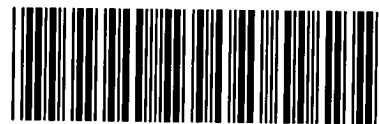


Company registered number: 04512301

**Oxitec Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2018**

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Oxitec Limited

## Company Information

Registered no: 04512301

### Directors

Grey Frandsen  
Ricky Sterling  
Christian Ulrich  
Mark Carnegie Brown (resigned 8 January 2018)

### Independent Auditors

PricewaterhouseCoopers LLP  
3 Forbury Place  
23 Forbury Road  
Reading  
RG1 3JH

### Bankers

Santander Corporate and Commercial Banking  
Santander UK plc  
1<sup>st</sup> Floor, 121, St Aldates  
Oxford  
OX1 1HB

### Registered Office

71 Innovation Drive  
Milton Park  
Abingdon  
OX14 4RQ

**Annual report and financial statements for the year ended 31  
December 2018**

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Oxitec Limited

## Strategic report for the year ended 31 December 2018

### Review of the business

The directors present their strategic report for the year ended 31 December 2018.

The company's principal activity during the year continued to be to develop safe, highly-effective biologically-engineered solutions to control disease-transmitting and crop-destroying insects globally.

The key financial and other performance indicators during the year were as follows

	2018 £'000	2017 £'000
Turnover	973	1,256
Operating loss	(31,707)	(8,634)
Total assets less current liabilities	1,913	26,830

During the year, the company issued 48,896 additional shares in exchange for £5,750,789 (2017: 176,288 shares for £21,719,897). This was used during the year for working capital in the development of our commercial service offering.

During the year, the company focused its efforts on the development and commercial launch of proprietary products; the commercialization of which are the key measures of success for Oxitec Ltd. Activities undertaken in 2018 have led to the achievement of a number of major achievements and announcements referred to below.

In 2018, the company made strong investments in advancing its 2<sup>nd</sup> generation mosquito technology and secured new partnerships for the development of new insect strains intended to address new insect control and crop protection market segments. The company expanded its efforts in the crop production arena, wherein it furthered its partnership with a leading agricultural company and initiated work on a new insect technology. The company focused its efforts geographically on Brazil and on regulatory efforts in the USA. Staff numbers in the UK were reduced to reflect the company's focus areas.

Income for 2018 comprises a number of on-going grants, a new partnership with a grant from the Bill and Melinda Gates Foundation and the continuance of development of a major crop pest solution, being developed in collaboration with an external third party. Grant funds are fully utilised in support of the relevant project areas whether crop pest or mosquito control.

During the year the company's turnover fell due to the completion of a funded collaboration project at the end of Q3. In February 2019 this project was extended. The operating loss has increased year on year following the impairment of the investment and intercompany balances.

The directors reviewed the carrying value of the investment in Oxitec do Brasil Tecnologia de Insetos Ltda and also the recoverability of the intercompany loans owed By Brazil and have fully impaired both. This was required due to a change in the Company's business strategy for commercializing the Oxitec Limited developed technology targeting *Aedes Aegypti* mosquito; resulting in a lack of projected cash flows to support the carrying value of the investment and recoverability of the loans.

Oxitec Limited

## Strategic report (continued)

### Principal Risks and Uncertainties

The principal risks and uncertainties facing the group are broadly grouped as follows:

#### *Legislative Risks*

We believe the principal risks to the Company are regulatory in that we are unable to provide a commercial service unless we have regulatory approval to release our insects.

#### *Business Continuity*

Our UK facilities are located in two premises presently in Oxfordshire, which are meeting both our R&D and manufacturing requirements. If any of those buildings were severely damaged or destroyed, it would cause short to medium term interruption, but our insect strains are kept in more than one building and in more than one country to ensure we could raise the breeding colonies of the affected insects elsewhere. The insect breeding equipment is either developed and manufactured in-house or is widely available scientific equipment. We maintain comprehensive insurance policies to assist in the event of a significant interruption to our business.

#### *Exposure to credit, liquidity and cashflow risks*

We do not depend solely on specific suppliers for certain materials for our insect development and rearing processes, but try to select those partners who are able to supply the appropriate quality goods and services at the right price in the markets in which we operate. We seek to settle supplier invoices on the terms agreed with them.

As the Company develops its product pipeline, there is presently relatively low risk from non-payment of debts. Income is sourced from a number of government and EU supported grant schemes and its collaboration income derives from a large publicly traded corporation, which the Company regards as low risk.

