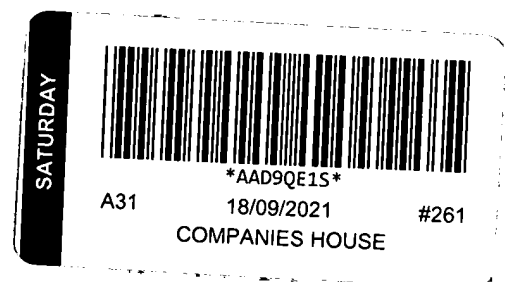


# Antidote Technologies Ltd

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020



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## **Company Information**

**Directors:**

J Mayo  
D Currie  
K Lovell  
L Schockmel  
L Hakes  
P Tumkosit  
S Woynar

**Registered Office:** 39 Earlham Street  
London  
WC2H 9LT

**Registered Number:** 07611221 (England)

**Auditor:** BDO LLP  
55 Baker Street  
London  
England  
W1U 7EU

## **Directors' report**

### **Principal activities**

The principal activity of the Group during the period was that of developing a search and referral engine for clinical trials, dedicated to making clinical trials easy to find, understand and access from the patient's perspective, and providing high quality subjects for researchers. This will underpin the aim of the Group to provide a unique marketplace in which patients interested in participating in trials can connect with researchers looking for patients (and vice versa), addressing a major problem in current patient recruitment dynamics and accelerating the pace at which medical trials can be completed and new treatments made available.

### **Review of business**

During the year, the Group continued to invest in new product development and continues to improve upon the services provided. The majority of services are currently concentrated in the United States, although can be provided on a global basis as required.

### **Going Concern**

Despite the ongoing Covid-19 pandemic, the group experienced a significant increase in revenue in the first six months of trading in 2021. The Paycheck Protection Program (PPP) loan received in 2020 was fully forgiven in January 2021 and in June 2021 the Group completed a US\$23.2m funding round, converting all existing convertible loan notes and interest into equity and raising a further US\$10m in cash. The directors have reviewed the financial forecasts of the Group and in the light of the above consider it appropriate to prepare the accounts on a going concern basis.

### **Strategic report**

The directors have not prepared a Strategic report as the Company and its subsidiaries are entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

### **Political contributions**

Neither the Company nor any of its subsidiaries made any political contributions during the year (2019: £nil).

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2019: £nil).

### **Directors**

The directors of the Company who held office during the year as follows:

J Mayo

D Currie

K Lovell

L Schockmel

L Hakes

P Tumkosit

S Woynar (appointed 1 June 2021)

**Directors' report** *(continued)*

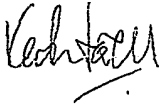
**Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditors, BDO LLP, have indicated their willingness to continue in office and pursuant to Section 487 of the Companies Act 2006, will be deemed to be reappointed and will therefore continue in office.

By order of the board



**Keith Lovell**  
Director

39 Earlham Street  
London  
WC2H 9LT

15<sup>th</sup> September 2021

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

### **Directors' responsibilities statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

In preparing these 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 applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

## **Independent auditor's report to the members of Antidote Technologies Limited**

### **Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Antidote Technologies Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss Account and Statement of other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements other than the financial statements and our auditor's report thereon. 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.

#### **Other Companies Act 2006 reporting**

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

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have obtained an understanding of the legal and regulatory frameworks applicable to the entity and we have enquired of management to identify how the entity is complying with those frameworks and whether there were any known instances of non-compliance.

We considered the entity's control environment that has been established to prevent, detect and deter fraud. We then assessed the risk of susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
**BDO LLP**  
26B7671FF69E4AB...

