

Registered number: 09757696

**ORIBIOTECH LTD**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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12/08/2021

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**ORIBIOTECH LTD**

**COMPANY INFORMATION**

<b>Directors</b>	Jason Charles Foster Farlan Singh Veraitch Barry Clare Jonathan Russell Hay (appointed 21 August 2020) Pierre Robert Socha Adam Joseph Wieschhaus (appointed 22 September 2020) Alan John Barge (resigned 21 August 2020) Sharon Kedar (appointed 21 August 2020, resigned 22 September 2020) William Patrick Tracey (resigned 21 August 2020) Christopher Mason
<b>Registered number</b>	09757696
<b>Registered office</b>	35 Beaufort Court Admirals Way South Quay Waterside London E14 9XL
<b>Trading Address</b>	London Biosciences Innovation Centre 2 Royal College Street London NW1 0NH
<b>Independent auditors</b>	RSM UK Audit LLP 14th Floor 20 Chapel Street Liverpool L3 9AG
<b>Accountants</b>	Sansons Chartered Accountants 35 Beaufort Court Admirals Way South Quay Watereside London E14 9XL

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ORIBIOTECH LTD

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**COMPANY INFORMATION**

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**Bankers**

Silicon Valley Bank  
14-18 Finsbury Square  
London  
EC2A 1BR

**Solicitors**

Cooley (UK) LLP  
Dashwood  
69 Old Broad Street  
London  
EC2M 1QS

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**ORIBIOTECH LTD**

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**ORIBIOTECH LTD**

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**Introduction**

Oribiotech is an innovator in cell and gene therapy manufacturing that has developed a proprietary, bespoke and flexible manufacturing platform, which enables patient access to a new generation of personalised, lifesaving treatments.

**Business review**

During the year ended 31 March 2021, the Group has made good progress on the development of a propriety cell and gene therapy manufacturing platform. In the year the Group completed the development of its initial Alpha platform, and with the successful equity funding in August 2020 of £23M is now continuing at pace with the development of the Beta platform. The group has in addition strengthened its management team, and go to market capability in the year with employees having increased from 5 to 14 heads by the end of March 2021.

The group continues to be loss making with losses of £9,601,125 (2020: £2,638,810), but at 31 March 2021, maintains a net asset position of £17,347,822 (2020: £3,644,134) following the equity funding.

**Key performance indicators**

Group management consider the following areas as KPI's:

- 1) Delivering of revenue: The Group has not met the conditions IFRS15 to recognise any revenue during the period.
- 2) Development milestones for the manufacturing platform: The Group has spent £8,612,781 (2020: £2,335,012) on its research and development program.
- 3) Cash position: The Group monitors its cash position to ensure it has sufficient resources for commercialisation. As at 31 March 2021, the Group had cash and cash equivalents of £13,329,567 (2020: £2,862,352).

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**ORIBIOTECH LTD**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Principal risks and uncertainties**

Oribiotech is a cell and gene therapy pharmaceutical company and, in common with other companies operating in the sector, is subject to a number of risks. The principal risks and uncertainties identified by the Group for the year ended 31 March 2021 are set out below.

**COVID-19 pandemic:**

The Board is monitoring the impact of COVID-19 on the Group and its staff closely. To date, the impact on our staff and programmes has been limited, however continuation of the pandemic for a sustained period of months may affect:

- Our ability to raise further finance as a consequence of a depressed funding environment
- Our ability to conduct and conclude partnering discussions
- Completion of the development of our product to agreed timelines

**Development:**

The Group is at a relatively early stage of development and may not be successful in its efforts to develop marketable products. Technical and operational risk is present at each stage of the development process.

**Commercial:**

The biotechnology and pharmaceutical industries are very competitive. The Group's competitors include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources. The Group's competitors may succeed in developing, or acquiring products that are more effective or less costly than those the Group is developing, or may develop, and this may have a material adverse impact on the Group.

**Regulatory:**

The Group's operations are subject to laws, regulations and certain government directives, recommendations and guidelines. There can be no assurance that future legislation will not impose further government regulation which may adversely affect the business or financial condition of the Group.

**Intellectual property (IP):**

The Group's success depends in part on its ability to obtain and maintain patent protection for its technology and potential products in the United States, Europe and other countries. If the Group is unable to obtain and maintain patent protection for its technology and potential products, or if the scope of patent protection is not sufficiently broad, competitors could develop and commercialise similar technology and products, which could materially affect the Group's ability to successfully commercialise its technology and potential products. The Group is exposed to additional IP risks, including infringement of IP rights, involvement in lawsuits and the inability to protect the confidentiality of its trade secrets which could have an adverse effect on the success of the Group.

**Financial:**

The Group has a limited operating history, has incurred significant losses since its inception and does not have any revenue generating products. The Group expects to incur losses for the foreseeable future, and there is no certainty that the business will generate a profit. The Group may not be able to raise additional funds that will be required to support its product development programs or commercialisation efforts, and any additional funds that are raised may cause dilution to existing shareholders.

**ORIBIOTECH LTD**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**


**Operational:**

The Group's future development and prospects depend to a material extent on the experience, performance and continued service of its senior management team including the Directors. The Directors believe the senior management team is appropriately structured for the Group's size and stage of development and is not overly dependent on any one individual. The Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Retention of these services or the identification of suitable replacements cannot be guaranteed. The loss of the service of any of the Directors or senior management and the cost of recruiting replacements may have a material adverse effect on the Group and its commercial and financial performance.

**Going Concern:**

The Directors have concluded that a material uncertainty related to going concern exists as a result of uncommitted additional financing at the date of approval of these financial statements. Further information can be found in note 1.2 of the financial statements.

This report was approved by the board on 6 August 2021 and signed on its behalf.

DocuSigned by:  
  
3A78F09A8F42492...  
**Jason Charles Foster**  
Director

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**ORIBIOTECH LTD**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The Directors present their report and the financial statements for the year ended 31 March 2021.

**Directors' responsibilities statement**

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

Company law requires the Directors to prepare group and company financial statements for each financial year. Under that law they have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

The group and company financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position of the group and the company and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS in conformity with the requirements of the Companies Act 2006;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

**Principal activity**

The Group's principal activity is the development of its cell and gene therapy manufacturing platform.