The Company has incurred significant losses since its inception and does not yet have any sales-generating products. The Company expects to incur losses for the foreseeable future, as its products complete the development phase and will likely require additional cash injection. During 2018, the Company obtained additional working capital investment to fund on-going operations. There is a risk the Company may not be able to obtain additional funds that will be needed to support its internally funded product development programmes and commercialisation efforts.

#### *Brexit*

Following the decision by the UK population to exit, in due course, from the European Union ("Brexit"), the Directors have continued to keep under consideration the expected impact of Brexit on the company. The company receives only a small proportion of its grant income from within the EU and purchases a small percentage of its supplies from within the EU, thus the company does not consider it a material risk to the company. The company is continuing to monitor the potential impact of Brexit to the current and future employees.

Oxitec Limited

## Strategic report (continued)

### Future Developments

It is the aim of the Company to focus investment on bringing the 2<sup>nd</sup> generation mosquito product to market through an innovative release method. The medium scale mosquito rearing facility in the UK will support global pilots with capacity expanding as global approvals are achieved. In addition to fulfilling contracts in the Americas, this investment will enable the Company to develop the expertise needed to expand the scale of production more rapidly in the future. Work is also underway to increase scale of production of the first agricultural pest product candidate.

Oxitec continues to develop and enhance its existing technologies so as to bring its pipeline of products to market both in areas of human health and crop production.

New patents continue to be registered and we continue to develop new IP in production processes, equipment, delivery and monitoring in both the mosquito and agricultural spaces.

### Post balance sheet events

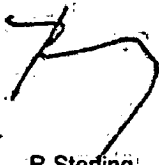
In January 2019 Oxitec entered into an extension to the development of a major crop pest solution being developed in collaboration with an external third party which resulted in an upfront payment of \$3,300,000 (£2,505,360).

On 26 September 2019, the company received additional funding by way of issuing a further 3,148 shares to Intrexon Corporation for the sum of £379,600.

In Q4 2019 Oxitec Limited took a decision to close all of its overseas subsidiaries except Oxitec do Brasil Tecnologia de Insetos Ltda.

On 2 January 2020 Intrexon Corporation (the ultimate parent Company) announced that it had signed a definitive agreement to sell certain of its assets including all Oxitec companies to Third Security LLC, a venture capital firm. The transaction is expected to close on 31 January 2020 unless Intrexon Corporation receives a higher bid from an alternative purchaser before this date.

Approved by the board and signed on its behalf by:



R Sterling  
Director

14 January 2020

Oxitec Limited

## **Directors' report for the year ended 31 December 2018**

The Directors present their annual report and the audited financial statements of the company for the year ended 31 December 2018.

The following information is not shown in the Directors' Report because it is shown in the Strategic Report on page 3 instead under s414c(11)

- Future Developments
- Post Balance Sheet events

### **Results and dividends**

The loss for the year ended 31 December 2018 amounted to £31,207,000 (2017: £8,379,000). The directors have not recommended a dividend (2017 – Nil).

### **Directors**

The Directors, who held office during the year and up to the date of signing the financial statements, unless otherwise stated, are as follows:

Grey Frandsen  
 Ricky Sterling  
 Christian Ulrich  
 Mark Carnegie Brown (resigned 8 January 2018)

### **Going concern**

The financial information in these financial statements has been prepared assuming the company will continue on a going concern basis. As at 31 December 2019, the Company had £771,891 in cash which together with contracted grant and collaboration funding is estimated to be sufficient to fund the Company's planned operations until approximately 31 August 2020 which is less than 12 months from the date the financial statements are issued, and accordingly, the Company requires additional funding from its Parent Company, Intrexon Corporation ('Intrexon'). However as stated in Intrexon's financial statements it has incurred operating losses since its inception and management expects operating losses and negative cash flows to continue for the foreseeable future and, as a result, Intrexon will require additional capital to fund its operations and execute its business plan. As of 30 September 2019, Intrexon had insufficient cash, cash equivalents and short-term investments to fund their planned operations through one year after that date and accordingly, and in conjunction with the circumstances described further below, this gives rise to significant doubt about the Company's ability to continue as a going concern.