Leighton Thomas (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK 15 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Consolidated Profit and Loss Account and Statement of other Comprehensive Income

*for the year ended 31 December 2020*

|  | <i>Notes</i> | <b>2020</b><br>£   | 2019<br>£          |
|--|--------------|--------------------|--------------------|
| <b>Turnover</b>                                    | 3            | <b>2,981,146</b>   | <b>1,858,292</b>   |
| Cost of sales                                      |              | <b>(1,120,979)</b> | <b>(792,152)</b>   |
|  |              | <hr/>              | <hr/>              |
| <b>Gross profit</b>                                |              | <b>1,860,167</b>   | <b>1,066,140</b>   |
| Administrative expenses                            |              | <b>(5,178,521)</b> | <b>(5,273,806)</b> |
| Share based payment charge                         | 14           | <b>(27,479)</b>    | <b>(30,445)</b>    |
|  |              | <hr/>              | <hr/>              |
| <b>Operating loss</b>                              |              | <b>(3,345,833)</b> | <b>(4,238,111)</b> |
| Interest payable and similar expenses              | 7            | <b>(585,364)</b>   | <b>(260,168)</b>   |
|  |              | <hr/>              | <hr/>              |
| <b>Loss on ordinary activities before taxation</b> |              | <b>(3,931,197)</b> | <b>(4,498,279)</b> |
| Tax on loss on ordinary activities                 | 8            | <b>(2,228)</b>     | <b>(1,065)</b>     |
|  |              | <hr/>              | <hr/>              |
| <b>Loss for the financial year</b>                 |              | <b>(3,933,425)</b> | <b>(4,499,344)</b> |
| <b>Other comprehensive income</b>                  |              |                    |                    |
| Currency translation differences                   |              | <b>158,541</b>     | <b>111,906</b>     |
|  |              | <hr/>              | <hr/>              |
| <b>Total comprehensive expense for the year</b>    |              | <b>(3,774,884)</b> | <b>(4,387,438)</b> |
|  |              | <hr/> <hr/>        | <hr/> <hr/>        |

All results derive from continuing operations.

The loss for the Company for the year was £3,280,290 (2019: £4,600,656).

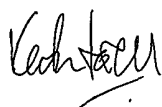
The notes on pages 15 to 26 form part of these consolidated financial statements.

**Consolidated Balance Sheet**  
at 31 December 2020

|  | <i>Notes</i> | <b>2020</b>         |                  | 2019                |                  |
|--|--------------|---------------------|------------------|---------------------|------------------|
|  |              | £                   | £                | £                   | £                |
| <b>Fixed assets</b>  |              |                     |                  |                     |                  |
| Tangible assets  | 9            |                     | 25,828           |                     | 21,788           |
|  |              |                     | <u>25,828</u>    |                     | <u>21,788</u>    |
| <b>Current assets</b>  |              |                     |                  |                     |                  |
| Debtors (including £194,015 (2019: £199,464) due after more than one year) | 11           | 1,335,192           |                  | 791,505             |                  |
| Cash at bank and in hand   |              | 2,783,702           |                  | 1,651,587           |                  |
|  |              | <u>4,118,894</u>    |                  | <u>2,443,092</u>    |                  |
| <b>Creditors: amounts falling due within one year</b>                      | 12           | <u>(1,161,933)</u>  |                  | <u>(524,479)</u>    |                  |
| <b>Net current assets</b>  |              | <u>2,956,961</u>    |                  | <u>1,918,613</u>    |                  |
| <b>Total assets less current liabilities</b>                               |              |                     | <u>2,982,789</u> |                     | <u>1,940,401</u> |
| <b>Creditors: amounts falling due after more than one year</b>             | 13           | <u>(9,570,414)</u>  |                  | <u>(4,780,621)</u>  |                  |
| <b>Net liabilities</b>   |              | <u>(6,587,625)</u>  |                  | <u>(2,840,220)</u>  |                  |
| <b>Capital and reserves</b>  |              |                     |                  |                     |                  |
| Called up share capital  | 15           | 79,815              |                  | 79,815              |                  |
| Share premium account  | 15           | 19,981,498          |                  | 19,981,498          |                  |
| Other reserves   |              | 157,124             |                  | 129,645             |                  |
| Profit and loss account  |              | <u>(26,806,062)</u> |                  | <u>(23,031,178)</u> |                  |
| <b>Shareholders' deficit</b>   |              | <u>(6,587,625)</u>  |                  | <u>(2,840,220)</u>  |                  |

The notes on pages 15 to 26 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 15<sup>th</sup> September 2021 and were signed on its behalf by:



**Keith Lovell**  
Director

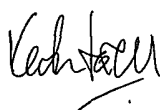
Company registered number: 07611221

**Company Balance Sheet**  
at 31 December 2020

|  | <i>Notes</i> | 2020               | 2019               |
|--|--------------|--------------------|--------------------|
|  |              | £                  | £                  |
| <b>Fixed assets</b>  |              |                    |                    |
| Tangible assets  | 9            | 12,876             | 11,234             |
| Investments  | 10           | 1                  | 1                  |
|  |              | <u>12,877</u>      | <u>11,235</u>      |
| <b>Current assets</b>  |              |                    |                    |
| Debtors (including £194,015 (2019: £198,484) due after more than one year) | 11           | 1,141,694          | 753,326            |
| Cash at bank and in hand   |              | 2,722,456          | 1,363,541          |
|  |              | <u>3,864,150</u>   | <u>2,116,867</u>   |
| <b>Creditors: amounts falling due within one year</b>                      | 12           | (570,812)          | (358,869)          |
| <b>Net current assets</b>  |              | <u>3,293,338</u>   | <u>1,757,998</u>   |
| <b>Total assets less current liabilities</b>                               |              | <u>3,306,215</u>   | <u>1,769,233</u>   |
| <b>Creditors: amounts falling due after more than one year</b>             | 13           | (9,570,414)        | (4,780,621)        |
|  |              | <u>(9,570,414)</u> | <u>(4,780,621)</u> |
| <b>Net liabilities</b>   |              | <u>(6,264,199)</u> | <u>(3,011,388)</u> |
| <b>Capital and reserves</b>  |              |                    |                    |
| Called up share capital  | 15           | 79,815             | 79,815             |
| Share premium account  | 15           | 19,981,498         | 19,981,498         |
| Other reserves   |              | 157,124            | 129,645            |
| Profit and loss account  |              | (26,482,636)       | (23,202,346)       |
| <b>Shareholders' deficit</b>   |              | <u>(6,264,199)</u> | <u>(3,011,388)</u> |

The notes on pages 15 to 26 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 15th September 2021 and were signed on its behalf by:



**Keith Lovell**  
Director

Company registered number: 07611221

## Consolidated Statement of Changes in Equity

|   | Called up<br>Share<br>Capital<br>£ | Share<br>Premium<br>account<br>£ | Other<br>reserves<br>£ | Profit and<br>loss account<br>£ | Shareholde<br>rs' deficit<br>£ |
|---|------------------------------------|----------------------------------|------------------------|---------------------------------|--------------------------------|
| Balance at 1 January 2019                         | 65,838                             | 19,981,498                       | 99,200                 | (18,643,740)                    | 1,502,796                      |
| <b>Total comprehensive income for the period</b>  |                                    |                                  |                        |                                 |                                |
| Loss for the financial year                       | -                                  | -                                | -                      | (4,499,344)                     | (4,499,344)                    |
| Currency translation differences                  | -                                  | -                                | -                      | 111,906                         | 111,906                        |
| Share issue                                       | 13,977                             | -                                | -                      | -                               | 13,977                         |
| Share based payment charge                        | -                                  | -                                | 30,445                 | -                               | 30,445                         |
| Balance at 31 December 2019 and<br>1 January 2020 | <b>79,815</b>                      | <b>19,981,498</b>                | <b>129,645</b>         | <b>(23,031,178)</b>             | <b>(2,840,220)</b>             |
| <b>Total comprehensive income for the period</b>  |                                    |                                  |                        |                                 |                                |
| Loss for the financial year                       | -                                  | -                                | -                      | (3,393,425)                     | (3,393,425)                    |
| Currency translation differences                  | -                                  | -                                | -                      | 158,541                         | 158,541                        |
| Share issue                                       | -                                  | -                                | -                      | -                               | -                              |
| Share based payment charge                        | -                                  | -                                | 27,479                 | -                               | 27,479                         |
| Balance at 31 December 2020                       | <b>79,815</b>                      | <b>19,981,498</b>                | <b>157,124</b>         | <b>(26,806,062)</b>             | <b>(6,587,625)</b>             |