**Results and dividends**

The loss for the year, after taxation, amounted to £9,601,125 (2020 - loss £2,638,810).

The Directors did not recommend the payment of a dividend.

**ORIBIOTECH LTD**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**Directors**

The Directors who served during the year were:

Jason Charles Foster  
Farlan Singh Veraitch  
Barry Clare  
Jonathan Russell Hay (appointed 21 August 2020)  
Pierre Robert Socha  
Adam Joseph Wieschhaus (appointed 22 September 2020)  
Alan John Barge (resigned 21 August 2020)  
Sharon Kedar (appointed 21 August 2020, resigned 22 September 2020)  
William Patrick Tracey (resigned 21 August 2020)  
Christopher Mason

**Matters of Strategic Importance**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has chosen to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

**Political contributions**

The Group made no political donations during the year (2020: £nil).

**Future developments**

The Group aims for:  
-commercial launch in 2022  
-drive future revenues and profitability  
-research in areas beyond the standalone product to take it to an array of other cell types  
-research into other cell types

**Financial instruments**

Details of the Group's use of financial instruments, together with information on the Company's risk objectives, policies and exposure to risks, can be found in the Notes forming part of the financial statements.

**Research and development activities**

The Group is engaging in research and development activities in the field of cell and gene therapy.

**Disclosure of information to auditors**

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

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

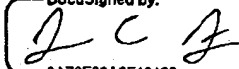
ORIBIOTECH LTD

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**Auditors**

The auditors, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 487 (2) of the Companies Act 2006.

This report was approved by the board on 6 August 2021 and signed on its behalf.

DocuSigned by:  
  
3A78F09A8F42492...  
**Jason Charles Foster**  
Director

**ORIBIOTECH LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIBIOTECH LTD**

**Opinion**

We have audited the financial statements of Oribiotech Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements concerning the group's ability to continue as a going concern. The going concern status of the group is dependent upon the management of the timing of settlement of its liabilities and the raising of further funds in the short to medium term. Forecasts prepared by management indicate that if they are unable to manage the group's liabilities or the external fund raising does not occur in the short to medium term they would have a requirement to seek alternative sources of funding. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

**Other matter – prior period financial statements not audited**

The company was exempt from audit in the period ended 31 March 2020 and consequently the corresponding figures are unaudited.

**ORIBIOTECH LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIBIOTECH LTD (CONTINUED)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**ORIBIOTECH LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIBIOTECH LTD (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are IFRS, compliance with Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completion of disclosure checklists and review of taxation computations.

The group audit engagement team identified the risk of management override of controls, valuation of share-based payments and classification of intangible assets as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed for management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. For valuation of share-based payments, procedures included challenging judgments and estimates applied in the valuation using the assistance of a valuation specialist. For classification of intangible assets procedures included challenging management's judgement on the classification of relevant expenditure.

ORIBIOTECH LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIBIOTECH LTD (CONTINUED)**

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

**Use of our report**

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



Graham Bond FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
14th Floor,  
20 Chapel Street  
Liverpool  
L3 9AG

6 August 2021

<b>ORIBIOTECH LTD</b>
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Cost of sales		(8,612,781)	(2,335,012)
<b>Gross loss</b>		<b>(8,612,781)</b>	<b>(2,335,012)</b>
Other operating income	6	1,300	-
Administrative expenses		(2,917,380)	(900,052)
<b>Loss from operations</b>		<b>(11,528,861)</b>	<b>(3,235,064)</b>
Finance income	11	301	9,587
Finance expense	11	(43)	-
<b>Loss before tax</b>		<b>(11,528,603)</b>	<b>(3,225,477)</b>
Tax credit	12	1,927,478	586,667
<b>Loss for the year attributable to the owners of the parent</b>		<b>(9,601,125)</b>	<b>(2,638,810)</b>
<b>Total comprehensive income attributable to the owners of the parent</b>		<b>(9,601,125)</b>	<b>(2,638,810)</b>

The notes on pages 25 to 62 form part of these financial statements.

**ORIBIOTECH LTD**  
**REGISTERED NUMBER: 09757696**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

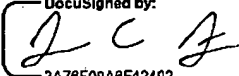
	Note	2021 £	2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	254,687	28,011
Intangible assets	14	620,217	288,726
		<u>874,904</u>	<u>316,737</u>
<b>Current assets</b>			
Trade and other receivables	17	5,274,412	843,388
Cash and cash equivalents	25	13,329,567	2,862,352
		<u>18,603,979</u>	<u>3,705,740</u>
<b>Total assets</b>		<u><u>19,478,883</u></u>	<u><u>4,022,477</u></u>

**ORIBIOTECH LTD**  
**REGISTERED NUMBER: 09757696**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liability	12	48,391	5,322
		<u>48,391</u>	<u>5,322</u>
<b>Current liabilities</b>			
Trade and other liabilities	18	2,082,670	373,021
		<u>2,082,670</u>	<u>373,021</u>
<b>Total liabilities</b>		<u>2,131,061</u>	<u>378,343</u>
<b>Net assets</b>		<u>17,347,822</u>	<u>3,644,134</u>
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	19	1,673	864
Share premium reserve	20	30,371,373	7,372,189
Share option reserve	22	304,819	-
Retained earnings	20	(13,330,043)	(3,728,919)
		<u>17,347,822</u>	<u>3,644,134</u>
<b>TOTAL EQUITY</b>		<u>17,347,822</u>	<u>3,644,134</u>

The financial statements on pages 14 to 62 were approved and authorised for issue by the board of Directors on 6 August 2021 and were signed on its behalf by:

DocuSigned by:  
  
 3A78F09A8F42492...  
**Jason Charles Foster**  
 Director

The notes on pages 25 to 62 form part of these financial statements.