Should the parent company be unable to provide the required funding and the Company is not able to secure additional funding, the Company may have to engage in any or all of the following activities: (i) restrict the internally funded programmes which the Company invests in; (ii) reduce operating expenditures for third-party contractors, including consultants, professional advisors, and other vendors; and (iii) reduce or delay capital expenditures, including non-essential facility expansions, lab equipment, and information technology projects. These actions may have a temporary adverse impact on the Company's ability to achieve certain of its planned objectives but would enable the company to continue funding its operations beyond 31 December 2020.

As noted in the post balance sheet events note above it is expected that on the 31 January 2020 the company will be sold to Third Security LLC who are anticipated to provide adequate future funding should the transaction go ahead. There is nevertheless no certainty over the buyer's plans or ability to continue to support the operations of the entity.

These circumstances represent a material uncertainty which may cast and raise significant doubt on the Company's ability to continue as a going concern. These financial statements do not contain any adjustments that might result if the company was unable to continue as a going concern.

Oxitec Limited

## Directors' report for the year ended 31 December 2018 (continued)

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

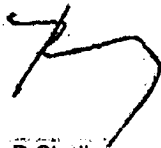
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R Sterling  
Director

14 January 2020



Oxitec Limited

# ***Independent auditors' report to the members of Oxitec Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Oxitec Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company requires additional funding to be raised within the next 12 months in order to continue their operations which has not yet been approved. Further, it is expected that on 31 January 2020 the company will be sold to a third party, and there is currently no certainty that the buyer will intend to operate the business as a going concern or have the financing or liquidity to do so. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## Oxitec Limited

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Fiona Hornsby (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
14 January 2020

Oxitec Limited

**Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Note	31 December 2018 £'000	31 December 2017 £'000
Revenue	3	973	1,256
Cost of Sales		(876)	(834)
Gross profit		97	422
Research and development expenses		(5,823)	(5,329)
Impairment of investments, intangibles and intercompany receivables	4	(25,840)	(974)
Administrative expenses		(1,508)	(3,186)
Other operating income	3	1,367	413
Operating loss	5	(31,707)	(8,834)
Interest receivable and similar income	18	500	255
Loss before taxation		(31,207)	(8,379)
Tax on loss	19		
<b>Loss for the financial year</b>		<b>(31,207)</b>	<b>(8,379)</b>

The company has no other comprehensive income or losses for the year other than the results above and therefore no separate statement of comprehensive income has been presented.

Oxitec Limited

**Balance Sheet as at 31 December 2018**

	Note	31 December 2018 £'000	31 December 2017 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	11		893
Property, plant and equipment	12	2,235	1,998
Investments	13		1,632
		<u>2,235</u>	<u>4,523</u>
<b>Current assets</b>			
Trade and other receivables*	14	914	19,419
Cash and cash equivalents		<u>2,657</u>	<u>5,134</u>
		<u>3,571</u>	<u>24,553</u>
<b>Current liabilities</b>			
Trade and other payables	15	(3,893)	(2,246)
<b>Total assets less current liabilities</b>		<u>1,913</u>	<u>26,830</u>
<b>Equity and liabilities</b>			
Called up share capital	16	13	13
Share premium account		71,117	65,366
Capital redemption reserve		3,290	2,751
Accumulated Losses		(72,507)	(41,300)
<b>Total equity and liabilities</b>		<u>1,913</u>	<u>26,830</u>

\*(including £Nil (2017: £18,258,000 due after one year))

The financial statements on pages 8 - 30 were approved by the board of directors on 14 January 2020, and were signed on its behalf by:



R Sterling  
Director

Company registered number: 04512301

Oxitec Limited

**Statement of changes in equity for the year ended 31 December 2018**

	<b>Called up share capital £'000</b>	<b>Share premium £'000</b>	<b>Capital contribution £'000</b>	<b>Accumulated losses £'000</b>	<b>Total equity £'000</b>
At 1 January 2018	13	65,366	2,751	(41,300)	26,830
Equity issue	-	5,751	-	-	5,751
Share based payment charge	-	-	539	-	539
Loss for the financial year	-	-	-	(31,207)	(31,207)
<b>At 31 December 2018</b>	<b>13</b>	<b>71,117</b>	<b>3,290</b>	<b>(72,507)</b>	<b>1,913</b>

	<b>Called up share capital £'000</b>	<b>Share premium £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Accumulated losses £'000</b>	<b>Total equity £'000</b>
At 1 January 2017	11	43,646	1,913	(32,921)	12,649
Equity issue	2	21,720	-	-	21,722
Share based payment charge	-	-	838	-	838
Loss for the financial year	-	-	-	(8,379)	(8,379)
<b>At 31 December 2017</b>	<b>13</b>	<b>65,366</b>	<b>2,751</b>	<b>(41,300)</b>	<b>26,830</b>

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018

### 1. Accounting policies

#### *General information*

Oxitec Limited works in the field of research & development. The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is 71 Innovation Drive, Milton Park, Abingdon OX14 4RQ.