## Company Statement of Changes in Equity

|   | Called up<br>Share<br>Capital | Share<br>Premium<br>account | Other<br>reserves | Profit and<br>loss account | Shareholde<br>rs' deficit |
|---|-------------------------------|-----------------------------|-------------------|----------------------------|---------------------------|
|   | £                             | £                           | £                 | £                          | £                         |
| Balance at 1 January 2019                         | 65,838                        | 19,981,498                  | 99,200            | (18,601,690)               | 1,544,846                 |
| <hr/>   |                               |                             |                   |                            |                           |
| <b>Total comprehensive income for the period</b>  |                               |                             |                   |                            |                           |
| Loss for the financial year                       | -                             | -                           | -                 | (4,600,656)                | (4,600,656)               |
| Share issue                                       | 13,977                        | -                           | -                 | -                          | 13,977                    |
| Share based payment charge                        | -                             | -                           | 30,445            | -                          | 30,445                    |
|   | <hr/>                         | <hr/>                       | <hr/>             | <hr/>                      | <hr/>                     |
| Balance at 31 December 2019 and<br>1 January 2020 | <b>79,815</b>                 | <b>19,981,498</b>           | <b>129,645</b>    | <b>(22,202,346)</b>        | <b>(3,011,388)</b>        |
| <hr/>   |                               |                             |                   |                            |                           |
| <b>Total comprehensive income for the period</b>  |                               |                             |                   |                            |                           |
| Loss for the financial year                       | -                             | -                           | -                 | (3,280,290)                | (3,280,290)               |
| Share issue                                       | -                             | -                           | -                 | -                          | -                         |
| Share based payment charge                        | -                             | -                           | 27,479            | -                          | 27,479                    |
|   | <hr/>                         | <hr/>                       | <hr/>             | <hr/>                      | <hr/>                     |
| <b>Balance at 31 December 2020</b>                | <b>79,815</b>                 | <b>19,981,498</b>           | <b>157,124</b>    | <b>(26,482,636)</b>        | <b>(6,264,199)</b>        |
|   | <hr/> <hr/>                   | <hr/> <hr/>                 | <hr/> <hr/>       | <hr/> <hr/>                | <hr/> <hr/>               |

## **Notes**

*(forming part of the consolidated financial statements)*

### **1 General Information**

Antidote Technologies Ltd (the “Company”) together with its subsidiary (the “Group”) provides a search and referral engine for clinical trials, dedicated to making clinical trials easy to find, understand and access. Antidote Technologies Ltd is a private company, limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 07611221 and the registered address is 39 Earlham Street, London, WC2H 9LT.

### **2 Accounting policies**

These Group and parent company consolidated financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) Section 1A Small Entities as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these consolidated financial statements is sterling. All amounts in the consolidated financial statements have been rounded to the nearest pound.

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

#### **2.1 Measurement convention**

The consolidated financial statements are prepared on the historical cost basis and in accordance with the Companies Act 2006 and applicable accounting standards.

#### **2.2 Going concern**

Despite the ongoing Covid-19 pandemic, the group has seen a significant increase in revenue in the first six months of trading in 2021. The Paycheck Protection Program (PPP) loan received in 2020 was forgiven in January 2021 and in June 2021 the Group completed a US\$23.2m funding round, converting all CLN notes and interest into equity and raising a further US\$10m in cash. The directors have reviewed the financial forecasts of the Group and in the light of the above and consider it appropriate to prepare the accounts on a going concern basis.

#### **2.3 Basis of consolidation**

The Group consolidated financial statements contain the financial statements of the company and all its subsidiary undertakings as at 31 December 2020. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### **2.4 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts, rebates and value added taxes. The Group recognises revenue when a) the amount can be reliably measured; (b) it is probable that the economic benefits associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

## **Notes (continued)**

### **2.5 Foreign currency**

Transactions in foreign currencies are translated to the Group and Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

### **2.6 Financial instruments**

#### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

#### *Convertible loan notes*

Convertible loan notes (CLNs) are stated at fair value. Any foreign exchange differences arising on translation are recognised in the profit and loss account. Any interest accrued in the current year is included in the interest payable line item in the consolidated statement of comprehensive income. When triggered the conversion and redemption features of the CLNS are measured at fair value.

### **2.7 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- plant and equipment - 3 years
- fixtures and fittings - 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

### **2.8 Intangible assets**

#### *Research and development*

Expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred. There was no research and development of new products and services in the current year.

