

Company registered number: 09617654

**Intrexon UK Insect Holdings Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2018**

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

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## Strategic report for the year ended 31 December 2018

The Directors present their strategic report of Intrexon UK Insect Holdings Limited (the "Company") for the year ended 31 December 2018:

### Principal activities

Intrexon UK Insect Holdings Limited is the holding company of a group whose principal activity is the research, development and commercialisation of genetically modified insects and their use in the reduction of vector borne diseases and crop damage by insect pests.

### Results and Dividends

The loss for the year ended 31 December 2018 amounted to \$177,315,163 (Period ended 31 December 2017: \$11,000,000). The net assets at year end are \$1 (2017: \$169,549,072).

### Review of business and future developments

The Company was established in order to transact the acquisition of Oxitec Limited from its former shareholders. This acquisition, for 100% of the issued share capital of Oxitec Limited, was completed on 4 September 2015, with funding provided in the form of cash, along with shares in the ultimate parent company, Intrexon Corporation, a company registered in the state of Virginia, USA and listed on the NASDAQ index under the symbol NASDAQ: XON. In future the company will seek funds in order to support the ongoing investments it holds.

During the year the directors carried out an impairment review of the investment in Oxitec Limited and impaired it fully resulting in a charge of \$177,315,163 (Period ended 31 December 2017: \$11,000,000). 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.

### Principal risks and uncertainties

The risks to the value of the investment in Oxitec Limited stem from the risks in commercialising the services. To conduct open releases of the insect strains developed by the company, Oxitec Limited must obtain regulatory approval from the responsible government bodies in those countries in which it seeks to operate. Due to the unique and revolutionary technologies involved, regulatory systems are often insufficiently developed or defined, therefore approval can take many years following initial discussions and applications.

### Key performance indicators

The Directors of Intrexon UK Insect Holdings Limited manage the group's operations on a divisional basis. For this reason, the directors believe that analysis using key performance indicators for this Company is not relevant. The development, performance and position of the group are discussed in the financial statements of Oxitec Limited. There are no non-financial key performance indicators for this Company.

Intrexon UK Insect Holdings Limited

## **Strategic report for the year ended 31 December 2018 (continued)**

### **Post Balance sheet events**

On 26 September 2019 the company received additional capital contributions of \$500,000 from Intrexon Corporation which it then purchased an additional 3,148 shares in its 100% owned subsidiary Oxitec Limited for \$500,000.

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 the Company and its subsidiaries together the Oxitec business 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.

On behalf of the board



R Sterling

Director

14 January 2020

Intrexon UK Insect Holdings 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 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 1 instead under s414c(11)

- Future Developments
- Post Balance Sheet events

### **Results**

The loss for the year ended 31 December 2018 amounted to \$177,315,163 (period ended 31 December 2017: \$11,000,000). The directors have not recommended a dividend (2017: £nil).

On the 18 May 2018 the Company subscribed for 30,008 shares in Oxitec Limited for the sum of \$4,766,092 and on the 7 September 2018 the Company subscribed for 18,888 shares in Oxitec Limited for the sum of \$3,000,000.

### **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:

R L Sterling  
C Ulrich

### **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 does not hold any cash as it is a Holding company and does not have any financial commitments. If funding is needed the Company requires its current Parent Company, Intrexon Corporation ("Intrexon") to provide it.

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, and in conjunction with the circumstances described further below, this gives rise to a significant doubt about the Company's ability to continue as a going concern.

As noted in the post balance sheet events note above it is expected that on 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.

Intrexon UK Insect Holdings Limited

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

### **Registered Office**

71 Innovation Drive,  
Milton Park,  
Abingdon  
OX14 4RQ  
United Kingdom

### **Financial risk management**

The business is exposed to foreign exchange risk as a result of its investment in Oxitec Limited. It seeks to mitigate the risks by denoting all transactions in US Dollars and making current and future investments also in US Dollars.

### **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.

Intrexon UK Insect Holdings Limited

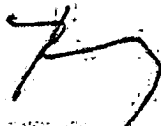
**Directors' report for the year ended 31 December 2018 (continued)**

**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

Intrexon UK Insect Holdings Limited

# ***Independent auditors' report to the members of Intrexon UK Insect Holdings Limited***

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

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### **Opinion**

In our opinion, Intrexon UK Insect Holdings 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 Statement of Financial Position 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.



## Intrexon UK Insect Holdings 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 4, 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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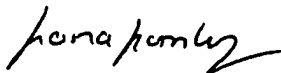
## **Other required reporting**

### **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

Intrexon UK Insect Holdings Limited

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

	Note	Year ended 31 December 2018 US\$	Period ended 31 December 2017 US\$
Impairment of investments	2	(177,315,163)	(11,000,000)
Loss before taxation	2	(177,315,163)	(11,000,000)
Tax on loss	4	-	-
<b>Loss for the financial year</b>		<b>(177,315,163)</b>	<b>(11,000,000)</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.