**ORIBIOTECH LTD**  
**REGISTERED NUMBER: 09757696**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	31 March 2021 £	<i>As restated</i> 31 March 2020 £	<i>1 August</i> 2019 £
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	254,687	28,011	11,191
Intangible assets	14	620,217	288,726	125,372
Other non-current investments	15	1	-	-
Trade and other receivables	17	284,504	-	-
		1,159,409	316,737	136,563
<b>Current assets</b>				
Trade and other receivables	17	5,272,283	843,388	189,531
Cash and cash equivalents	25	13,257,783	2,862,352	47,787
		18,530,066	3,705,740	237,318
<b>Total assets</b>		19,689,475	4,022,477	373,881

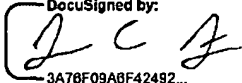
**ORIBIOTECH LTD**  
**REGISTERED NUMBER: 09757696**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

	Note	2021 £	As restated 2020 £	2019 £
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Trade and other liabilities	18	225,142	-	-
Deferred tax liability	12	48,391	5,322	2,126
		<u>273,533</u>	<u>5,322</u>	<u>2,126</u>
<b>Current liabilities</b>				
Trade and other liabilities	18	2,065,403	373,020	1,118,803
		<u>2,065,403</u>	<u>373,020</u>	<u>1,118,803</u>
<b>Total liabilities</b>		<u>2,338,936</u>	<u>378,342</u>	<u>1,120,929</u>
<b>Net assets</b>		<u>17,350,539</u>	<u>3,644,135</u>	<u>(747,048)</u>
<b>Issued capital and reserves attributable to owners of the parent</b>				
Share capital	19	1,673	864	308
Share premium reserve	20	30,371,373	7,372,189	342,753
Share option reserve	22	304,819	-	-
Retained earnings	20	(13,327,326)	(3,728,918)	(1,090,109)
<b>TOTAL EQUITY</b>		<u>17,350,539</u>	<u>3,644,135</u>	<u>(747,048)</u>

The Company's loss for the year was £9,598,407 (2020 - £2,638,810).

The financial statements on pages 14 to 62 were approved and authorised for issue by the board of Directors on 6 August 2021 and were signed on its behalf by:

DocuSigned by:  
  
 3A78F09A8F42492...  
**Jason Charles Foster**  
 Director

The notes on pages 25 to 62 form part of these financial statements.

## ORIBIOTECH LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Share premium £	Share option reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
<b>At 1 April 2020</b>	864	7,372,189	-	(3,728,919)	3,644,134	3,644,134
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	(9,601,125)	(9,601,125)	(9,601,125)
<b>Total comprehensive income for the year</b>	-	-	-	(9,601,125)	(9,601,125)	(9,601,125)
<b>Contributions by and distributions to owners</b>						
Issue of share capital	809	22,999,184	-	-	22,999,993	22,999,993
Equity share options issued	-	-	304,819	-	304,819	304,819
<b>Total contributions by and distributions to owners</b>	809	22,999,184	304,819	-	23,304,812	23,304,812
<b>At 31 March 2021</b>	<b>1,673</b>	<b>30,371,373</b>	<b>304,819</b>	<b>(13,330,044)</b>	<b>17,347,821</b>	<b>17,347,821</b>

The notes on pages 25 to 62 form part of these financial statements.

## ORIBIOTECH LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital £	Share premium £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
<b>At 1 August 2019</b>	308	342,753	(1,090,109)	(747,048)	(747,048)
<b>Comprehensive income for the year</b>					
Loss for the period	-	-	(2,638,810)	(2,638,810)	(2,638,810)
<b>Total comprehensive income for the year</b>	-	-	(2,638,810)	(2,638,810)	(2,638,810)
<b>Contributions by and distributions to owners</b>					
Issue of share capital	556	7,029,436	-	7,029,992	7,029,992
<b>Total contributions by and distributions to owners</b>	556	7,029,436	-	7,029,992	7,029,992
<b>At 31 March 2020</b>	<b>864</b>	<b>7,372,189</b>	<b>(3,728,919)</b>	<b>3,644,134</b>	<b>3,644,134</b>

The notes on pages 25 to 62 form part of these financial statements.

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Share capital £	Share premium £	Share option reserve £	Retained earnings £	Total equity £
<b>At 1 April 2020</b>	864	7,372,189	-	(3,728,919)	3,644,134
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(9,598,407)	(9,598,407)
<b>Total comprehensive income for the year</b>	-	-	-	(9,598,407)	(9,598,407)
<b>Contributions by and distributions to owners</b>					
Issue of share capital	809	22,999,184	-	-	22,999,993
Equity share options issued	-	-	304,819	-	304,819
<b>Total contributions by and distributions to owners</b>	809	22,999,184	304,819	-	23,304,812
<b>At 31 March 2021</b>	<b>1,673</b>	<b>30,371,373</b>	<b>304,819</b>	<b>(13,327,326)</b>	<b>17,350,539</b>

The notes on pages 25 to 62 form part of these financial statements.

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>At 1 August 2019</b>	308	342,753	(1,090,109)	(747,048)
<b>Comprehensive income for the year</b>				
Loss for the period - restated	-	-	(2,638,810)	(2,638,810)
<b>Total comprehensive income for the year - restated</b>	-	-	(2,638,810)	(2,638,810)
<b>Contributions by and distributions to owners</b>				
Issue of share capital	556	7,029,436	-	7,029,992
<b>Total contributions by and distributions to owners</b>	556	7,029,436	-	7,029,992
<b>At 31 March 2020 - restated</b>	<b>864</b>	<b>7,372,189</b>	<b>(3,728,919)</b>	<b>3,644,134</b>

The notes on pages 25 to 62 form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the year	(9,601,125)	(2,638,810)
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	42,802	2,955
Finance income	(3,646)	(9,587)
Loss on sale of property, plant and equipment	-	2,471
Share-based payment expense	304,819	-
Taxation	(1,927,478)	(586,667)
	(11,184,628)	(3,229,638)
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	(3,164,301)	(177,953)
Increase/(decrease) in trade and other payables	1,709,650	(745,783)
	(12,639,279)	(4,153,374)
<b>Cash generated from operations</b>		
Tax credits received	703,824	113,961
	(11,935,455)	(4,039,413)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(269,478)	(22,247)
Purchase of intangibles	(331,491)	(163,354)
Interest received	3,646	9,587
	(597,323)	(176,014)
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	22,999,993	7,029,992
	22,999,993	7,029,992
<b>Net cash increase in cash and cash equivalents</b>	10,467,215	2,814,565
Cash and cash equivalents at the beginning of year	2,862,352	47,787
<b>Cash and cash equivalents at the end of the year</b>	13,329,567	2,862,352

The notes on pages 25 to 62 form part of these financial statements.