## **Notes (continued)**

### **2.9 Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement under the terms of FRS 102 Section 1A Small Entities.

### **2.10 Employee benefits**

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### **Group Plans**

##### *Share-based payment transactions*

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

### **2.11 Taxation**

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes (continued)**

**3 Turnover**

|                       | 2020<br>£        | 2019<br>£        |
|-----------------------|------------------|------------------|
| Rendering of services | 2,981,146        | 1,858,291        |
|                       | <hr/>            | <hr/>            |
| <b>Total turnover</b> | <b>2,981,146</b> | <b>1,858,291</b> |
|                       | <hr/> <hr/>      | <hr/> <hr/>      |

**4 Expenses and auditor's remuneration**

*Included in the operating loss are the following:*

|  | 2020<br>£ | 2019<br>£ |
|--|-----------|-----------|
| <b>Auditors remuneration:</b>  |           |           |
| Audit of these consolidated financial statements                                     | 29,018    | 26,962    |
|  | <hr/>     | <hr/>     |
| <b>Amounts receivable by the company's auditor and its associates in respect of:</b> |           |           |
| Taxation compliance services   | 7,862     | 5,875     |
|  | <hr/>     | <hr/>     |

**Notes (continued)**

**5 Staff numbers and costs**

*Average monthly number of persons employed by the Group during the year:*

|   | 2020 | 2019 |
|---|------|------|
| Employees including executive directors | 37   | 36   |

The aggregate payroll costs of these persons were as follows:

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Wages and salaries                          | 3,128,747        | 2,828,580        |
| Social security costs                       | 312,923          | 279,666          |
| Contributions to defined contribution plans | 72,848           | 44,256           |
|   | <b>3,514,518</b> | <b>3,152,502</b> |
|   | <b>3,514,518</b> | <b>3,152,502</b> |

**6 Directors remuneration**

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Directors' remuneration   | 508,346        | 518,126        |
| Contributions to defined contribution plans                     | 9,428          | 6,750          |
| Amounts paid to third parties in respect of directors' services | 40,000         | 40,000         |
|   | <b>557,774</b> | <b>564,876</b> |
|   | <b>557,774</b> | <b>564,876</b> |

The remuneration of the highest paid director was £284,539 (2019: £263,277).

**7 Interest payable and similar charges**

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Bank interest paid                                      | -              | -              |
| Interest payable on financial liabilities (see note 13) | 585,364        | 260,168        |
|   | <b>585,364</b> | <b>260,168</b> |
|   | <b>585,364</b> | <b>260,168</b> |

**Notes (continued)**

**8 Taxation**

|                                      | 2020<br>£ | 2019<br>£ |
|--------------------------------------|-----------|-----------|
| Current tax on income for the period | 2,228     | 1,065     |
|                                      | 2,228     | 1,065     |
|                                      | 2,228     | 1,065     |

**Reconciliation of effective tax rate**

|   | 2020<br>£   | 2019<br>£   |
|---|-------------|-------------|
| Loss on ordinary activities before tax  | (3,931,197) | (4,498,279) |
|   | (3,931,197) | (4,498,279) |
| Tax on loss on ordinary activities at standard CT rate of 19.00% (PY: 19.00%) | (746,927)   | (854,674)   |
| Expenses not deductible for tax purposes                                      | 213,325     | 68,687      |
| Other permanent differences   | -           | 77          |
| Foreign tax - other   | 2,228       | 1,065       |
| Deferred tax not recognised   | 533,602     | 785,910     |
|   | 2,228       | 1,065       |
| Tax credit for the period   | 2,228       | 1,065       |

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013 with a further reduction to 19% (effective from 1 April 2017). The deferred tax asset/(liability) at 31 December 2020 has been calculated on these rates.

The Group has accumulated tax losses available for offset against future profits of £18.4m (2019: £16.3m). A deferred tax asset has not been recognised in respect of these losses as there is uncertainty regarding the timing of when these losses will be recovered.