#### *Statement of compliance*

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and are presented as required by the Companies Act 2006.

#### *Basis of preparation*

The financial statements are prepared on a going concern basis, under the historical cost convention.

The principal accounting policies are summarized below. They have all been applied consistently throughout the current year and prior year, unless otherwise stated.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemptions (FRS 102 para 1.12). The company is a wholly owned subsidiary company of Intrexon Corporation and is included in the financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the following available exemptions.

- FRS 102 section 7 para 3.17(d) "Statement of cash flows" from not presenting a cash flow statement.
- FRS 102 para 4.12(a) from not preparing a reconciliation of the number of shares outstanding at the beginning and end of the period
- FRS 102 paras 11.39 – 11.48A, 12.26 – 12.29 from not disclosing certain financial instrument disclosures unless required by the Companies Act 2006.
- FRS 102 paras 26.18(b), 26.19-26.21, 26.23 from not disclosing certain share based payment disclosures because the company's share based payments concern the equity instruments of another group entity namely Intrexon Corporation and are consolidated into and disclosed in that Company's publicly available financial statements.
- FRS 102 para 33.7 the non-disclosure of key management personnel compensation in total.
- FRS 102 para 33.1A the non-disclosure of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The above exemptions have been notified to the company's shareholders who have not objected to the use of these exemptions.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Accounting Policies (continued)

#### *Consolidated financial statements*

The Company is a wholly owned subsidiary of Intrexon UK Insect Holdings Limited and of its ultimate parent Intrexon Corporation. It is included in the consolidated financial statements of Intrexon Corporation which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

#### *Going concern*

The financial information in these financial statements has been prepared assuming the company will continue on a going concern basis. As at 31 December 2019, the Company had £771,891 in cash which together with contracted grant and collaboration funding is estimated to be sufficient to fund the Company's planned operations until approximately 31 August 2020 which is less than 12 months from the date the financial statements are issued, and accordingly, the Company requires additional funding from its Parent Company, Intrexon Corporation ('Intrexon'). However as stated in Intrexon's financial statements it has incurred operating losses since its inception and management expects operating losses and negative cash flows to continue for the foreseeable future and, as a result, Intrexon will require additional capital to fund its operations and execute its business plan. As of 30 September 2019, Intrexon had insufficient cash, cash equivalents and short-term investments to fund their planned operations through one year after that date and accordingly, and in conjunction with the circumstances described further below, this gives rise to significant doubt about the Company's ability to continue as a going concern.

Should the parent company be unable to provide the required funding and the Company is not able to secure additional funding, the Company may have to engage in any or all of the following activities: (i) restrict the internally funded programmes which the Company invests in; (ii) reduce operating expenditures for third-party contractors, including consultants, professional advisors, and other vendors; and (iii) reduce or delay capital expenditures, including non-essential facility expansions, lab equipment, and information technology projects. These actions may have a temporary adverse impact on the Company's ability to achieve certain of its planned objectives but would enable the company to continue funding its operations beyond 31 December 2020.

As noted in the post balance sheet events note above it is expected that on the 31 January 2020 the company will be sold to Third Security LLC who are anticipated to provide adequate future funding should the transaction go ahead. There is nevertheless no certainty over the buyer's plans or ability to continue to support the operations of the entity.

These circumstances represent a material uncertainty which may cast and raise significant doubt on the Company's ability to continue as a going concern. These financial statements do not contain any adjustments that might result if the company was unable to continue as a going concern.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Accounting policies (continued)

#### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable of services rendered less value added taxes.

The Company generates revenue from funded research and development programs. Amounts receivable in respect of milestone payments are recognised as revenue when the specific conditions stipulated in the agreement have been met. Payments linked to "success" such as regulatory filing or approval, achievement of specified sales volumes or other milestones, are recognized in full when the relevant event has occurred. Otherwise, amounts receivable are recognized in the period in which related costs are incurred, or over the estimated period to completion of the relevant phase of development.