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**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the year	(9,598,407)	(2,638,810)
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	42,802	2,955
Finance income	(3,646)	(9,587)
Loss on sale of property, plant and equipment	-	2,471
Share-based payment expense	304,819	-
Taxation	(1,927,478)	(586,667)
	(11,181,910)	(3,229,638)
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	(3,162,174)	(177,953)
Increase/(decrease) in trade and other payables	1,692,383	(745,783)
	(12,651,701)	(4,153,374)
<b>Cash generated from operations</b>		
Tax credits received	703,824	113,961
	(11,947,877)	(4,039,413)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(269,478)	(22,247)
Purchase of intangibles	(331,491)	(163,354)
Amounts advanced to Group companies	(59,362)	-
Interest received	3,646	9,587
	(656,685)	(176,014)
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	22,999,993	7,029,992
	22,999,993	7,029,992
<b>Net cash increase in cash and cash equivalents</b>	10,395,431	2,814,565
Cash and cash equivalents at the beginning of year	2,862,352	47,787
<b>Cash and cash equivalents at the end of the year</b>	13,257,783	2,862,352

The notes on pages 25 to 62 form part of these financial statements.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies**

**1.1 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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**ORIBIOTECH LTD**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (continued)****1.2 Going concern**

At 31 March 2021, the Group had cash and cash equivalents of £13,329,567 (2020: £2,862,352). The Directors have prepared detailed financial forecasts looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. The Directors have stress tested the forecasts by reviewing potential mitigating actions such as reduction operational costs and R&D expenditure. The Directors concluded that it was appropriate to adopt the going concern basis as the Directors have confidence that they will be able to secure significant funding for the Group to continue into the foreseeable future and therefore for not less than 12 months from the date of approval of these financial statements. However, the Directors have also concluded that it is necessary to draw attention that the additional finance is not committed at the date of approval of these financial statements, which represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Should the Group be unable to obtain further finance such that the going concern basis of preparation were no longer appropriate, adjustments would be required including to reduce balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets as current assets.

**1.3 Revenue**

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**1.4 Foreign currency**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

**1.5 Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**1.6 Employee benefits**

**(i) Retirement benefit costs and termination benefits**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due and employees have rendered service entitling them to the contribution. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds

**(ii) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

**1.7 Share-based payments**

**Share-based payment transactions of the Company**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 22.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**1.8 Taxation**

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

**(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (continued)****1.9 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Plant and machinery	5 years
Computer equipment	3 years

**1.10 Intangible assets**

Expenditure on research activities is recognised in the statement of total comprehensive income as an expense as incurred.

Expenditure arising from the Company's development is recognised as an intangible asset only if all of the following conditions are met:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure is only capitalised if there is a high probability by the customer for the programme to proceed to full-scale commercial sales.

Where these criteria have not been achieved, development expenditure is recognised as an expense in the statement of total comprehensive income in the period in which it is incurred.

Intangible assets acquired separately are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on patents is capitalised after proof of concept. No amortisation has been charged as the Company is still in the process of obtaining its patents.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**1.11 Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)**

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

**1.12 Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**1.13 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**1.13 Financial assets (continued)**

**Amortised cost and effective interest method**

The effective interest method is a method for calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased and originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see Impairment of financial assets). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by the applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased and originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'finance income' line item.

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**ORIBIOTECH LTD**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (continued)****1.13 Financial assets (continued)****Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised costs or at FVOCI, lease receivables, amounts due from customers under contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, amounts due from customers under contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**1.14 Financial liabilities and equity instruments****(i) Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(ii) Equity instruments**

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ORIBIOTECH LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.14 Financial liabilities and equity instruments (continued)

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

*Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'finance income' or 'finance expense' line item, for gains and losses respectively, in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

*Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting policies (continued)**

**1.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.16 Share capital**

Share capital represents the par value of the Company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as the "share premium" in shareholders' equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction from the proceeds in equity, net of tax.

**2. Reporting entity**

Oribiotech Ltd (the 'Company') is a private company limited by shares incorporated in England. The Company's registered office is at 35 Beaufort Court Admirals Way, South Quay Waterside, London, E14 9XL. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in cell and gene therapy.

**3. Basis of preparation**

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations in conformity with the requirements of the Companies Act 2006 (collectively IFRSs). They were authorised for issue by the Company's board of directors on 6 August 2021.

Details of the Group's accounting policies, including changes during the year, are included in note 1.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

**ORIBIOTECH LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**3. Basis of preparation (continued)**

**3.1 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

**Items**

Share based payments  
Foreign currency balances

**3.2 Changes in accounting policies**

**i) New standards, interpretations and amendments effective from 1 April 2020**

The Company has transitioned from Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland to the International Financial Reporting Standards, International Accounting Standards and Interpretations in conformity with the requirements of the Companies Act 2006 (collectively IFRSs).

There have been no transitional adjustments.

There have been no other standards adopted that have had a material impact on the financial statements and no standards adopted in advance of their implementation date.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and, in some cases, have not yet been adopted by the EU. There are no other standards issued not yet effective that will have a material effect on the financial statements

**4. Functional and presentation currency**

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. Accounting estimates and judgements****5.1 Judgement**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

**Intangible assets**

Development costs are capitalised in accordance with the accounting policy in Note 1.10. No capitalisation of costs has occurred as management assessment is that there is not a high probability of the program proceeding to full scale commercial sales.

**Deferred tax assets**

The Company has tax losses carried forward for which no deferred tax asset has been recognized due to the uncertainty of future taxable profits occurring.