**Notes (continued)**

**9 Tangible fixed assets - Group**

|   | <b>Plant and<br/>Equipment<br/>£</b> | <b>Fixtures &amp;<br/>fittings<br/>£</b> | <b>Total<br/>£</b> |
|---|--------------------------------------|--|--------------------|
| <b>Cost</b>                             |                                      |  |                    |
| Balance at 1 January 2020               | 98,834                               | 62,965                                   | 161,799            |
| Additions                               | 22,385                               | -  | 22,385             |
| Disposals                               | (5,849)                              | -  | (5,849)            |
| Effect of movements in foreign exchange | (1,575)                              | (48)                                     | (1,623)            |
|   | <hr/>                                | <hr/>                                    | <hr/>              |
| Balance at 31 December 2020             | 113,795                              | 62,917                                   | 176,712            |
|   | <hr/>                                | <hr/>                                    | <hr/>              |
| <b>Depreciation and impairment</b>      |                                      |  |                    |
| Balance at 1 January 2020               | 77,934                               | 62,077                                   | 140,011            |
| Depreciation charge for the year        | 16,026                               | 451                                      | 16,477             |
| Disposals                               | (3,905)                              | -  | (3,905)            |
| Effect of movements in foreign exchange | (1,651)                              | (48)                                     | (1,699)            |
|   | <hr/>                                | <hr/>                                    | <hr/>              |
| Balance at 31 December 2020             | 88,404                               | 62,480                                   | 150,884            |
|   | <hr/>                                | <hr/>                                    | <hr/>              |
| <b>Net book value</b>                   |                                      |  |                    |
| At 1 January 2020                       | 20,900                               | 888                                      | 21,788             |
|   | <hr/>                                | <hr/>                                    | <hr/>              |
| At 31 December 2020                     | 25,391                               | 437                                      | 25,828             |
|   | <hr/>                                | <hr/>                                    | <hr/>              |

**Tangible fixed assets - Company**

|                                    | <b>Plant and<br/>Equipment<br/>£</b> | <b>Fixtures &amp;<br/>fittings<br/>£</b> | <b>Total<br/>£</b> |
|------------------------------------|--------------------------------------|--|--------------------|
| <b>Cost</b>                        |                                      |  |                    |
| Balance at 1 January 2020          | 54,042                               | 61,327                                   | 115,370            |
| Additions                          | 11,424                               | -  | 11,424             |
| Disposals                          | (1,335)                              | -  | (1,335)            |
|                                    | <hr/>                                | <hr/>                                    | <hr/>              |
| Balance at 31 December 2020        | 64,131                               | 61,328                                   | 125,459            |
|                                    | <hr/>                                | <hr/>                                    | <hr/>              |
| <b>Depreciation and impairment</b> |                                      |  |                    |
| Balance at 1 January 2020          | 43,696                               | 60,440                                   | 104,136            |
| Depreciation charge for the year   | 9,073                                | 451                                      | 9,524              |
| Disposals                          | (1,076)                              | -  | (1,076)            |
|                                    | <hr/>                                | <hr/>                                    | <hr/>              |
| Balance at 31 December 2020        | 51,693                               | 60,891                                   | 112,584            |
|                                    | <hr/>                                | <hr/>                                    | <hr/>              |
| <b>Net book value</b>              |                                      |  |                    |
| At 1 January 2020                  | 10,346                               | 887                                      | 11,233             |
|                                    | <hr/>                                | <hr/>                                    | <hr/>              |
| At 31 December 2020                | 12,438                               | 437                                      | 12,876             |
|                                    | <hr/>                                | <hr/>                                    | <hr/>              |

**Notes (continued)**

**10 Fixed asset investments - Company**

|                      | <b>Shares in group<br/>undertakings<br/>£</b> |
|----------------------|---|
| At beginning of year | 1   |
| At end of year       | 1   |

The undertakings in which the Company's interest at the year-end is more than 20% are as follows.

| <i>Subsidiary name</i>    | <b>Country of<br/>Incorporation</b> | <b>Principal<br/>Activity</b> | <b>Class of shares<br/>held</b> | <b>Percentage<br/>of<br/>shares held</b> |
|---------------------------|-------------------------------------|-------------------------------|---------------------------------|--|
| Antidote Technologies Inc | USA                                 | Support Services              | Ordinary                        | 100%                                     |

Registered address of Antidote Technologies Inc; C/O NRAI Inc, 160 Greentree DR STE 101, Dover, DE 19904, USA. Loss for the year was £1,126,440 (2019: £1,232,000). Net liabilities at the year-end were £3,910,079 (2019: £2,895,544).