#### **Other operating income**

Government and other grants of a revenue nature including RDEC are credited to the profit and loss account in the same period as the related expenditure is incurred. Where there is significant uncertainty over the timing or amount of grant income, this is recognized on a receipt basis.

#### **Foreign currency**

The functional currency is UK sterling. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

#### **Pensions and other post-employment benefits**

The Company operates a defined contribution scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

#### **Share based payments**

Where the Company participates in a share-based payment arrangement established by a group company the company takes advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognizes the share-based payment expense based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

Where the Company is charged for the cost of share-based payments arrangements the amounts are treated as a reduction in the capital contribution. If the amount charged is in excess of the share-based payment charge the company treats the excess as a notional distribution and charges this to retained earnings.



Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Accounting policies (continued)

#### Leases

Leases, where the lessor retains substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

#### Corporation tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

#### i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

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

Research and development expenditure which is not eligible for reimbursement under the tax credit regime applicable to small and medium sized companies may be reimbursed under the UK Research and Development Expenditure Credit ("RDEC") scheme. Receipts under the RDEC scheme are presented within other operating income as they are similar in nature to grant income.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Accounting policies (continued)

#### *Property, plant and equipment*

Property, plant and equipment are stated at cost to the Company less accumulated depreciation and any impairment loss. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated on all property, plant and equipment, from the time the assets are available for use, on a straight-line basis over the estimated useful life as follows:

- |                                   |                                |
|-----------------------------------|--------------------------------|
| - Leasehold improvements          | - over the period of the lease |
| - Fixture, fittings and equipment | - 3 to 8 years                 |

#### *Intangible assets – computer software*

Computer software is stated at cost to the Company less accumulated amortization and any impairment loss. Computer software is amortised over 3 to 5 years.

#### *Investments*

Investments in subsidiary companies are held at cost less accumulated impairment losses.

#### *Impairment of non-financial assets*

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Accounting policies (continued)

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### Financial instruments

##### Financial assets

Basic financial assets, including trade and other receivables, amounts due from group undertakings, cash and bank balances and accrued income, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account. If there is a decrease in impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account. Other financial assets are initially measured at fair value, which is normally the transaction price.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 1. Accounting policies (continued)

#### **Financial liabilities**

Basic financial liabilities, including trade and other payables, amounts due to group undertakings and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Offsetting**

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

#### **Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It has taken advantage of exemption in FRS and does not disclose transactions with members of the same group that are wholly owned.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 2. Significant accounting judgments, estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

#### *Critical judgements in applying the Company's accounting policies*

The following are the critical judgements, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

#### *Impairment of intercompany debtors and investments in subsidiaries*

The Company is required to exercise judgement as to whether there is any indication that its assets, including investments and amounts owed by Group undertakings, have suffered an impairment loss when reviewing the carrying value of those assets. When assessing impairment, management considers factors including the future cash flow projections, discounted to NPV.

#### *Critical estimates in applying the Company's accounting policies:*

Management have concluded that in preparation of the financial statements there are no critical estimates made.

### 3. Revenue and other operating income

	2018 £'000	2017 £'000
Revenue		
United States – collaboration revenue	973	1,256
	<u>973</u>	<u>1,256</u>
Other operating income		
Tax credits receivable	391	220
Research grants		
European Union	196	99
Australia	261	17
United States	485	
India	34	77
	<u>1,367</u>	<u>413</u>

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 4. Impairment of investments, intangibles and intercompany receivables

	2018 £'000	2017 £'000
Impairment of intangibles (note 11)	939	-
Reversal of impairment/ impairment of intercompany balance: Oxitec Cayman Limited (note 14)	(249)	974
Impairment of intercompany balance Oxitec do Brasil Tecnologia de Insetos Lda (note 14)	23,518	-
Impairment of investment (note 13)	1,632	-
	<u>25,840</u>	<u>974</u>

During the year the company reviewed its use of the computer software and made the decision to impair as the majority of the system is not being utilized and will not be the foreseeable future.

In the current year an amount of £248,742 has been released from impairment provision against amounts owed by Oxitec Cayman Limited as income was received by Oxitec Limited on behalf of Oxitec Cayman Limited.

