivalents totaled approximately $10.0 million, of which $3.3 million was held in an overnight money market account.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 1 - Basis of Presentation andSummary of Significant Accounting Policies (continued)

Accounts Receivables

Trade accounts receivable are stated at the amount the Company expects to collect. Due to the nature of the accounts receivable balance, the Company believes the risk of doubtful accounts is minimal and therefore no allowance is recorded. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. The Company may provide for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of March 31, 2023, the accounts receivable balance was $118,592 and the allowance for doubtful debts was $nil.

Revenue Recognition

The Company adopted Accounting Standards Codification ("ASC") 606, "*Revenue from Contracts with Customers,"* effective January 1, 2019. Under ASC 606, the Company recognizes revenues when the customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognizes revenues following the five-step model prescribed under ASC 606: (i) identify 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 revenues when (or as) the Company satisfies the performance obligation(s).

The Company generates product revenues from the sale of its Nu.Q® Vet Cancer Test, from the sale of nucleosomes, and from the sale of research use only kits. In addition, revenue is received from external third parties for services the Company performs for them in its laboratory.

Revenues, and their respective treatment for financial reporting purposes under ASC 606, are as follows:

Royalty

The Company receives royalty revenues on the net sales recognized during the period in which the revenue is earned, and the amount is determinable from the licensee. These are presented under "Royalty" under the condensed consolidated statements of operations and comprehensive loss. The Company does not have future performance obligations under this revenue stream. In accordance with ASC 606, the Company records these revenues based on estimates of the net sales that occurred during the relevant period from the licensee. Differences between actual and estimated royalty revenues are adjusted for in the period in which they become known.

Product

The Company includes revenue from product sales recognized during the period in which goods are shipped to third parties, and the amount is deemed collectable from the third parties. These are presented in "Product" in the condensed consolidated statements of operations and comprehensive loss.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies (continued)

Service

The Company includes revenue recognized from laboratory services performed in the Company's laboratory on behalf of third parties under "Service" under the condensed consolidated statements of operations and comprehensive loss.

For each development and/or commercialization agreement that results in revenues, the Company identifies all performance obligations, aside from those that are immaterial, which may include a license to intellectual property and know-how, development activities and/or transition activities. In order to determine the transaction price, in addition to any upfront payment, the Company estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. The Company constrains the estimates of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur throughout the life of the contract. When determining if variable consideration should be constrained, management considers whether there are factors outside the Company's control that could result in a significant reversal of revenue. In making these assessments, the Company considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Licensing

The Company includes revenue recognized from the licensing of certain rights to third parties in "Licensing" in the consolidated statements of operations and comprehensive loss. For each development and/or commercialization agreement that results in revenues, the Company identifies all performance obligations, aside from those that are immaterial, which may include a license to intellectual property and know-how, development activities and/or transition activities. In order to determine the transaction price, in addition to any upfront payment, the Company estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. The Company constrains (reduces) the estimates of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur throughout the life of the contract. When determining if variable consideration should be constrained, management considers whether there are factors outside the Company's control that could result in a significant reversal of revenue. In making these assessments, the Company considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Revenue from Heska Agreement

On March 28, 2022, Belgian Volition entered into a Master License and Supply Agreement (the "License Agreement") with Heska Corporation ("Heska"), pursuant to which Belgian Volition granted Heska worldwide exclusive rights to sell the Nu.Q® Vet Cancer Test at the point of care ("POC") initially for the screening of lymphoma and hemangiosarcoma in dogs ("Canine Lymphoma & HSA"), and non-exclusive rights to sell its Nu.Q® Vet Cancer Test in kit format ("Kits") through Heska's network of central reference laboratories ("Central Lab") initially for Canine Lymphoma & HSA.

Under and subject to the terms of the License Agreement, Belgian Volition received an upfront payment of $10.0 million in 2022, and is eligible to receive further milestone payments of (i) $6.5 million upon the first commercial sale by or on behalf of Heska of a POC screening test for Canine Lymphoma & HSA, (ii) $6.5 million upon the first commercial sale by or on behalf of Heska of a POC monitoring test for the same conditions, and (iii) $5.0 million upon the first commercial sale by or on behalf of Heska of a screening or monitoring test for lymphoma in felines. The License Agreement also contains time-based triggers that could accelerate Heska's obligation to remit one or more of the foregoing payments prior to the achievement of the specified commercial milestones. Any further expansion of the License Agreement to cover other cancer and non-cancer indications is subject to negotiation between the parties.

Belgian Volition will also supply Central Lab Kits and will receive a pre-agreed price per test, adjusted annually for inflation. The price per test for POC key components ("Key Components") is also discounted to reflect the lower cost to Belgian Volition and additional assembly costs for Heska, as well as consideration for Heska's upfront and milestone payments. Heska will assemble the Key Components for use at the POC, and is responsible for marketing and distribution efforts and related costs.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies (continued)

Deferred Revenue (Contract Liabilities) and Contract Assets

Deferred revenue consists of amounts for which the Company has an unconditional right to bill, and/or amounts for which payment has been received (including non-refundable amounts), but have not been recognized as revenue because the related performance obligations are deemed incomplete. As of March 31, 2023, the Company recorded $10.0 million as deferred revenue in respect of a non-refundable payment received in relation to a licensing and product supply agreement with Heska.

Contract assets include costs and services incurred on contracts with open performance obligations. These contract assets were immaterial as of March 31, 2023.

Leases

The Company accounts for leases in accordance with ASC Topic 842, "Leases." The Company determines whether a contract is a lease at contract inception or for a modified contract at the modification date. At inception or modification, the Company recognizes right-of-use assets ("ROU") and related lease liabilities on the balance sheet for all leases greater than one year in duration. Lease liabilities and their corresponding ROU assets are initially measured at the present value of the unpaid lease payments as of the lease commencement date. If the lease contains a renewal and/or termination option, the exercise of the option is included in the term of the lease if the Company is reasonably certain that a renewal or termination option will be exercised. As the Company's leases do not provide an implicit rate, the Company uses an estimated incremental borrowing rate ("IBR") based on the information available at the commencement date of the respective lease to determine the present value of future payments. The IBR is determined by estimating what it would cost the Company to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term in equal amounts of rent expense attributed to each period during the term of the lease, regardless of when actual payments are made. This generally results in rent expense in excess of cash payments during the early years of a lease and rent expense less than cash payments in later years. The difference between rent expense recognized and actual rental payments is typically represented as the spread between the ROU asset and lease liability.

When calculating the present value of minimum lease payments, we account for leases as one single lease component if a lease has both lease and non-lease fixed cost components. Variable lease and non-lease cost components are expensed as incurred.

We do not recognize ROU assets and lease liabilities for short-term leases that have an initial lease term of 12 months or less. We recognize the lease payments associated with short-term leases as an expense on a straight-line basis over the lease term.

Basic and Diluted Net Loss Per Share

The Company computes net loss per share in accordance with ASC 260, *"Earnings Per Share,"* which requires presentation of both basic and diluted earnings per share ("EPS") on the face of the statement of operations and comprehensive loss. Basic EPS is computed by dividing net loss available to common stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. As of March 31, 2023, 7,471,588 potential common shares equivalents from warrants, options, and restricted stock units ("RSUs") were excluded from the diluted EPS calculations as their effect is anti-dilutive.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

The Company has functional currencies in Euros, US Dollars and British Pounds Sterling and its reporting currency is the US Dollar. Management has adopted ASC 830-20, "*Foreign Currency Matters – Foreign Currency Transactions."* All assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. For revenues and expenses, the weighted average exchange rate for the period is used. Gains and losses arising on translation of foreign currency denominated transactions are included in other comprehensive income (loss).