**5.2 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Impairment of trade and other receivables**

Management periodically reassesses the adequacy of the allowance for doubtful receivables in conjunction with its credit policy. Moreover, the Group determines if there is any objective evidence of impairment of receivable amounts by considering factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

**Valuation of share-based payments**

Management have made a series of assumptions that impact the fair value of share options. These assumptions include the following variables - expected term, expected dividend yield, expected volatility, risk free rate, performance condition and the weighted average share price used in the valuation model. Further details can be found in note 22.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**6. Other operating income**

	<b>Year ended 31 March 2021</b>	<i>Period ended 31 March 2020</i>
	£	£
Insurance claims receivable	1,300	-
	<b>1,300</b>	-
	<b>1,300</b>	-

**7. Operating loss**

The operating loss is stated after charging:

	<b>Year ended 31 March 2021</b>	<i>Period ended 31 March 2020</i>
	£	£
Exchange differences recognised in profit or loss	10,070	1,296
Research and development expenditure recognised as an expense during the period	8,612,781	2,335,012
	<b>8,612,781</b>	2,335,012

**8. Auditors' remuneration**

During the year, the Group obtained the following services from the Group's auditors:

	<b>Year ended 31 March 2021</b>	<i>Period ended 31 March 2020</i>
	£	£
Fees payable to the Group's auditors for the audit of the Group's financial statements	25,000	-
	<b>25,000</b>	-

## ORIBIOTECH LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**9. Employee benefit expenses****Group**

	<b>Year ended 31 March 2021 £</b>	<i>Period ended 31 March 2020 £</i>
<b>Employee benefit expenses (including Directors) comprise:</b>		
Wages and salaries	<b>959,026</b>	374,917
National insurance	<b>105,781</b>	43,536
Defined contribution pension cost	<b>25,096</b>	12,623
Share based payment expense	<b>304,819</b>	-
	<b><u>1,394,722</u></b>	<u>431,076</u>

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company listed on page 1.

	<b>Year ended 31 March 2021 £</b>	<i>Period ended 31 March 2020 £</i>
Salary	<b>364,687</b>	204,167
Defined contribution scheme costs	<b>9,801</b>	7,500
Share based payment expense	<b>225,136</b>	-
	<b><u>599,624</u></b>	<u>211,667</u>

The monthly average number of persons, including the Directors, employed by the Group during the year was as follows:

	<b>Year ended 31 March 2021 No.</b>	<i>Period ended 31 March 2020 No.</i>
Directors	<b>2</b>	2
Employees - Research	<b>5</b>	2
Employees - Administration	<b>2</b>	1
<b>Total</b>	<b><u>9</u></b>	<u>5</u>

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**9. Employee benefit expenses (continued)****Company**

	<b>Year ended 31 March 2021 £</b>	<i>Period ended 31 March 2020 £</i>
<b>Employee benefit expenses (including Directors) comprise:</b>		
Wages and salaries	809,113	374,917
National insurance	91,823	43,536
Defined contribution pension cost	22,484	12,623
Share based payment expenses	304,819	-
	<b>1,228,239</b>	<b>431,076</b>
	<b>1,228,239</b>	<b>431,076</b>

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company listed on page 1

	<b>Year ended 31 March 2021 £</b>	<i>Period ended 31 March 2020 £</i>
Salary	364,687	204,167
Defined contribution scheme costs	9,801	7,500
Share based payment expense	225,136	-
	<b>599,624</b>	<b>211,667</b>
	<b>599,624</b>	<b>211,667</b>

The monthly average number of persons, including the Directors, employed by the Company during the year was as follows:

	<b>Year ended 31 March 2021 No.</b>	<i>Period ended 31 March 2020 No.</i>
Directors	2	2
Employees - Research	5	2
Employees - Administration	1	1
	<b>8</b>	<b>5</b>
<b>Total</b>	<b>8</b>	<b>5</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**10. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	364,687	204,167
Company contributions to pension schemes	9,801	7,500
	374,488	211,667

During the year, retirement benefits were accruing to the following number of directors in respect of qualifying services:

	2021	2020
Defined contribution schemes	2	2

During the year, 0 directors (2020 - 0 directors) exercised share options.

During the year, 2 directors (2020 - 2 directors) received shares under long-term incentive schemes.

The highest paid director's emoluments were as follows:

	2021 £	2020 £
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	163,333	125,000
Company contributions to pension schemes	4,901	3,750
	168,234	128,750

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**11. Finance income and expense****Recognised in profit or loss**

	<b>Year ended 31 March 2021</b>	<i>Period ended 31 March 2020</i>
	£	£
<b>Finance income</b>		
Interest on:		
- Bank deposits	301	9,587
<b>Total interest income arising from financial assets measured at amortised cost or FVOCI</b>	301	9,587
<b>Total finance income</b>	301	9,587
<b>Finance expense</b>		
Other interest payable	43	-
<b>Total finance expense</b>	43	-
<b>Net finance income recognised in profit or loss</b>	258	9,587

## ORIBIOTECH LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 12. Tax expense

## 12.1 Income tax recognised in profit or loss

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
<b>Current tax</b>		
Current tax on profits for the year	(1,970,547)	(589,863)
<b>Total current tax</b>	<u>(1,970,547)</u>	<u>(589,863)</u>
<b>Deferred tax expense</b>		
Origination and reversal of timing differences	43,069	3,196
<b>Total deferred tax</b>	<u>43,069</u>	<u>3,196</u>
	<u>(1,927,478)</u>	<u>(586,667)</u>
<b>Total tax expense</b>		
Tax expense	(1,927,478)	(586,667)
	<u>(1,927,478)</u>	<u>(586,667)</u>

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

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Loss for the year	(9,601,124)	(2,638,810)
Income tax credit/expense	(1,927,478)	(586,667)
<b>Loss before income taxes</b>	<u>(11,528,602)</u>	<u>(3,225,477)</u>
Tax using the Company's domestic tax rate of 19% (2020:19%)	(2,190,434)	(612,841)
Capital allowances for the year in excess of depreciation	43,069	3,196
Adjustment in research and development tax credit leading to an increase/(decrease) in the tax charge	(1,970,547)	(589,863)
Unrelieved tax losses carried forward	2,190,434	612,841
<b>Total tax expense</b>	<u>(1,927,478)</u>	<u>(586,667)</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**12. Tax expense (continued)****12.2 Current tax assets and liabilities**

	<b>Year ended 31 March 2021</b>	<i>Period ended 31 March 2020</i>
	£	£
<b>Current tax assets</b>		
Corporation tax repayable	1,970,547	703,824
	<b>1,970,547</b>	<b>703,824</b>
<b>Current tax liabilities</b>		

**12.3 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	<b>Year ended 31 March 2021</b>	<i>Period ended 31 March 2020</i>
	£	£
Deferred tax liabilities	(48,391)	(5,322)
	<b>(48,391)</b>	<b>(5,322)</b>

	<b>Opening balance £</b>	<b>Recognised in profit or loss £</b>	<b>Closing balance £</b>
<b>2021</b>			
<b>Deferred tax liabilities/(assets) in relation to:</b>			
Property, plant and equipment	5,322	43,069	48,391
	<b>5,322</b>	<b>43,069</b>	<b>48,391</b>
	<b>5,322</b>	<b>43,069</b>	<b>48,391</b>