**11 Debtors**

|                                | <b>Group<br/>2020<br/>£</b> | <b>2019<br/>£</b> | <b>Company<br/>2020<br/>£</b> | <b>2019<br/>£</b> |
|--------------------------------|-----------------------------|-------------------|-------------------------------|-------------------|
| Trade debtors                  | 1,055,300                   | 430,847           | 872,334                       | 430,847           |
| Other debtors                  | 162,787                     | 184,200           | 162,661                       | 161,737           |
| Corporation tax recoverable    | 33,238                      | 37,707            | 33,238                        | 37,707            |
| Prepayments and accrued income | 83,867                      | 138,751           | 73,461                        | 123,035           |
|                                | <b>1,335,192</b>            | <b>791,505</b>    | <b>1,141,694</b>              | <b>753,326</b>    |
| Due within one year            | 1,141,177                   | 592,041           | 947,679                       | 554,842           |
| Due after more than one year   | 194,015                     | 199,464           | 194,015                       | 198,484           |
|                                | <b>1,335,192</b>            | <b>791,505</b>    | <b>1,141,694</b>              | <b>753,326</b>    |

**12 Creditors: amounts falling due within one year**

|                              | <b>Group</b><br><b>2020</b><br>£ | 2019<br>£      | <b>Company</b><br><b>2020</b><br>£ | 2019<br>£      |
|------------------------------|----------------------------------|----------------|------------------------------------|----------------|
| Trade creditors              | 109,715                          | 100,036        | 97,456                             | 87,546         |
| Taxation and social security | 50,840                           | 46,796         | 41,352                             | 34,038         |
| Other creditors              | 421,362                          | 10             | 169,012                            | 10             |
| Accruals and deferred income | 580,016                          | 377,637        | 262,992                            | 237,275        |
|                              | <u>1,161,933</u>                 | <u>524,479</u> | <u>570,812</u>                     | <u>358,869</u> |

During the year Antidote Technologies Inc received US \$344,806 under the Paycheck Protection Program (PPP) loan programme. The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act in the USA. This amount is included in other creditors above. The loan attracts interest at 1%. The loan was forgiven in full in January 2021 (refer note 19)

**13 Creditors: amounts falling after more than one year**

|                              | <b>Group</b><br><b>2020</b><br>£ | 2019<br>£        | <b>Company</b><br><b>2020</b><br>£ | 2019<br>£        |
|------------------------------|----------------------------------|------------------|------------------------------------|------------------|
| Other creditors              | 8,782,300                        | 4,525,092        | 8,782,300                          | 4,525,092        |
| Accruals and deferred income | 788,084                          | 255,529          | 788,084                            | 255,529          |
|                              | <u>9,570,414</u>                 | <u>4,780,621</u> | <u>9,570,414</u>                   | <u>4,780,621</u> |

During the year, the Company issued US \$6M of convertible loan notes (CLN), in consideration for the same value. This is in addition to the US \$6m raised in the previous year. The conversion of such notes is determined based upon a fund raising, a change of control or an exit event. The CLNs earn an interest rate of 8% per annum, non-compounding repayable on redemption or conversion. The company has recognised a liability for interest accrued during the financial year. The CLNs and all accrued interest were converted to equity in the funding round completed in June 2021 (refer note 19).

## Notes (continued)

### 14 Employee benefits

#### Defined contribution pension plans

The Group operates a number of defined contribution pension plans for its employees.