Fair Value Measurements

Pursuant to ASC 820, "*Fair Value Measurements and Disclosures,"* an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1
Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2
Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the assets or liabilities such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3
Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable, accrued liabilities, notes payable, and amounts due to related parties. Pursuant to ASC 820, the fair value of cash is determined based on "Level 1" inputs, which consists of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Research and Development

In accordance with ASC 730, "*Research and Development*," the Company follows the policy of expensing its research and development costs in the period in which they are incurred. The Company incurred research and development expenses of $4.9 million and $3.6 million during the three-months ended March 31, 2023, and March 31, 2022, respectively.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies (continued)

Stock-Based Compensation

The Company records stock-based compensation in accordance with ASC 718, *"Compensation – Stock Compensation."* Under the provisions of ASC 718, stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized over the employee's requisite service period, which is generally the vesting period. The fair value of our stock options and warrants is estimated using a Black-Scholes option valuation model. RSUs are valued based on the closing stock price on the date of grant. The estimated fair value of RSUs that include a market vesting condition will be measured on the grant date using a Monte Carlo Simulation Model. Refer to Note 7, *Stock-Based Compensation*, for further details.

Reclassification

Certain amounts presented in previously issued financial statements have been reclassified to be consistent with the current period presentation. The Company has reclassified the prior period comparative amounts for the three months ended March 31, 2023. Certain reclassifications have been made to the prior years' financial statements in relation to depreciation in relation to Research and Development expenses, General and Administrative expenses and Sales and Marketing expenses to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations. A previously classified loan note has been recategorized as accounts payable balance.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. The Company does not believe there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

COVID-19 Pandemic Impact

As of the date of this filing, global economies continue to experience volatility in the wake of the COVID-19 pandemic. As a result of the pandemic, the Company previously experienced disruptions to its clinical trials, including patient enrollment and sample collection delays.

Although the Company has taken steps to mitigate the impacts of the COVID-19 pandemic and the related developments, the extent to which the pandemic may impact its business, financial condition, and results of operations in future periods is uncertain and will be affected by a number of factors outside of the Company's control.

Note 2 - Going Concern

The Company's condensed consolidated financial statements are prepared using U.S. GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred losses since inception of $176.0 million, has had negative cash flows from operations on an annual basis, and has minimal revenues, which creates substantial doubt about its ability to continue as a going concern for a period of at least one year from the date of issuance of these condensed consolidated financial statements.

The future of the Company as an operating business will depend on its ability to obtain sufficient capital contributions, financing and/or to generate revenues as may be required to sustain its operations. Management plans to address the above as needed by (a) securing additional grant funds, (b) obtaining additional financing through debt or equity transactions, (c) granting licenses to third parties in exchange for specified up-front and/or milestone payments, and (d) developing and commercializing its products on an accelerated timeline. Management continues to exercise tight cost controls to conserve cash.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually attain profitable operations. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 3 - Property and Equipment

The Company's property and equipment consisted of the following amounts as of March 31, 2023 and December 31, 2022:

	Useful Life	Cost $	Accumulated Depreciation $	March 31, 2023 Net Carrying Value $
Computer hardware and software	3 years	697,783	529,486	168,297
Laboratory equipment	5 years	4,383,819	2,152,765	2,231,054
Office furniture and equipment	5 years	365,224	251,892	113,332
Buildings	30 years	2,081,130	319,624	1,761,506
Building improvements	5-15 years	1,350,226	352,987	997,239
Land	Not amortized	130,468	-	130,468
		9,008,650	**3,606,754**	**5,401,896**

	Useful Life	Cost $	Accumulated Depreciation $	December 31, 2022 Net Carrying Value $
Computer hardware and software	3 years	656,759	497,306	159,453
Laboratory equipment	5 years	4,190,289	1,951,387	2,238,902
Office furniture and equipment	5 years	358,575	239,436	119,139
Buildings	30 years	2,054,332	298,397	1,755,935
Building improvements	5-15 years	1,317,132	326,337	990,795
Land	Not amortized	128,788	-	128,788
		8,705,875	**3,312,863**	**5,393,012**

During the three-month periods ended March 31, 2023 and March 31, 2022, the Company recognized $250,861 and $202,423, respectively, in depreciation expense.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 4 - Intangible Assets

The Company's intangible assets consist of patents, mainly acquired in the acquisition of Belgian Volition. The patents are being amortized over the assets' estimated useful lives, which range from 8 to 20 years.

	Cost $	Accumulated Amortization $	March 31, 2023 Net Carrying Value $
Patents	**1,118,083**	**1,027,252**	**90,831**

	Cost $	Accumulated Amortization $	December 31, 2022 Net Carrying Value $
Patents	**1,104,103**	**993,598**	**110,505**

During the three-month periods ended March 31, 2023 and March 31, 2022, the Company recognized $21,129 and $21,887, respectively, in amortization expense.

The Company amortizes the patents on a straight-line basis with terms ranging from 8 to 20 years. The annual estimated amortization schedule over the next five years is as follows:

Remaining Life	Remaining Amortization
2023	$ 63,488
2024	$ 27,343
Total Intangible Assets	**$ 90,831**

The Company periodically reviews its long-lived assets to ensure that their carrying value does not exceed their fair market value. The Company carried out such a review in accordance with ASC 360 "*Property, Plant and Equipment,*" as of December 31, 2022. The result of this review confirmed that the ongoing value of the patents was not impaired as of December 31, 2022.

Note 5 - Related-Party Transactions

See Note 6, *Common Stock*, for common stock issued to related parties and Note 7, *Stock-Based Compensation,* for stock options, warrants and RSUs issued to related parties. The Company has agreements with related parties for the purchase of products and consultancy services which are accrued under management and directors' fees payable (see condensed consolidated balance sheets).

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 6 - Common Stock

As of March 31, 2023, the Company was authorized to issue100 million shares of common stock, par value $0.001 per share, of which 63,111,766 and 57,873,379 shares were issued and outstanding as of March 31, 2023 and December 31, 2022, respectively.

Stock Option Exercises

During the three months ended March 31, 2023, no shares of common stock were issued pursuant to the exercise of stock options.

Stock Options Expired / Cancelled

The table below summarizes the stock options granted under the Company's 2015 Stock Incentive Plan (the "2015 Plan") or the 2011 Equity Incentive Plan (the "2011 Plan"), as indicated, that expired or were cancelled during the three months ended March 31, 2023.

Equity Incentive Plan	Options (#)	Grant Date	Options Cancelled (#)	Grant Price ($)	Cancellation Date
2015	25,000	Apr 15, 2016	25,000	4.00	Feb 18, 2023
2015	55,000	Apr 13, 2020	55,000	3.60	Feb 18, 2023
2015	50,000	Mar 30, 2017	50,000	5.00	Feb 18, 2023
2015	50,000	Feb 11, 2019	50,000	3.25	Feb 18, 2023
2015	50,000	Jan 23, 2018	50,000	4.00	Feb 18, 2023
2015	32,383	Aug 3, 2021	32,383	3.40	Feb 18, 2023
2011	5,267	Mar 20, 2013	5,267	4.35	Mar 20, 2023
2011	1,100	Mar 20, 2013	1,100	4.35	Mar 20, 2023
	268,750		**268,750**		

RSU Settlements

Below is a table summarizing the RSUs vested and settled during the three months ended March 31, 2023, all of which were issued pursuant to the 2015 Plan.