## ORIBIOTECH LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 12. Tax expense (continued)

## 12.3 Deferred tax balances (continued)

	Opening balance £	Recognised in profit or loss £	Closing balance £
<b>2020</b>			
<b>Deferred tax liabilities/(assets) in relation to:</b>			
Property, plant and equipment	2,126	3,196	5,322
	<u>2,126</u>	<u>3,196</u>	<u>5,322</u>

## 12.4 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
<b>Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:</b>		
- tax losses (revenue in nature)	7,850,118	2,159,566
	<u>7,850,118</u>	<u>2,159,566</u>

## Factors that may affect future tax changes

The Chancellor announced in the Spring 2020 Budget that the corporation tax rate would remain at 19%, rather than falling to 17% for financial years starting on 1 April 2020. This became substantially enacted on the 17 March 2020 through the Provision of Collection Taxes mechanism as a result of Coronavirus.

The Group has accumulated losses available to carry forward against future trading profits. The estimated value of the deferred tax asset measured at a standard rate of 19% (2020: 19%) is £1,491,522 (2020: £410,318), of which £Nil (2020: £Nil) has been recognised, as it is not certain that future taxable profits will be available against which the unused tax losses can be utilised.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. Property, plant and equipment****Group**

	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 August 2019	9,960	2,834	12,794
Additions	16,516	5,731	22,247
Disposals	(2,542)	-	(2,542)
<b>At 31 March 2020</b>	<b>23,934</b>	<b>8,565</b>	<b>32,499</b>
Additions	256,966	12,512	269,478
<b>At 31 March 2021</b>	<b>280,900</b>	<b>21,077</b>	<b>301,977</b>
	Plant and machinery £	Computer equipment £	Total £
<b>Accumulated depreciation and impairment</b>			
At 1 August 2019	289	1,315	1,604
Charge owned for the year	2,072	883	2,955
Disposals	(71)	-	(71)
<b>At 31 March 2020</b>	<b>2,290</b>	<b>2,198</b>	<b>4,488</b>
Charge owned for the year	38,082	4,720	42,802
<b>At 31 March 2021</b>	<b>40,372</b>	<b>6,918</b>	<b>47,290</b>
<b>Net book value</b>			
At 1 August 2019	9,671	1,519	11,190
At 31 March 2020	21,644	6,367	28,011
At 31 March 2021	<b>240,528</b>	<b>14,159</b>	<b>254,687</b>

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Property, plant and equipment (continued)****Company**

	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 August 2019	9,960	2,834	12,794
Additions	16,516	5,731	22,247
Disposals	(2,542)	-	(2,542)
<b>At 31 March 2020</b>	<b>23,934</b>	<b>8,565</b>	<b>32,499</b>
Additions	256,966	12,512	269,478
<b>At 31 March 2021</b>	<b>280,900</b>	<b>21,077</b>	<b>301,977</b>
	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Accumulated depreciation and impairment</b>			
At 1 August 2019	289	1,315	1,604
Charge owned for the year	2,072	883	2,955
Disposals	(71)	-	(71)
<b>At 31 March 2020</b>	<b>2,290</b>	<b>2,198</b>	<b>4,488</b>
Charge owned for the year	38,082	4,720	42,802
<b>At 31 March 2021</b>	<b>40,372</b>	<b>6,918</b>	<b>47,290</b>
<b>Net book value</b>			
At 1 August 2019	9,671	1,519	11,190
At 31 March 2020	21,644	6,367	28,011
At 31 March 2021	240,528	14,159	254,687

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. Intangible assets****Group**

	<b>Patents £</b>
<b>Cost</b>	
At 1 August 2019	125,372
Additions - external - restated	163,354
	288,726
At 31 March 2020 - restated	288,726
Additions - external	331,491
	620,217
<b>At 31 March 2021</b>	
	<b>Patents £</b>
<b>Accumulated amortisation and impairment</b>	
<b>Net book value</b>	
At 1 August 2019	125,372
At 31 March 2020 - restated	288,726
At 31 March 2021	620,217

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. Intangible assets (continued)****Company**

	<b>Patents £</b>
<b>Cost</b>	
At 1 August 2019	125,372
Additions - external - restated	163,354
	288,726
At 31 March 2020 - restated	288,726
Additions - external	331,491
	620,217
<b>At 31 March 2021</b>	<b>620,217</b>
	<b>Patents £</b>
<b>Accumulated amortisation and impairment</b>	
<b>Net book value</b>	
At 1 August 2019	125,372
At 31 March 2020 - restated	288,726
At 31 March 2021	620,217

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**ORIBIOTECH LTD**


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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**15. Subsidiaries**

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%) 2021
1) Ori Biotech North America, Inc	Cell and Gene Therapy	Incorporation - Delaware, USA. Operation - 50 Tice Blvd Ste 340, Woodcliff Lake, NJ, USA	100

**16. Investments**

Company	Note	2021 £	2020 £
Investments in subsidiary companies	15	1	-
		<u>1</u>	<u>-</u>

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**17. Trade and other receivables****Group**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade receivables	216,192	-
<b>Trade receivables - net</b>	<b>216,192</b>	<b>-</b>
Prepayments and accrued income	2,962,330	31,005
Other receivables	2,095,890	812,383
<b>Total trade and other receivables</b>	<b>5,274,412</b>	<b>843,388</b>
Less: current portion - trade receivables	(216,192)	-
Less: current portion - prepayments and accrued income	(2,962,330)	(31,005)
Less: current portion - other receivables	(2,095,890)	(812,383)
<b>Total current portion</b>	<b>(5,274,412)</b>	<b>(843,388)</b>
<b>Total non-current portion</b>	<b>-</b>	<b>-</b>

As at 31 March 2021, trade receivables of £216,192 were past due < 1month (2020: £nil). Management expect full recoverability of these balances, so there is no expected credit loss.