During the year the Directors reviewed the carrying value of the investment in Oxitec do Brasil Tecnologia de Insetos Ltda and also the recoverability of the intercompany loans owed by Brazil and have fully impaired both. This was required due to a change in the Company's business strategy for commercializing the Oxitec Limited developed technology targeting *Aedes Aegypti* mosquito, resulting in a lack of projected cash flows to support the carrying value of the investment and recoverability of the loans.

### 5. Operating loss

	2018 £'000	2017 £'000
Operating loss is stated after charging/(crediting):		
Depreciation (note 12)	484	352
Amortisation (note 11)	-	82
Impairment of intangibles (note 11)	939	-
Profit on disposal of fixed assets	-	(38)
Operating lease charges (note 17)	215	218
Net foreign exchange (gains)/losses	(65)	79
Impairment of investment (note 13)	1,632	-
Impairment of intercompany balance (note 14)	23,269	974
Audit fees payable to the company's auditors	32	30
R&D expenditure	<u>5,823</u>	<u>5,329</u>

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 5. Operating loss (continued)

In addition to the audit fees above £8,000 (2017: £8,745) was paid to the Company's auditors by the Company in respect of the statutory audit of the immediate parent company Intrexon UK Insect Holdings Limited. This amount will not be reimbursed.

### 6. Staff costs and numbers

	2018 £'000	2017 £'000
Wages and salaries	2,431	2,861
Social security costs	240	313
Other pension costs	304	337
Share based payment charge	539	838
	<u>3,514</u>	<u>4,349</u>

The average monthly number of employees during the year was made up as follows:

	2018 numbers	2017 numbers
Research	44	54
Business Development and Regulatory	5	8
Administration	6	8
	<u>55</u>	<u>70</u>

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 7. Directors' emoluments

	2018 £'000	2017 £'000
Aggregate emoluments	-	373
Company contributions to money purchase pension plans	-	22
Share based payment charge	-	144
	<u>-</u>	<u>539</u>
	2018 £'000	2017 £'000
Highest paid director		
Aggregate emoluments	-	245
Company contributions to money purchase pension plans	-	22
Share based payment charge	-	144
	<u>-</u>	<u>411</u>

R Sterling, C Ulrich and G Frandsen do not receive any remuneration in relation to their position as Directors of the Company. The Directors of the company receive their remuneration directly from other Group companies and no recharge is made as it is not practical to split their remuneration.

No Director exercised share options during the current or prior year

### 8. Interest receivable and similar income

	2018 £'000	2017 £'000
Interest receivable from Group undertakings	499	248
Other interest received	1	7
	<u>500</u>	<u>255</u>



Oxitec Limited

# Notes to the financial statements for the year ended 31 December 2018 (continued)

## 9. Tax on loss

	2018 £'000	2017 £'000
Corporation tax:		
Current tax:		
UK corporation tax on loss for the year		
<b>Total current tax</b>		
Reconciliation of tax charge:		
Tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2018 of 19% (2017: 19.25%). The differences are explained below:		
Loss before tax	(31,207)	(8,379)
Loss on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 19% (2017: 19.25%)	(5,929)	(1,613)
Adjustments in respect of:		
Expenses not deductible for tax purposes	4,739	50
Capital allowances in excess of depreciation	(65)	2
Timing differences on share options	103	161
Timing differences on pension contributions	1	(5)
Tax losses carried forward	1,151	1,405
<b>Total tax charge</b>		

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 9. Tax on loss (continued)

Unrelieved tax losses of approximately £45,061,455 (2017: £38,753,942) remain available for offset against future trading profits, prior to any research and development tax relief claims for the current year. The company has not recognized any deferred tax asset in respect of these losses due to there being uncertainty regarding its recovery in the foreseeable future.

Factors that may affect future tax charge:

The prevailing UK corporation tax rate was substantively enacted as part of the Finance Act 2019 on February 2019. This reduced the main rate of tax to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 10. Share based payments and Restricted stock units

Certain employees of the Company have been granted options over shares in Intrexon Corporation. The options are granted with a fixed exercise price, are exercisable in equal tranches over one to four year and expire 10 years after the date of grant. Employees are required to remain in employment with the group. A charge of £539,000 (2017: £837,782) has been recognised in the profit and loss account in relation to these options. This has been credited to a capital redemption reserve as the Company is not required to reimburse Intrexon Corporation.