Equity Incentive Plan	RSUs Vested (#)	Vest Date	Shares Issued (#)	Shares Withheld for Taxes (#)
2015	15,000	Mar 25, 2023	15,000	-
2015	4,000	Feb 8, 2023	2,369	1,631
2015	15,000	Mar 1, 2023	9,609	5,391
	34,000		**26,978**	**7,022**

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 6 - Common Stock (continued)

Warrant Expiration

Effective February 26, 2023, a warrant to purchase 125,000 shares of common stock expired unexercised.

Equity Capital Raise

On February 17, 2023, the Company entered into an underwriting agreement with Newbridge Securities Corporation ("Newbridge") in connection with an underwritten public offering of 4,945,000 shares of the Company's common stock, which includes Newbridge's exercise in full of its overallotment option, pursuant to the Company's "shelf" registration statement on Form S-3 (declared effective by the SEC on November 8, 2021, File No. 333-259783) (as amended and supplemented from time to time, the "2021 Form S-3"). The public offering price was $1.75 per share. The underwriter purchased the shares from the Company at a price of $1.6275 per share on February 22, 2023, after taking into account the underwriting discounts and commissions. The net proceeds received by the Company for the sale and issuance of the shares were approximately $8.0 million, before deducting offering expenses of $0.2 million paid by the Company.

Equity Distribution Agreement

On May 20, 2022, the Company entered into an equity distribution agreement (the "2022 EDA") with Jefferies LLC ("Jefferies") to sell shares of the Company's common stock, with an aggregate offering price of up to $25.0 million, from time to time through an "at the market" offering pursuant to the Company's 2021 Form S-3 through Jefferies acting as the Company's agent and/or principal. The Company is not obligated to sell any shares under the 2022 EDA.

During the three months ended March 31, 2023, the Company raised aggregate net proceeds (net of broker commissions and fees) of approximately $0.7 million under the 2022 EDA through the sale of 279,703 shares of its common stock. As of March 31, 2023, the Company has raised aggregate net proceeds (net of broker commissions and fees) of approximately $1.5 million under the 2022 EDA through the sale of 630,532 shares of its common stock.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 7 – Stock-Based Compensation

a) Warrants

The following table summarizes the changes in warrants outstanding of the Company during the three-month period ended March 31, 2023:

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding at December 31, 2022	539,000	3.80
Expired/Cancelled	(125,000)	2.47
Outstanding at March 31, 2023	**414,000**	**4.20**
Exercisable at March 31, 2023	**360,000**	**4.37**

Below is a table summarizing the warrants issued and outstanding as of March 31, 2023, which have an aggregate weighted average remaining contractual life of3.92 years.

Number Outstanding	Number Exercisable	Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)	Proceeds to Company if Exercised ($)
54,000	-	3.05	5.52	164,700
50,000	50,000	3.45	2.92	172,500
125,000	125,000	3.95	3.76	493,750
185,000	185,000	4.90	3.84	906,500
414,000	**360,000**			**1,737,450**

Stock-based compensation expense related to warrants of $14,920 and $39,013 was recorded in the three months ended March 31, 2023 and March 31, 2022, respectively. Total remaining unrecognized compensation cost related to non-vested warrants is $20,893 and is expected to be recognized over a period of1.01 years. As of March 31, 2023, the total intrinsic value of warrants outstanding was $nil.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 7 – Stock-Based Compensation (continued)

b) Options

The following table summarizes the changes in options outstanding of the Company during the three-month period ended March 31, 2023:

	Number of Options	Weighted Average Exercise Price ($)
Outstanding at December 31, 2022	4,985,105	3.87
Expired/Cancelled	(268,750)	3.90
Outstanding at March 31, 2023	**4,716,355**	**3.87**
Exercisable at March 31, 2023	**4,226,261**	**3.93**

Below is a table summarizing the options issued and outstanding as of March 31, 2023, all of which were issued pursuant to the Company's 2011 Plan (for option issuances prior to 2016) or the 2015 Plan (for option issuances commencing in 2016)and which have an aggregate weighted average remaining contractual life of 4.99 years. As of March 31, 2023, an aggregate of 7,750,000 shares of common stock were authorized for issuance under the 2015 Plan, of which 574,398 shares of common stock remained available for future issuance thereunder.

Number Outstanding	Number Exercisable	Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)	Proceeds to Company if Exercised ($)
585,000	585,000	3.25	1.87	1,901,250
2,717	2,717	3.35	0.42	9,102
990,204	500,110	3.40	8.35	3,366,694
740,000	740,000	3.60	7.11	2,664,000
1,607,837	1,607,837	4.00	3.49	6,431,348
5,434	5,434	4.35	0.42	23,638
89,163	89,163	4.38	4.82	390,534
50,000	50,000	4.80	3.76	240,000
646,000	646,000	5.00	3.99	3,230,000
4,716,355	**4,226,261**			**18,256,566**

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 7 – Stock-Based Compensation (continued)

b) Options (continued)

Stock-based compensation expense related to stock options of $117,034 and $394,053 was recorded in the three months ended March 31, 2023 and March 31, 2022, respectively. Total remaining unrecognized compensation cost related to non-vested stock options is $ 170,329 and is expected to be recognized over a period of0.51 years. As of March 31, 2023, the total intrinsic value of stock options outstanding was $nil.

c) Restricted Stock Units

Below is a table summarizing the RSUs issued and outstanding as of March 31, 2023, all of which were issued pursuant to the 2015 Plan.

	Number of RSUs	Weighted Average Share Price ($)
Outstanding at December 31, 2022	2,262,908	1.77
Granted	112,325	1.72
Vested/Settled	(34,000)	3.16
Outstanding at March 31, 2023	**2,341,233**	**1.74**

Below is a table summarizing the RSUs granted during the three months ended March 31, 2023, all of which were issued pursuant to the 2015 Stock Incentive Plan. The RSUs vest equally over periods stated on the dates noted, subject to continued service, and will result in the RSU compensation expense stated.

Equity Incentive Plan	RSUs #	Grant Date	Vesting Period	First Vesting Date	Second Vesting Date	Third Vesting Date	RSU Expense $
2015	57,000	Mar 27, 2023	36 Months	Mar 27, 2024	Mar 27, 2025	Mar 27, 2026	98,040
2015	50,000	Mar 27, 2023	24 Months	Mar 27, 2024	Mar 27, 2025	N/A	86,000
2015	5,325	Mar 27, 2023	12 Months	Mar 27, 2024	N/A	N/A	9,159
	112,325						193,199

Below is a table summarizing the RSUs vested and settled during the three months ended March 31, 2023, all of which were issued pursuant to the 2015 Plan.