<b>ORIBIOTECH LTD</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**17. Trade and other receivables (continued)****Company**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade receivables	216,192	-
<b>Trade receivables - net</b>	<b>216,192</b>	<b>-</b>
Amounts receivable from subsidiary	284,504	-
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>500,696</b>	<b>-</b>
Prepayments and accrued income	2,960,201	31,005
Other receivables	2,095,890	812,383
<b>Total trade and other receivables</b>	<b>5,556,787</b>	<b>843,388</b>
Less: current portion - trade receivables	(216,192)	-
Less: current portion - prepayments and accrued income	(2,960,201)	(31,005)
Less: current portion - other receivables	(2,095,890)	(812,383)
<b>Total current portion</b>	<b>(5,272,283)</b>	<b>(843,388)</b>
<b>Total non-current portion</b>	<b>284,504</b>	<b>-</b>

## ORIBIOTECH LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**18. Trade and other payables****Group**

	2021 £	2020 £
Trade payables	269,392	122,448
Other payables	9,634	13,290
Accruals	1,400,776	237,282
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>1,679,802</b>	<b>373,020</b>
Other payables - tax and social security payments	180	-
Deferred income	402,688	-
<b>Total trade and other payables</b>	<b>2,082,670</b>	<b>373,020</b>
Less: current portion - trade payables	(269,392)	(122,448)
Less: current portion - other payables	(9,814)	(13,290)
Less: current portion - accruals	(1,400,776)	(237,282)
Less: current portion - deferred income	(402,688)	-
<b>Total current portion</b>	<b>(2,082,670)</b>	<b>(373,020)</b>
<b>Total non-current position</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**18. Trade and other payables (continued)****Company**

	2021 £	2020 £
Trade payables	269,081	122,448
Amounts payable to subsidiary	225,142	-
Other payables	9,634	13,290
Accruals	1,384,001	237,282
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>1,887,858</b>	<b>373,020</b>
Deferred income	402,688	-
<b>Total trade and other payables</b>	<b>2,290,546</b>	<b>373,020</b>
Less: current portion - trade payables	(269,081)	(122,448)
Less: current portion - other payables	(9,634)	(13,290)
Less: current portion - accruals	(1,384,001)	(237,282)
Less: current portion - deferred income	(402,688)	-
<b>Total current portion</b>	<b>(2,065,403)</b>	<b>(373,020)</b>
<b>Total non-current position</b>	<b>225,142</b>	<b>-</b>

**19. Share capital**

	2021 Number	2021 £	2020 Number	2020 £
<b>Shares treated as equity</b>				
Ordinary shares of £0.0001 each	3,142,243	314	3,076,922	308
Seed Ordinary shares of £0.0001 each	675,238	68	675,238	68
Seed Preferred shares of £0.0001 each	4,888,539	489	4,888,539	488
Series A Preferred shares of £0.0001 each	8,022,480	802	-	-
	<b>16,728,500</b>	<b>1,673</b>	<b>8,640,699</b>	<b>864</b>
	<b>16,728,500</b>	<b>1,673</b>	<b>8,640,699</b>	<b>864</b>

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**19. Share capital (continued)****Issued and fully paid**

	2021 Number	2021 £	2020 Number	2020 £
<b>Ordinary shares of £0.0001 each</b>				
At 1 April	3,076,922	308	3,076,922	308
Shares issued	65,321	6	-	-
<b>At 31 March</b>	<b>3,142,243</b>	<b>314</b>	<b>3,076,922</b>	<b>308</b>
	2021 Number	2021 £	2020 Number	2020 £
<b>Seed Ordinary shares of £0.0001 each</b>				
At 1 April and 31 March	675,238	68	675,238	68
	2021 Number	2021 £	2020 Number	2020 £
<b>Seed Preferred shares of £0.0001 each</b>				
At 1 April and 31 March	4,888,539	489	4,888,539	488

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## 19. Share capital (continued)

	2021 Number	2021 £	2020 Number	2020 £
<b>Series A Preferred shares of £0.0001 each</b>				
Shares issued	8,022,480	802	-	-
<b>At 31 March</b>	<b>8,022,480</b>	<b>802</b>	-	-

Rights, preferences and restrictions: Each class of shares has full rights regarding voting and payment of dividends. On a distribution of assets, the surplus assets shall be applied in the following order: first, in paying to the holders of deferred shares, if any, a total of £1.00 for the entire class of deferred shares. Second, in paying each holder of Series A and/or Seed preferred shares the greater of (i) an amount per Series A and/or Seed preferred share equal to the preference amount (as defined in the company's articles of association) or (ii) an amount per Series A and/or Seed preferred share equivalent to that which the holders of Series A and/or Seed preferred shares would have received had the Series A and/or Seed preferred shares converted into ordinary shares immediately prior to the distribution. Third, the balance of the surplus assets (if any) shall be distributed among the holders Seed ordinary shares and ordinary shares (pari passu as if they constituted a single class of shares) pro rata to the number of Seed ordinary shares and ordinary shares held. The shares are not redeemable.

Capital risk management: The company's objectives when managing capital is to safeguard its ability to continue as a going concern. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the company may issue new shares.

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**20. Reserves**

**Share premium**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Share option reserve**

This reserve represents authorised shares that are reserved for future issue under a share option plans.

**Retained earnings**

This reserve includes all current and prior period retained profits and losses

**21. Financial instruments - fair values and risk management**

**21.1 Financial risk management objectives**

The Group is exposed to market risk, foreign exchange risk, credit risk and liquidity risk. The Group is not exposed to interest rate risk due to no interest bearing loans and borrowings in 2021.

The Group does not undertake any transactions of a speculative nature or which are unrelated to its activities.

**21.2 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is not exposed to most types of market risk, except foreign exchange risk.

**21.3 Foreign exchange rate risk**

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency.

The Group's income and expenditure is predominately in pound sterling, but the operations of the subsidiary is in US dollars.

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, management accounts show liabilities due for settlement and expected cash reserves in each major currency.

As at 31 March 2021, the company had trade payables denominated in foreign currencies of €18,288 (2020: €nil) and \$25,299 (2020: \$720)

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**21. Financial instruments - fair values and risk management (continued)**

**21.4 Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at 31 March 2021 and 31 March 2020 in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position.

The Group has adopted a policy of only dealing with creditworthy counter parties. The Group manages counter party risk as far as possible by undertaking credit risk checks and regular monitoring . As at 31 March 2021, trade receivables of £216,192 were past due < 1month (2020: £nil).