A reconciliation of share options movements over the year to 31 December 2018 is shown below:

	2018		2017	
	No	Weighted average exercise price £	No	Weighted average exercise price £
Outstanding at 1 January 2018	235,661	18.84	440,000	19.86
Granted	54,000	10.60	205,000	17.27
Adjustments due to dividend	-	-	1,764	22.72
Exercised	-	-	-	-
Forfeited	(75,220)	18.77	(411,103)	19.02
Outstanding at 31 December 2018	214,441	18.29	235,661	18.84
Exercisable at 31 December 2018	100,330	20.98	100,400	19.86

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 10. Share based payments and Restricted stock units (continued)

The options granted by Intrexon Corporation have been converted at the USD to GBP exchange rate applying on the grant dates. The Company is liable for Class 1 additional National Insurance contributions on the net gain of options by employees. At the balance sheet date, the share price was below the exercise price, therefore no provision has been made for such a charge.

During the year the Intrexon Corporation granted 13,021 restricted stock units which vest over four years. At 31 December 2018, the outstanding restricted stock units ('RSUs') which have been granted are 13,021.

### 11. Intangible assets

	Computer software
	£'000
Cost	
At 1 January 2018	976
Reclassified from PPE	37
Additions	9
At 31 December 2018	1,022
Accumulated Amortisation	
At 1 January 2018	83
Impairment	939
At 31 December 2018	1,022
NBV as at 31 December 2018	
NBV as at 31 December 2017	893

During the year the company reviewed its use of the computer software and made the decision to impair as the majority of the system is not being utilized and will not be the foreseeable future.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 12. Property, plant and equipment

	Leasehold Improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2018	2,178	588	2,766
Additions	433	325	758
Reclassified to intangible assets	-	(37)	(37)
At 31 December 2018	2,611	876	3,487
<b>Accumulated Depreciation</b>			
At 1 January 2018	530	238	768
Provided during year	340	144	484
At 31 December 2018	870	382	1,252
<b>NBV as at 31 December 2018</b>	1,741	494	2,235
<b>NBV as at 31 December 2017</b>	1,648	349	1,998

### 13. Investments

<b>Cost</b>	£'000
At 31 December 2017 and 31 December 2018	1,632
<b>Impairment provision</b>	
At 1 January 2018	-
Amounts provided	(1,632)
At 31 December 2018	(1,632)
<b>Carrying amount at 31 December 2018</b>	-
<b>Carrying amount at 31 December 2017</b>	1,632

During the year the directors reviewed the carrying value of the investment in Oxitec do Brasil Tecnologia de Insetos Ltda and have fully impaired the investment. This was required due to a change in the Company's business strategy for commercializing the Oxitec Limited developed technology targeting *Aedes Aegypti* mosquito, resulting in a lack of projected cash flows to support the carrying value of the investment.

All other investments have been previously impaired.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 13. Investments (continued)

All subsidiaries and their associated holding are listed below:

Company name	Principal activity	Country of Incorporation	% equity interest
Oxitec do Brasil Tecnologia de Insetos Ltda	Insects	Brazil	100
Oxitec Singapore pte	Dormant	Singapore	100
Oxitec Sdn Bhd	Dormant	Malaysia	100
Oxitec Cayman Limited	Insects	Grand Cayman	100
Oxitec Australia Pty Ltd	Dormant	Australia	100
Mosquito Technologies Limited	Dormant	Mexico	99
Precision Biological Innovation, S.R.L	Dormant	Costa Rica	100

#### Registered addresses:

Oxitec do Brasil Tecnologia de Insetos Ltda, Avenida Alexander Grahn Bell, 200 Bloco C, Módulo 3, Techno Park, CEP 13069-310, Campinas, SP, Brazil

Oxitec Singapore pte, 133 New Bridge Road, #09-06 Chinatown Point, 059413, Singapore

Oxitec Sdn Bhd, Level 15-2, Faber Imperial Court, Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia

Oxitec Cayman Limited, Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104

Oxitec Australia Pty Ltd, Level 12, 680 George Street, Sydney, New South Wales 2000, Australia

Mosquito Technologies Limited, Bosque de Circuelos 1800 PP, Bosques de las Lomas, Michael Hidalgo, Mexico City 11700, Mexico

Precision Biological Innovation, S.R.L, San Jose Downtown, Calle 7, Avenidas 7 y 9, Edificio #751, Barrio Amon, San Jose, Costa Rica

In Q4 2019 Oxitec Limited took a decision to close all of its overseas subsidiaries except Oxitec do Brasil Tecnologia de Insetos Ltda. The closures are not yet completed as of the date of signing these Financial Statements.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 14. Trade and other receivables