Equity Incentive Plan	RSUs Vested (#)	Vest Date	Shares Issued (#)	Shares Withheld for Taxes (#)
2015	15,000	Mar 25, 2023	15,000	-
2015	4,000	Feb 8, 2023	2,369	1,631
2015	15,000	Mar 1, 2023	9,609	5,391
	34,000		**26,978**	**7,022**

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 7 – Stock-Based Compensation (continued)

c) Restricted Stock Units (continued)

Below is a table summarizing the RSUs issued and outstanding as of March 31, 2023 and which have an aggregate weighted average remaining contractual life of 1.57 years.

Number Outstanding	Weighted Average Grant date Fair Value Share Price ($)	Weighted Average Remaining Contractual Life (Years)
450,000	0.69	3.01
1,133,000	1.46	1.51
25,000	1.69	0.98
112,325	1.72	1.76
63,102	2.01	0.83
3,000	2.15	1.67
33,000	2.45	0.67
15,000	2.81	0.92
4,000	2.83	0.86
136,000	2.95	0.73
19,904	3.04	0.26
311,152	3.31	0.35
12,000	3.32	0.44
2,000	3.38	0.35
21,750	3.51	0.29
2,341,233		

Stock-based compensation expense related to RSUs of $524,892 and $481,962 was recorded in the three months ended March 31, 2023 and March 31, 2022, respectively. Total remaining unrecognized compensation cost related to non-vested RSUs is $1,883,199.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies

a) Finance Lease Obligations

In 2016, the Company entered into a capital lease with ING Asset Finance Belgium S.A. ("ING") to purchase a property located in Belgium for €1.12 million, maturing in May 2031 with implicit interest of 2.62%. As of March 31, 2023, the balance payable was $476,894.

The following is a schedule showing the future minimum lease payments under finance leases by years and the present value of the minimum payments as of March 31, 2023.

2023	$	43,859
2024	$	58,478
2025	$	58,478
2026	$	58,479
2027	$	58,479
Greater than 5 years	$	255,829
Total	$	533,602
Less: Amount representing interest	$	(56,708)
Present value of minimum lease payments	**$**	**476,894**

b) Operating Lease Right-of-Use Obligations

As of March 31, 2023, operating lease right-of-use assets and liabilities arising from operating leases were $593,114 and $620,486, respectively. During the three months ended March 31, 2023, cash paid for amounts included for the measurement of lease liabilities was $62,042 and the Company recorded operating lease expense of $62,877. The Company's weighted average discount rate is 2.56% and the weighted average remaining lease term is 26 months.

The following is a schedule showing the future minimum lease payments under operating leases by years and the present value of the minimum payments as of March 31, 2023.

2023	$	208,656
2024	$	172,950
2025	$	128,914
2026	$	101,743
2027	$	33,592
2028	$	1,299
Total Operating Lease Obligations	$	647,154
Less: Amount representing interest	$	(26,668)
Present Value of minimum lease payments	**$**	**620,486**

The Company's office space leases are short-term and the Company has elected under the short-term recognition exemption not to recognize them on the balance sheet. During the three months ended March 31, 2023, the Company recognized $16,458 in short-term lease costs associated with office space leases. The annual payments remaining for short-term office leases were as follows:

2023	$	27,794
2024	$	4,055
Total Operating Lease Liabilities	**$**	**31,849**

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies (continued)

c) Grants Repayable

In 2010, the Company entered into an agreement with the Walloon Region government in Belgium for a colorectal cancer research grant for €1.05 million. Per the terms of the agreement, €314,406 of the grant is to be repaid, by installments over the period from June 30, 2014 to June 30, 2023. In the event that the Company receives revenue from products or services as defined in the agreement, it is due to pay a 6% royalty on such revenue to the Walloon Region. The maximum amount payable to the Walloon Region, in respect of the aggregate of the amount repayable of €314,406 and the 6.00% royalty on revenue, is equal to twice the amount of funding received. As of March 31, 2023, the grant balance repayable was $27,181.

In 2018, the Company entered into an agreement with the Walloon Region government in Belgium for a colorectal cancer research grant for €605,000. Per the terms of the agreement, €181,500 of the grant is to be repaid by installments over 12 years commencing in 2020. In the event that the Company receives revenue from products or services as defined in the agreement, it is due to pay a 3.53% royalty on such revenue to the Walloon Region. The maximum amount payable to the Walloon Region, in respect of the aggregate of the amount repayable of €181,500 and the 3.53% royalty on revenue, is equal to the amount of funding received. As of March 31, 2023, the grant balance repayable was $108,678.

In 2020, the Company entered into an agreement with the Walloon Region government in Belgium for a research grant for €929,433. Per the terms of the agreement, €278,830 of the grant is to be repaid by installments over 15 years commencing in 2022. In the event that the Company receives revenue from products or services as defined in the agreement, it is due to pay a 4.34% royalty on such revenue to the Walloon Region. The maximum amount payable to the Walloon Region, in respect of the aggregate of the amount repayable of €278,830 and the 4.34% royalty on revenue, is equal to the amount of funding received. As of March 31, 2023, the grant balance repayable was $233,401.

In 2020, the Company entered into an agreement with the Walloon Region government in Belgium for a research grant for €495,000. Per the terms of the agreement, €148,500 of the grant is to be repaid by installments over 10 years commencing in 2023. In the event that the Company receives revenue from products or services as defined in the agreement, it is due to pay a 2.89% royalty on such revenue to the Walloon Region. The maximum amount payable to the Walloon Region, in respect of the aggregate of the amount repayable of €148,500 and the 2.89% royalty on revenue, is equal to the amount of funding received. As of March 31, 2023, the grant balance repayable was $99,073.

As of March 31, 2023, the total grant balance repayable was $468,333 and the payments remaining were as follows:

2023	$	49,925
2024	$	26,887
2025	$	35,032
2026	$	42,574
2027	$	46,577
Greater than 5 years	$	267,338
Total Grants Repayable	**$**	**468,333**

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies (continued)

d) Long-Term Debt

In 2016, the Company entered into a 7-year loan agreement with Namur Invest for €440,000 with a fixed interest rate of 4.85%, maturing in December 2023. As of March 31, 2023, the principal balance payable was $63,182.

In 2016, the Company entered into a 15-year loan agreement with ING for €270,000 with a fixed interest rate of 2.62%, maturing in December 2031. As of March 31, 2023, the principal balance payable was $186,606.

In 2017, the Company entered into a 7-year loan agreement with SOFINEX for up to €1 million with a fixed interest rate of 4.50%, maturing in September 2024. As of March 31, 2023, €1 million had been drawn down under this agreement and the principal balance payable was $434,892.

In 2019, the Company entered into a 4-year loan agreement with Namur Innovation and Growth for €500,000 with a fixed interest rate of 4.80%, maturing in September 2024. As of March 31, 2023, the principal balance payable was $244,177.

In 2020, the Company entered into a 10-year loan agreement with Namur Invest for a maximum of €830,000 with fixed interest rate of 4.00%, maturing March 2031. As of March 31, 2023, the principal balance payable was $749,543.

In 2021, the Company entered into a 3 ½ year loan agreement with SOFINEX for a maximum of €450,000 with fixed interest rate of 5.00%, maturing June 2025. As of March 31, 2023, the principal balance payable was $407,712.

In 2022, the Company entered into a 4 year loan agreement with Namur Invest for a maximum of €1.0 million with fixed interest rate of 6.0%, maturing in July 2026. As of March 31, 2023, the principal balance payable was $1,040,458.