Credit risk exposure also arises on cash balances held on deposit. The credit risk on these liquid funds is mitigated as far as possible as the financial assets are held at major international banking companies with reported substantial financial strength and high-grade credit ratings assigned by international credit-rating agencies. As at 31 March 2021, cash balances were £13,329,567 (2020: £2,862,352).

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**21. Financial instruments - fair values and risk management (continued)**

**21.5 Liquidity risk management**

Liquidity risk refers to the risk of not having sufficient resources to enable the Group to meet its obligations as they fall due.

Responsibility for liquidity risk management rests with the Directors, who manage the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

The Directors consider trade payables' liquidity risk to be the most significant risk and this is managed by ensuring sufficient funds are available to meet amounts due as they fall payable. As at 31 March 2021, trade payables of £269,392 were past due < 1month (2020: £nil).

The Group aims to maintain a level of liquidity that is prudent to meet the Group's needs at all times and the Directors regularly monitor cash flow and management accounts to ensure the Group maintains adequate working capital.

There were no capital commitments at the end of the reporting period.

**21.6 Fair value measurements**

This note provides information about how the Group determines fair values of various financial assets and liabilities.

The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, financial assets, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31 March 2021 and 31 March 2020, the Group categorized all financial assets and liabilities in level 3 as explained above.

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**22. Share based payments****22.1. Employee share option plan of the Company****Details of the employee share option of the Company**

The Company operates both an approved EMI share option scheme and an unapproved scheme to certain employees which provides additional remuneration for those employees who are key to the company. Board members of the company are issued options under the unapproved option scheme.

Options were granted in January 2020 and February 2021 and are exercisable at an exercise price of £0.2557 (2020 options) and £0.2844 (2021 options). The nominal value of the ordinary shares is £0.0001. The options expire ten years after the date of the grant and ten years is the expected term. Employees are not entitled to dividends until the shares are exercised. All options granted have performance conditions relating to the relevant employee remaining in the employment of the Company at exercise.

The following share-based payment arrangements were in existence during the current and prior years:

	Number	Grant date	Expiry date	Exercise price £
1) 2020 options	2,034,201	10/01/20	10/01/30	0.26
2) 2021 options	432,152	12/02/21	12/02/31	0.28

The charges arising in the Statement of Profit or Loss for the year ended 31 March 2021 were £304,819 (2020: £Nil). The prior year share based payment charge has been recognised in the year ended 31 March 2021 as it was immaterial to restate prior year.

**Fair value of share options granted in the year**

The company is unable to directly measure the fair value of the share options. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value share option schemes similar to that of the company.

The following share-based payment arrangements were in existence during the current and prior years:

	Weighted average share price £	Exercise price £	Expected volatility	Option life	Inputs into the model Dividend yield	Risk-free interest rate
1) 2020 options	0.28	0.26	75.00 %	10 years	0.00 %	0.18 %
2) 2021 options	0.28	0.28	75.00 %	10 years	0.00 %	0.18 %

Expected volatility was not based on historical volatility as the Company is young and private with illiquid shares. Instead it was determined by reference to the volatility of public, liquid and well established companies adjusted for reduced marketability.

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**22. Share based payments (continued)****Movements in share options during the year**

The following reconciles the share options outstanding at the beginning and end of the year:

	<b>Number of options</b>	<b>2021 Weighted average exercise price £</b>
Granted during the year	2,466,353	575,745
	2,466,353	575,745

**23. Related party transactions**

The Company made purchases of £195,891 (2020: £Nil) from its wholly owned subsidiary, Ori Biotech North America, Inc, who also paid £29,251 (2020: £Nil) of expenses on behalf of the Company. Consequently, as at 31 March 2021 the Company owed £225,142 (2020: £Nil) to Oribiotech North America, Inc. The amount is due greater than 1 year from reporting date.

The Company also loaned £281,115 (2020: £Nil) to Ori Biotech North America, Inc, which was outstanding as at 31 March 2021. Interest of £3,388 (2020: £Nil) has been charged in line with the inter-company funding agreement at a rate of 6month USD Libor + 100bps at the reporting date. Ori Biotech North America, Inc has the ability to defer payment for up to 5 years from 2 July 2020, so the balance is due more than 1 year from reporting date.

*There have been no guarantees provided or received for any related party receivables and payables.*

The Company used foreign exchange brokerage services from an entity in which two Directors during the period have an interest in. One Director has indirect significant control of the brokerage, and the other Director has an indirect shareholding but no control. During the year ended 31 March 2021, £275,000 (2020: £Nil) was exchanged into USD for working capital. Prior to each transaction, the supplier was benchmarked against competitors.

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**24. Controlling party**

In the opinion of the Directors, there is no single controlling party.

**25. Notes supporting statement of cash flows**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Cash at bank available on demand	<b>13,329,567</b>	2,862,352	<b>13,257,783</b>	2,862,352
<b>Cash and cash equivalents in the statement of financial position and in the statement of cash flows</b>	<b><u>13,329,567</u></b>	<u>2,862,352</u>	<b><u>13,257,783</u></b>	<u>2,862,352</u>

**26. Commitments**

As at 31 March 2021, the Group had future minimum lease payments under a non-cancellable contract hire agreement for a vehicle totalling £3,726 (31 March 2020 : £9,315). The whole balance is due within 1 year.

**27. Events after the reporting date****Group**

After reporting date, in May 2021, the Board approved the creation of a new class of G Ordinary Shares, made up of G1 Shares, G2 Shares, G3 Shares, G4 Shares and G5 Shares (together, the "G Ordinary Shares"), each with a nominal value £0.0001 each.

The Company also granted several share options post year-end. 1,185,951 G1 share options were granted to Directors and 507,500 share options were granted to employees.

**28. Effects of prior period adjustment**

Development expenditure totalling £2,360,826 was included within Intangible assets on the statement of financial position as at 31 March 2020 but could not be recognised as an Intangible asset as there was not a high probability of the program proceeding to full scale commercial sales and thus did not meet the recognition criteria. The impact of this misstatement is that Intangible assets were overstated at 30 March 2020 by £2,360,826. The correction of this misstatement has decreased previously reported Intangible assets by £2,360,826 and increased loss in the prior period by £2,360,826.

There has no been effect on periods before the period ending 31 March 2020. The restatement affects the company statement of financial position and company statement of changes in equity for the period ending 31 March 2020.