The total expense relating to the plans in the current year was £46,068 (2019: £44,256)

#### Other long-term benefits

##### Share options scheme

The Company has established an Enterprise Management Incentive Scheme (“EMI”) and an Unapproved Share Option Scheme (“Unapproved”). Generally, options vest over a four-year period, with a one year cliff, and expire on the tenth anniversary from date of grant. Options granted become exercisable on vesting subject to the employee remaining in employment of the group.

| The number and weighted average exercise prices of share options are as follows: | Weighted               | Number     | Weighted               | Number     |
|--|------------------------|------------|------------------------|------------|
|  | average exercise price | of options | average exercise price | of options |
|  | 2020                   | 2020       | 2019                   | 2019       |
| Outstanding at the beginning of the year   | £0.20529               | 3,219,709  | £0.12193               | 5,864,948  |
| Forfeited during the year  | -                      | -          | -                      | -          |
| Exercised during the year  | -                      | -          | £0.10000               | 1,397,708  |
| Granted during the year  | £0.10000               | 282,000    | £0.10000               | 345,856    |
| Expired during the year  | £0.10402               | 242,729    | £0.04582               | 1,593,387  |
|  |                        |            |                        |            |
| Outstanding at the end of the year   | £0.20373               | 3,258,980  | £0.20529               | 3,219,709  |
|  |                        |            |                        |            |
| Exercisable at the end of the year   | £0.20793               | 2,492,656  | £0.20787               | 2,128,975  |

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options granted was arrived at by taking into account the price of shares in recent investment rounds together with historic and future expected volatility using a Black-Scholes pricing model.

The total expenses for the year arising from share-based payments are as follows:

|                                   | 2020   | 2019   |
|-----------------------------------|--------|--------|
|                                   | £      | £      |
| Total share based payment expense | 27,479 | 30,445 |

**Notes (continued)**

**15 Capital and reserves**

**Share capital**

|  | 2020          | 2019          |
|--|---------------|---------------|
|  | £             | £             |
| <i>Allotted, called up and fully paid:</i> |               |               |
| 7,429,516 ordinary shares of £0.01 each    | 74,295        | 74,295        |
| 2,242,847 "A" shares of £0.001 each        | 2,242         | 2,242         |
| 5,006,007 "B" shares of £0.0001 each       | 501           | 501           |
| 9,450,010 "C" shares of £0.0001 each       | 945           | 945           |
| 17,737,998 "D1" shares of £0.0001 each     | 1,774         | 1,774         |
| 577,018 "D2" shares of £0.0001 each        | 58            | 58            |
|  | <b>79,815</b> | <b>79,815</b> |
|  | <b>79,815</b> | <b>79,815</b> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares rank pari passu in all respects.

**Share premium**

|                                      | 2020              | 2019              |
|--------------------------------------|-------------------|-------------------|
|                                      | £                 | £                 |
| Balance brought forward              | 19,981,498        | 19,981,498        |
| Premium on shares issued in the year | -                 | -                 |
|                                      | <b>19,981,498</b> | <b>19,981,498</b> |
|                                      | <b>19,981,498</b> | <b>19,981,498</b> |

**16 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

|                            | Group<br>2020  | 2019           | Company<br>2020 | 2019           |
|----------------------------|----------------|----------------|-----------------|----------------|
|                            | £              | £              | £               | £              |
| Less than one year         | 126,182        | 185,006        | 126,182         | 116,934        |
| Between one and five years | 507,634        | 675,773        | 507,634         | 675,773        |
| More than five years       | -              | -              | -               | -              |
|                            | <b>633,816</b> | <b>860,779</b> | <b>633,186</b>  | <b>792,707</b> |
|                            | <b>633,816</b> | <b>860,779</b> | <b>633,186</b>  | <b>792,707</b> |

During the year £295,632 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £356,730).

The Group had no other off-balance sheet commitments.

**Notes** *(continued)*

**17 Related parties**

*Identity of related parties with which the Group has transacted*

The following transactions took place between the group and related parties during the financial year:

Credit loan notes amounting to US \$4M were issued to related parties, and the equivalent funds were received by the company.

Director fees paid to related parties in the year amounted to £40,000 (2019: £40,000)

*Transactions with key management personnel*

Total compensation of key management personnel in the year amounted to £517,774 (2019: £524,866).

**18 Ultimate parent company and parent company of larger group**

No other group financial statements include the results of the Company.

The Directors believe there is no overall controlling party.

**19 Subsequent events**

In January 2021, having met the necessary criteria, Antidote Inc was granted full forgiveness of the PPP loan (refer note 12).

In June 2021 the Company completed a funding round for \$23.2m with new and existing investors taking part. All CLN's including accrued interest were converted into equity and a further US \$10M was raised.