In 2022, the Company entered into a 4-year loan agreement with Namur Invest for a maximum of €500,000 with fixed interest rate of 5.45%, maturing December 2027. As of March 31, 2023, the principal balance payable was $543,615.

As of March 31, 2023, the total balance for long-term debt payable was $3,670,185 and the payments remaining were as follows:

2023	$	986,465
2024	$	1,153,075
2025	$	713,500
2026	$	486,624
2027	$	285,276
Greater than 5 years	$	452,628
Total	$	4,077,568
Less: Amount representing interest	$	(407,383)
Total Long-Term Debt	**$**	**3,670,185**

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies (continued)

e) Collaborative Agreement Obligations

In 2018, the Company entered into a research collaboration agreement with the University of Taiwan for a three-year period for a cost to the Company of up to $2.55 million payable over such period. As of March 31, 2023, $510,000 is still to be paid by the Company under this agreement.

In 2020, the Company entered into a research agreement for the bioinformatic analysis of cell-free DNA fragments from whole-genome sequencing with the Hebrew University of Jerusalem for six months for a cost to the Company of €54,879. Subsequently the parties entered into an amendment to the agreement with an additional cost to the Company of $117,711, (€100,236). In 2022, the parties entered into agreements for an additional cost to the Company of $40,918, (€39,000). As of March 31, 2023, $0 is still to be paid by the Company under the amended agreement.

In 2022, the Company entered into a sponsored research agreement with The University of Texas MD Anderson Cancer Center to evaluate the role of neutrophil extracellular traps ("NETs") in cancer patients with sepsis for a cost to the Company of $449,406. As of March 31, 2023, $449,406 is due by the Company under this agreement.

As of March 31, 2023, the total amount to be paid for future research and collaboration commitments was approximately $959,406 and the payments remaining were as follows:

2023	$	877,633
2024 - 2027	$	81,773
Total Collaborative Agreement Obligations	**$**	**959,406**

f) Other Commitments

Volition Vet

On October 25, 2019, the Company entered into an agreement with TAMU for provision of in kind services of personnel, animal samples and laboratory equipment in exchange for a non-controlling interest of 7.5% in Volition Vet with an additional 5%, vesting in a year from the date of the agreement, giving TAMU in aggregate, a12.5% equity interest as of such date. As of March 31, 2023, TAMU has a 12.5% equity interest in Volition Vet.

Volition Germany

On January 10, 2020, the Company, through its wholly-owned subsidiary Belgian Volition, acquired an epigenetic reagent company, Octamer GmbH (“Octamer”), based in Munich, Germany, and hired its founder for his expertise and knowledge to be passed to Company personnel. On March 9, 2020, Octamer was renamed to Volition Germany GmbH (or “Volition Germany”).

In connection with the transaction agreement, the Company entered into a royalty agreement with the founder providing for the payment of royalties in the amount of 6% of net sales of Volition Germany’s nucleosomes as reagents to pharmaceutical companies for use in the development, manufacture and screening of molecules for use as therapeutic drugs for a period of five years post-closing.

As of March 31, 2023, $212 is payable under the 6% royalty agreement on sales to date towards the Company’s aggregate minimum royalty obligation of $119,595.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies (continued)

f) Other Commitments (continued)

Volition America

On November 3, 2020, the Company entered into a professional services master agreement (the "Master Agreement") with Diagnostic Oncology CRO, LLC ("DXOCRO") to conduct a pivotal clinical trial and provide regulatory submission and reimbursement related services. On August 8, 2022, the Company and DXOCRO amended and restated the Master Agreement to expand the scope of DXOCRO's consultant services provided thereunder (the "A&R Master Agreement"). The A&R Master Agreement requires DXOCRO to support development and clinical validation studies for the Company's Nu.Q® product portfolio in the United States, including by conducting large-scale finding studies across multiple sites in the U.S. using Nu.Q® NETs and Nu.Q® Cancer tests to determine clinical utility in sepsis and non-Hodgkin's lymphoma. The Company anticipates DXOCRO's services under the agreement will be completed by the end of the third quarter 2023 at a total cost to the Company of up to $4.2 million The Company's payment obligations accrue upon delivery of projects under the agreement. The Company may terminate the agreement or any project thereunder upon at least 30 days' prior written notice. Unless earlier terminated, the A&R Master Agreement terminates on the later of December 31, 2025 or the date upon which all services have been completed. As of March 31, 2023, $143,550 is payable under the A&R Master Agreement, and up to $2,173,569 may be payable by Company in future periods for services rendered.

VolitionRx

On February 27, 2023, the Company entered into a 9-month loan agreement with First Insurance Funding for a maximum of $56,258 with fixed interest rate of 7.42%, maturing November 2023. As of March 31, 2023, the maximum has been drawn down under this agreement and the principal balance payable was $16,673.

g) Legal Proceedings

There are no legal proceedings which the Company believes will have a material adverse effect on its financial position.

h) Commitments in Respect of Corporate Goals and Performance-Based Awards

In August 2021 and October 2021 the Compensation Committee of the Board of Directors approved the granting of an aggregate of 1,000,000 stock options and 500,000 RSUs under the 2015 Plan as well as cash bonuses, vesting upon achievement of certain corporate goals focused around product development and commercialization, to various personnel including directors, executives, members of management, consultants and employees of the Company and/or its subsidiaries.

On June 23, 2022, the Compensation Committee of the Board of Directors approved the achievement of all of the remaining outstanding corporate goals related to the awards in August 2021 and October 2021 resulting in the payment of the cash bonus awards and the vesting of the remaining rights to the equity-based awards, which equity-based awards remain subject to time-based vesting in equal installments on each of August 3, 2022 and August 3, 2023 (with the exception of October 4, 2022 and October 4, 2023 for one award) and the continuous service of the award recipient through the applicable vesting date.

In October 2022, the Compensation Committee of the Board of Directors approved the granting of an aggregate of 1,144,000 RSUs under the 2015 Plan to various employees in exchange for services provided to the Company. These RSUs vest upon the achievement of certain corporate goals focused around product development and commercialization with further time based vesting over three years, and subject to continued service.

In October 2022, the Compensation Committee of the Board of Directors approved the granting of an aggregate of 450,000 RSUs under the 2015 Plan to various employees in exchange for services provided to the Company. These RSUs vest upon the share price closing above $5.00 per share for a minimum of ten consecutive trading days within a period of three years from the date of grant, with further time based vesting in a single installment six months after the timely achievement of the target, if at all, and subject to continued service.

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies (continued)

h) Commitments in Respect of Corporate Goals and Performance-Based Awards

In October 2022 the Compensation Committee of the Board of Directors approved the granting of cash bonuses, payable upon achievement of various corporate goals focused around product development, manufacturing, financing and commercialization, to various personnel including directors, executives, members of management, consultants and employees of the Company and/or its subsidiaries. Conditional upon the achievement by January 1, 2023 and July 1, 2023 of all specified corporate goals as set forth in the minutes of the Compensation Committee, as well as continued service by the award recipients, the Company at the sole discretion of the Chief Executive Officer and the Chief Financial Officer would pay a cash bonus to such award recipients. As of March 31, 2023, the Company has accrued compensation expense of $726,048 in relation to the July 1, 2023 specified corporate goals based on the actual outcomes related to the prescribed performance targets.