	2018 £'000	2017 £'000
<b>Due within one year</b>		
Trade receivables	4	-
Research and development tax credit receivable	657	564
VAT recoverable	126	212
Amounts owed by Parent undertakings	-	173
Amounts owed by Group undertakings	-	18,258
Other receivables	13	2
Prepayments and accrued income	114	210
	<u>914</u>	<u>19,419</u>
<b>Due after one year</b>		
Amounts owed by Group undertakings	-	18,258

The directors have considered the recoverability of the amounts owed by group undertakings and have previously fully provided against amounts owed by Oxitec Sdn Bhd, Oxitec Singapore pte and Oxitec Cayman Limited. In the current year an amount of £248,742 has been released from provision against amounts owed by Oxitec Cayman Limited as income was received by Oxitec Limited on behalf of Oxitec Cayman Limited.

In the current year the directors have provided fully for the remaining amount owed by group undertakings, relating to Oxitec do Brasil Tecnologia de Insetos Ltda for £23,518,107.

In respect of the amounts owed by Group undertakings, an amount of £4,895,000 is interest bearing (six month USD LIBOR +3%), an amount of £6,000,000 interest bearing (six months GBP libor +3%), the remaining amount of £11,360,273 is interest free. There is also £1,262,834 (2017: £763,000) of accrued interest on the above-mentioned loans. All amounts are unsecured and are repayable on demand after one year and at the latest five years after the instalment was made, or convertible into equity of the borrowing company.

The amounts owed by the parent company are all trading balances, and unsecured, interest-free and are repayable on demand.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 15. Trade and other payables

	2018	2017
	£'000	£'000
Trade payables	143	536
Taxation and social security	372	241
Other creditors	80	156
Accruals and deferred income	3,298	1,313
	<u>3,893</u>	<u>2,246</u>

### 16. Called up Share capital

	2018	2018	2017	2017
	No.	£'000	No.	£'000
Issued, called up and fully paid				
At 1 January	1,278,091	13	1,101,803	11
Issued during year	48,896	5	176,288	2
At 31 December	<u>1,326,987</u>	<u>13</u>	<u>1,278,091</u>	<u>13</u>

Ordinary shares of £0.01

During the year, the company issued 30,008 shares on 18 May 2018 for £3,443,476 and 18,888 shares on 7 September 2018 for £2,307,313.

During the year ended 31 December 2017 the Company issued 62,960 shares on 4 January 2017 for £8.04 million, 62,960 shares on 13 June 2017 for £7.76 million and 50,368 shares on 20 December 2017 for £5.92 million.

Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 17. Obligations under operating leases

The Company had the following future minimum lease payments under non-cancellable operating leases.

	2018 £'000	2017 £'000
Within one year:	210	210
In two to five years:	126	336
	<u>336</u>	<u>546</u>

### 18. Related party transactions

At 31 December 2018 £4,131 (2017: £2,000) was owed to the company by Genefirst Limited, of which the company owns 12% of the issued share capital.

The company has an intellectual property licence agreement with Genefirst limited, the amounts included in the income statements in respect of this agreement are:

	2018 £'000	2017 £'000
Annual licence fee:	5	5

### 19. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Intrexon UK Insect Holdings Limited. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Intrexon Corporation. Copies of Intrexon Corporation consolidated financial statements can be obtained from the legal department, 20374 Seneca Meadows Parkway, Germantown, Maryland, USA.



Oxitec Limited

## Notes to the financial statements for the year ended 31 December 2018 (continued)

### 20. Post balance sheet events

In January 2019 Oxitec entered into an extension to the development of a major crop pest solution being developed in collaboration with an external third party which resulted in an upfront payment of \$3,300,000 (£2,505,360).

On 26 September 2019, the company received additional funding by way of issuing a further 3,148 shares to Intrexon Corporation for the sum of £379,600.

In Q4 2019 Oxitec Limited took a decision to close all of its overseas subsidiaries except Oxitec do Brasil Tecnologia de Insetos Ltda.

On 2 January 2020 Intrexon Corporation (the ultimate parent Company) announced that it had signed a definitive agreement to sell certain of its assets including all Oxitec companies to Third Security LLC, a venture capital firm. The transaction is expected to close on 31 January 2020 unless Intrexon Corporation receives a higher bid from an alternative purchaser before this date.