As of March 31, 2023, the Company has recognized compensation expense of $741,841 in relation to the options that will vest in 2023. The Company has unrecognized compensation expense of $159,569 in relation to such stock options, based on the outcomes related to the prescribed performance targets on the outstanding awards.

Total Award $	Amortized 2023 $	Amortized 2022 $	Amortized 2021 $	Un-Amortized 2023 $
969,592	-	580,411	389,181	-
741,841	110,978	450,090	180,773	159,569

As of March 31, 2023, the Company has recognized compensation expense of $624,429 in relation to RSUs that will vest in 2023. The Company has unrecognized compensation expense of $134,992 in relation to such RSUs, based on the outcomes related to the prescribed performance targets on the outstanding awards.

Total Award $	Amortized 2023 $	Amortized 2022 $	Amortized 2021 $	Un-Amortized 2023 $
822,149	-	493,207	328,942	-
624,429	93,499	379,191	151,739	134,992

VOLITIONRX LIMITED
Notes to the Condensed Consolidated Financial Statements (Unaudited)
($ expressed in United States Dollars)

Note 8 – Commitments and Contingencies (continued)

h) Commitments in Respect of Corporate Goals and Performance-Based Awards (continued)

As of March 31, 2023, the Company has recognized total compensation expense of $494,485 of which $269,681 in relation to RSUs that will vest in 2023, $130,908 in relation to RSUs that will vest in 2024, and $93,896 in relation to RSUs that will vest in 2025. The Company has unrecognized compensation expense of $1,159,695 in relation to such RSUs, based on the outcomes related to the prescribed performance targets on the outstanding awards.

Vesting Year	Amortized 2023 $	Amortized 2022 $	Un-Amortized $
2023	135,594	134,087	281,734
2024	65,820	65,088	404,425
2025	47,210	46,686	473,537
	248,624	**245,861**	**1,159,695**

Note 9 – Subsequent Events

Restricted Stock Units

On April 4, 2023, an aggregate of 51,000 RSUs granted to employees vested and resulted in the issuance of 32,364 shares of common stock and the remaining 18,636 shares of common stock were withheld for taxes and returned as authorized and unissued shares under the 2015 Plan.

On April 30, 2023, 23,000 RSUs previously granted to an employee were cancelled and returned as authorized and unissued shares under the 2015 Plan upon termination of employment prior to vesting.

On May 1, 2023, 50,000 RSUs granted to an employee vested and resulted in the issuance of 35,707 shares of common stock and the remaining 14,293 shares of common stock were withheld for taxes and returned as authorized and unissued shares under the 2015 Plan.

On May 5, 2023, 21,000 RSUs previously granted to an employee were cancelled and returned as authorized and unissued shares under the 2015 Plan upon termination of employment prior to vesting.

END NOTES TO FINANCIALS

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of our financial condition and results of operations should be read together with our Unaudited Condensed Consolidated Financial Statements and the related notes included elsewhere in this Report and in our Annual Report. This discussion and analysis contains forward-looking statements that are based on our current expectations and reflect our plans, estimates and anticipated future financial performance. These statements involve numerous risks and uncertainties, including those related to the anticipated impact on our business from, and our response to, the COVID-19 pandemic. Our actual results may differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including those set forth in the section entitled "Risk Factors" in this Report and in our Annual Report, as well as our other public filings with the SEC. Please refer to the section of this Report entitled "Cautionary Note Regarding Forward-Looking Statements" for additional information.

Overview

Volition is a multi-national epigenetics company powered by Nu.Q®, its proprietary nucleosome quantification platform. Through its subsidiaries, Volition is developing simple, easy to use, cost-effective blood tests to help diagnose and monitor a range of life-altering diseases, including some cancers and diseases associated with NETosis, such as sepsis and COVID-19. Early diagnosis and monitoring have the potential to not only prolong the life of patients, but also improve their quality of life.

The tests are based on the science of Nucleosomics™, which is the practice of identifying and measuring nucleosomes in the bloodstream or other bodily fluids, since changes in these parameters are an indication that disease is present.

We have five key pillars of focus, all of which use the same proprietary Nu.Q® platform to commercialize in different areas.

- **Nu.Q® Vet** - cost-effective, easy-to-use cancer screening blood test for dogs and other animals.
- **Nu.Q® NETs -** monitoring the immune system to save lives in both humans and animals
- **Nu.Q® Cancer -** detecting human cancer early to save lives.
- **Nu.Q® Capture** - capturing and concentrating samples for more accurate diagnosis.
- **Nu.Q® Discover** - a complete solution to profiling nucleosomes.

Our research, product development and manufacturing activities are centered in Belgium, with innovation and U.S. operations in California, and additional offices in Nevada, London, and Singapore, where we focus on bringing our diagnostic and disease monitoring products to market.

Commercialization Strategy

We are guided by three underlying principles to our commercialization strategy – ensuring our products:

- Result in low capital expenditures for licensors and end users and low operating expenses for Volition,
- Are affordable, and
- Are accessible worldwide.

We believe, given the global prevalence of cancer and diseases associated with NETosis, and the low-cost, accessible and routine nature of our tests, Nu.Q® could potentially be used throughout the world.

We aim to remain an IP powerhouse in the Nucleosomics™ space and expect to monetize our IP and technologies through licensing and distribution contracts with companies that have established distribution networks and expertise on a worldwide or regional basis, in both human and animal care across platforms (centralized labs and point-of-care).

To this end, on March 28, 2022, Volition entered into a master license and product supply agreement with Heska Corporation ("Heska"), a leading global provider of advanced veterinary diagnostics. In exchange for granting Heska exclusive worldwide rights to sell our Nu.Q® Vet Cancer Test at the point of care for companion animals, Volition received a $10.0 million upfront payment upon signing and is eligible to receive up to an additional $18.0 million based upon the achievement of certain near and mid-term milestones. In addition, Volition has granted Heska non-exclusive rights to sell the Nu.Q® Vet Cancer Test in kit format for companion animals through Heska's network of central reference laboratories. In February 2023 Heska commenced pre-orders of the Nu.Q® Canine Cancer Screen and Monitor Test to veterinarians at the point of care through Heska.

We also entered into a licensing and supply agreement with IDEXX Laboratories, Inc. (“IDEXX”), a global leader in pet healthcare innovation, in October 2022. This contract provides worldwide customer reach through IDEXX’s global reference laboratory network as we continue to commercialize our transformational Nu.Q® technology within the companion animal healthcare sector and capitalize on the significant opportunities available. IDEXX launched the IDEXX Nu.Q® Canine Cancer Screen in January 2023.

Further, we engaged with DNAtech, Portugal, and, through our agreement with Heska, with Scil Lab Europe, to launch the Nu.Q® Vet Cancer Test to customers in Europe commencing in November 2022.

Following the roll-out of our Nu.Q® Vet Cancer Screening Test and Nu.Q® Discover, the next series of products we anticipate launching are as follows:

- a canine cancer monitoring test;
- NETosis related screening and monitoring tests for use in sepsis, coagulation and COVID-19; and
- cancer tests for humans in Non-Hodgkin's Lymphoma, colorectal cancer and lung cancer.

Our Nucleosomics™ technology is transferable to multiple platforms including ELISA 96-well plates and, bead-based chemiluminescent and we are currently working on transferring our technology to the widely-utilized homogeneous immunoassay, or HIA, platform and several point of care platforms to enable rapid turnaround of results in–clinic and in the doctor’s office.

Additionally, we are working on complete nucleosome analysis with our Nu.Q® Capture technology. The goal of this project is to investigate ways to specifically target circulating tumor DNA (“ctDNA”). The ability to enrich ctDNA will allow us to use mass spectrometry to analyze histone and DNA modifications, and to sequence DNA present around nucleosomes. This information could enable cancer diagnosis to identify the tissue of origin of a particular cancer.

Developments - COVID-19 Pandemic

Due to the continued evolution of the COVID-19 pandemic since March 2020, we cannot precisely determine or quantify the impacts the pandemic will have on our business, financial conditions or results of operations. For example, although we have worked with clinical trial sites impacted by the pandemic to ensure study continuity, we have experienced and may in the future experience disruptions that could impact our clinical trials, including delays in enrolling patients in clinical trials or in sample collection, and diversion of healthcare resources from the conduct of our clinical trials.

The extent of the impact of the COVID-19 pandemic on our business remains uncertain and subject to change. If there is a subsequent outbreak of COVID-19 in the future, we may experience significant delays in our clinical development timelines, which would adversely affect our business, financial condition, and results of operations.

Liquidity and Capital Resources

We have financed our operations since inception primarily through private placements and public offerings of our common stock. As of March 31, 2023, we had cash and cash equivalents of approximately $10.0 million.

Net cash used in operating activities was $8.7 million for the three months ended March 31, 2023 and net cash provided by operating activities was $3.6 million for the three months ended March 31, 2022, respectively. The decrease in cash provided from operating activities for the period ended March 31, 2023 when compared to same period in 2022 was primarily due to a $10.0 million payment received pursuant to our license and supply agreement with Heska in the period ended March 31, 2022.

Net cash used in investing activities was $0.2 million and $0.1 million for the three months ended March 31, 2023 and March 31, 2022, respectively. The increase was primarily due to an increase in purchases of laboratory equipment.

Net cash provided by financing activities was $8.1 million for the three months ended March 31, 2023 and net cash used in financing activities was $0.2 million for the comparable period ended March 31, 2022. The increase in cash provided by financing activities for the period ended March 31, 2023 when compared to same period in 2022 was primarily due to $8.0 million in net cash received from the issuance of shares of common stock in a registered public offering in February 2023 and $0.7 million in net cash received from the issuance of shares of common stock under our "at-the-market" facilities during the period ended March 31, 2023.

The following table summarizes our approximate contractual payments due by year as of March 31, 2023.

Approximate Payments (Including Interest) Due by Year

Description	Total $	2023 (Remaining) $	2024 - 2027 $	2028 + $
Finance Lease Obligations	533,602	43,859	233,914	255,829
Operating Lease Obligations	679,002	236,451	441,252	1,299
Grants Repayable	468,333	49,925	151,070	267,338
Long-Term Debt	4,077,568	986,465	2,638,475	452,628
Collaborative Agreements Obligations	959,406	877,633	81,773	-
Total	**6,717,911**	**2,194,333**	**3,546,484**	**977,094**

We intend to use our cash reserves to fund further research and development activities and launch new products. We do not currently have sufficient revenues to cover our annual expenses, including our contractual obligations, and expect to rely on financing our operations in future periods, mainly through the sale of equity or debt securities, and licensing rights, to provide sufficient funding to execute our strategic plan. However, there can be no assurance that we will be successful in raising additional funds, or that we will be able to do so on terms that are satisfactory to us.

In the event that additional financing is delayed, we will prioritize the maintenance of our research and development personnel and facilities, primarily in Belgium, and the maintenance of our patent rights. In such instance, the completion of clinical validation studies and regulatory approval processes for the purpose of bringing products to the in vitro diagnostics markets would be delayed. In the event of an ongoing lack of financing, it may be necessary to discontinue operations, which will adversely affect the value of our common stock.

We have not attained profitable operations on an ongoing basis and are dependent upon obtaining financing to pursue any extensive activities. For these reasons, our auditors stated in their report on our audited financial statements for the fiscal year ended December 31, 2022 an explanatory paragraph regarding factors that raise substantial doubt that we will be able to continue as a going concern.

Results of Operations

Comparison of the Three-Months Ended March 31, 2023 and March 31, 2022.

The following table sets forth our results of operations for the three months ended on March 31, 2023, and March 31, 2022, respectively.

	Three Months Ended March 31,		Increase (Decrease)	Increase (Decrease)
	2023 $	2022 $	$	%
Service	5,356	60,254	(54,898)	(91%)
Product	144,452	53,957	90,495	>100%
Total Revenues	**149,808**	**114,211**	**35,597**	**31%**
Research and development	4,905,678	3,590,053	1,315,625	37%
General and administrative	2,581,703	2,602,152	(20,449)	(1%)
Sales and marketing	1,707,457	1,598,983	108,474	7%
Total Operating Expenses	**9,194,838**	**7,791,188**	**1,403,650**	**18%**
Grant income	165,795	-	165,795	>100%
Interest income	57,648	2	57,646	>100%
Interest expense	(51,322)	(41,032)	(10,290)	25%
Total Other Income (Expenses)	**172,121**	**(41,030)**	**213,151**	>100%
Net Loss	**(8,872,909)**	**(7,718,007)**	**1,154,902**	**15%**

Revenues

Our operations are transitioning from a research and development focused stage to a commercialization stage. Revenues during the three-months ended March 31, 2023 were $149,808, compared with $114,211 for the three-months ended March 31, 2022 . The main source of revenue during the three months ended March 31, 2023 was product revenues from sales of the Nu.Q® Vet Cancer Screening Test and H3.1 kits. The primary source of revenue during the three-months ended March 31, 2022 was services revenues from our Nu.Q® Discover offering and product revenues from sales of the Nu.Q® Vet Cancer Screening Test and H3.1 kits.

Operating Expenses

Total operating expenses increased to $9.2 million for the three months ended March 31, 2023 from $7.8 million for the three months ended March 31, 2022, as a result of the factors described below.

Research and Development Expenses

Research and development expenses increased to $4.9 million from $3.6 million for the three-months ended March 31, 2023, and March 31, 2022 respectively. This increase was primarily related to increased direct research and development expenses as a result of the clinical trials with DXOCRO, and higher personnel expenses. The number of full-time equivalent ("FTE") personnel we employed in this division increased by 13 to 68 compared to the prior year period.

	Three Months Ended March 31,		
	2023	2022	Change
	$	$	$
Personnel expenses	2,044,133	1,775,719	268,414
Stock-based compensation	143,054	191,164	(48,110)
Direct research and development expenses	2,174,812	1,331,283	843,529
Other research and development	281,072	145,340	135,732
Depreciation and amortization	262,607	146,547	116,060
Total research and development expenses	**4,905,678**	**3,590,053**	**1,315,625**

General and Administrative Expenses

General and administrative expenses remained flat at $2.6 million from $2.6 million for the three-months ended March 31, 2023, and March 31, 2022, respectively. There were higher personnel expenses and legal expenses but these were mainly offset by a reduction in stock-based compensation during the period. The FTE personnel number within this division increased by 2 to 21 compared to the prior year period.

	Three Months Ended March 31,		
	2023	2022	Change
	$	$	$
Personnel expenses	1,260,635	1,173,180	87,455
Stock-based compensation	303,525	444,801	(141,276)
Legal and professional fees	635,486	505,942	129,544
Other general and administrative	323,217	347,295	(24,078)
Depreciation and amortization	58,840	130,934	(72,094)
Total general and administrative expenses	**2,581,703**	**2,602,152**	**(20,449)**

Sales and Marketing Expenses

Sales and marketing expenses increased to $1.7 million from $1.6 million for the three-months ended March 31, 2023, and March 31, 2022, respectively. This increase was primarily due to higher personnel expenses, offset partly by a reduction in stock-based compensation and direct marketing and professional fees during the period. The FTE personnel number within this division remained at 18 compared to the prior year period.

	Three Months Ended March 31,		
	2023	2022	Change
	$	$	$
Personnel expenses	1,219,265	1,017,091	202,174
Stock-based compensation	247,077	279,063	(31,986)
Direct marketing and professional fees	227,985	290,643	(62,658)
Depreciation and amortization	13,130	12,186	944
Total sales and marketing expenses	**1,707,457**	**1,598,983**	**108,474**

Other Income (Expenses)

For the three-months ended March 31, 2023, the Company's other income was $172,121 compared to other expenses of $41,030 for the three-months ended March 31, 2022. This increase in other income was due to grant income received during the period.

Net Loss

For the three-months ended March 31, 2023, the Company's net loss was $8.9 million, an increase of approximately $1.2 million in comparison to a net loss of $7.7 million for the three-months ended March 31, 2022. The change was a result of the factors described above.

Going Concern

We have not attained profitable operations on an ongoing basis and are dependent upon obtaining external financing to continue to pursue our operational and strategic plans. For these reasons, management has determined that there is substantial doubt that the business will be able to continue as a going concern without further financing.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Future Financings

We may seek to obtain additional capital through the sale of debt or equity securities if we deem it desirable or necessary. These sales may include the sale of equity securities from time to time through an "at the market offering program" under an Equity Distribution Agreement. However, we may be unable to obtain such additional capital when needed, or on terms favorable to us or our stockholders, if at all. If we raise additional funds by issuing equity securities, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution, or such equity securities may provide for rights, preferences or privileges senior to those of the holders of our common stock. If additional funds are raised through the issuance of debt securities, the terms of such securities may place restrictions on our ability to operate our business.

Critical Accounting Policies and Estimates

Our interim condensed consolidated financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, applied on a consistent basis. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We also regularly evaluate estimates and assumptions related to deferred income tax asset valuation allowances, useful lives of property and equipment and intangible assets, borrowing rate used in operating lease right-of-use asset and liability valuations, impairment analysis of intangible assets and valuations of stock-based compensation.

We base our estimates and assumptions on current facts, historical experiences, information from third party professionals and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from our estimates. To the extent there are material differences between the estimates and the actual results, future results of operations could be affected.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A summary of these policies is included in the notes to our financial statements.

Recently Issued Accounting Pronouncements

The Company has implemented all applicable new accounting pronouncements that are in effect. The Company does not believe that there are any other applicable new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company and are not required to disclose this information.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our Principal Executive and Principal Financial Officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management carried out an evaluation, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded, as they previously concluded as of December 31, 2022, that our disclosure controls and procedures were not effective as of March 31, 2023, because of material weaknesses in our internal control over financial reporting, as referenced below and described in detail in our Annual Report.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

During the year ended December 31, 2022, our management, with oversight from our audit committee, implemented the following remediation steps to address and mitigate the underlying deficiencies which gave rise to the material weaknesses and to improve our internal control over financial reporting:

- hired specialists in human resources and information technology to recommend and implement relevant policies and processes that will strengthen the control environment;
- changed organizational reporting lines and reallocated certain responsibilities to improve segregation of duties around payroll;
- engaged additional resources to help us assess, document, design and implement control activities related to internal control over financial reporting; and
- implemented additional review procedures at each month end close.

During 2023, we intend to take additional measures to strengthen certain processes we have identified which we believe once implemented in conjunction with the completed actions above will mitigate and remedy this weakness.

We also intend to take additional steps to continue to strengthen the control environment. Such measures include but may not be limited to:

- hiring additional finance resources:
- strengthening our internal processes and reviews, including formal documentation thereof; and
- preparation of risk-control matrices to identify key risks and develop and document policies to mitigate those risks.

As we continue to evaluate and test the remediation plan outlined above, we may also identify additional measures to address the material weaknesses or modify certain of the remediation procedures described above. We also may implement additional changes to our internal control over financial reporting as may be appropriate in the course of remediating the material weakness. Management, with the oversight of our audit committee, will continue to take steps necessary to remedy the material weakness to reinforce the overall design and capability of our control environment.

Changes in Internal Control over Financial Reporting

Except for the ongoing remediation of the material weaknesses in internal controls over financial reporting noted above, no changes in our internal control over financial reporting were made during the three months ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations of the Effectiveness of Disclosure Controls and Internal Controls

Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, we may be subject to claims, counter claims, lawsuits and other litigation of the type that generally arise from the conduct of our business. We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which our directors, officers or any affiliates, or any registered or beneficial stockholders, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

There have been no material changes in our assessment of risk factors affecting our business since those presented in Part I, Item 1A of our Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

None.

Repurchase of Equity Securities

Effective January 5, 2023, the Company repurchased 13,294 shares of its common stock from its former Chief Medical Officer at $2.39 per share, for a total cost to the Company of $31,772. These shares were subsequently retired.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
1.1	Underwriting Agreement, dated February 17, 2023, by and between VolitionRx Limited and Newbridge Securities Corporation.	8-K	001-36833	1.1	02/21/23	
10.1#	Singapore Volition Pte. Limited Employment Agreement – Group Chief Executive Officer, dated March 13, 2023, by and between Singapore Volition and Cameron Reynolds.	10-K	001-36833	10.27	03/15/23	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.					X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.					X
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

# Indicates a management contract or compensatory plan or arrangement.

* The certifications attached as Exhibit 32.1 accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the registrant’s filings under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in any 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.

VOLITIONRX LIMITED

Dated: May 10, 2023

By: */s/ Cameron Reynolds*
Cameron Reynolds
President and Chief Executive Officer
(Authorized Signatory and Principal Executive Officer)

Dated: May 10, 2023

By: */s/ Terig Hughes*
Terig Hughes
Chief Financial Officer and Treasurer
(Authorized Signatory and Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, *Cameron Reynolds*, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VolitionRx Limited;

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (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 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 function):

   (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 10, 2023

/s/ Cameron Reynolds
Cameron Reynolds
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, *Terig Hughes*, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VolitionRx Limited;

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (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 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 function):

   (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 10, 2023

/s/ Terig Hughes
Terig Hughes
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The following certifications are hereby made in connection with the Quarterly Report on Form 10-Q of VolitionRx Limited (the "Company") for the quarterly period ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

I, *Cameron Reynolds*, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: May 10, 2023

/s/ *Cameron Reynolds*
Cameron Reynolds
President and Chief Executive Officer
(Principal Executive Officer)

I, *Terig Hughes*, Chief Financial Officer and Treasurer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: May 10, 2023

/s/ *Terig Hughes*
Terig Hughes
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)