Intrexon UK Insect Holdings Limited

**Statement of Financial Position as at 31 December 2018**

	Note	31 December 2018 US\$	31 December 2017 US\$
<b>Fixed assets</b>			
Investments	5	-	169,549,071
<b>Current assets</b>			
Debtors	6	1	1
<b>Total assets less current liabilities</b>		1	169,549,072
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Capital contribution		188,315,163	180,549,071
Accumulated Losses		(188,315,163)	(11,000,000)
<b>Total equity</b>		1	169,549,072

The notes on pages 11-19 are an integral part of these financial statements. The financial statements on pages 8 to 19 were approved by the board of directors on 14 January 2020, and were signed on its behalf by:



R Sterling  
Director

Company registered number: 09617654

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

	Called up share capital US\$	Capital contribution US\$	Accumulated losses US\$	Total equity US\$
At 1 January 2018	1	180,549,071	(11,000,000)	169,549,072
Capital contribution	-	7,766,092	-	7,766,092
Loss for the year	-	-	(177,315,163)	(177,315,163)
<b>At 31 December 2018</b>	<b>1</b>	<b>188,315,163</b>	<b>(188,315,163)</b>	<b>1</b>

	Called up share capital US\$	Capital contribution US\$	Accumulated losses US\$	Total equity US\$
At 1 July 2016	1	132,046,324	-	132,046,325
Capital contribution	-	48,502,747	-	48,502,747
Loss for the period	-	-	(11,000,000)	(11,000,000)
<b>At 31 December 2017</b>	<b>1</b>	<b>180,549,071</b>	<b>(11,000,000)</b>	<b>169,549,072</b>

On the 18 May 2018 the Company received an additional capital contribution of \$4,766,092 from Intrexon which it used to subscribe for 30,008 shares in Oxitec Limited and on the 7 September 2018 the Company received an additional capital contribution of \$3,000,000 from Intrexon which it used to subscribe for 18,888 shares in Oxitec Limited.

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

### 1. Accounting policies

#### (a) General Information

Intrexon UK Insect Holdings Limited is a private company limited by shares and is incorporated and domiciled in England.

The Company is the holding company of a group whose principal activity is the research, development and commercialisation of genetically modified insects for the reduction of vector borne diseases and crop pests.

#### (b) Statement of Compliance

The individual financial statements of Intrexon UK Insect Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards including the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### (c) Basis of preparation

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

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

The preparation of financial statements in conformity with FRS 102 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.

#### (d) Exemption from the preparation of consolidated Financial Statements

These financial statements present information about the Company as an individual undertaking and not about the group. The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements as its ultimate parent undertaking, Intrexon Corporation, prepares consolidated financial statements in which this Company is included and are made publicly available.

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

### 1. Accounting policies (continued)

#### (e) 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 does not hold any cash as it is a Holding company and does not have any financial commitments. If funding is needed the Company requires its current Parent Company, Intrexon Corporation ('Intrexon') to provide it.

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, and in conjunction with the circumstances described further below, this gives rise to a significant doubt about the Company's ability to continue as a going concern.

As noted in the post balance sheet events note above it is expected that on 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.

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

### 1. Accounting policies (continued)

#### (f) 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 amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

#### (g) Investments

Investments are stated at cost. Impairment reviews are performed by the directors periodically. Following an impairment review performed during the year, there is a \$177,315,163 (2017: \$11,000,00) impairment to investments at the balance sheet date.

#### (h) Foreign currency

The Company's functional currency is US dollars as this is the currency of the primary economic environment in which the entity operates in, including intra-group transactions which are denominated in US dollars. Trading transactions denominated in foreign currency are translated into US dollars at rates applicable at the time of the relevant transaction. Monetary assets and liabilities are translated into US dollars at the rates of exchange ruling at the balance sheet date or forward rate where appropriate.

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

### 1. Accounting policies (continued)

#### (i) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepared publicly available financial statements, which give a true and fair view, in which that member is consolidated. Intrexon UK Insect Holdings Limited is a qualifying entity as its results are consolidated into the consolidated financial statements of Intrexon Corporation which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102
- (ii) from the requirement to present financial instruments disclosures, as required by FRS 102 paragraph 11.39 to 11.48A, paragraphs 12.26 and 12.29
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv)
- (iv) from the requirement to disclose the related party transactions as required by FRS 102 paragraph 33.8

#### (j) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimate and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is addresses below.

#### (k) Impairment of Investment

The Company is required to exercise judgement as to whether there is any indication that its assets, including investments, 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. See note 5 for the carrying amount of the investments and impairments made.



Intrexon UK Insect Holdings Limited

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

### 2. Loss before taxation

	Year ended 31 December 2018 US\$	Period ended 31 December 2017 US\$
Operating loss is stated after charging:		
Impairment of investments (note 5)	177,315,163	11,000,000

### 3. Directors, employees and auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the Company's financial statements were £8,000 (2017: £8,745). The remuneration of the Company's auditors has been borne by Oxitec Limited, a subsidiary company. The remuneration is not recharged.

The Company had no employees during the year. The Directors did not receive any remuneration in relation to their position as Directors of the Company. The Directors of the company are also Directors of fellow Group companies and receive their remuneration directly from those companies and no recharge is made as it is not practical to split their remuneration.

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

### 4. Tax on loss

	Year ended 31 December 2018 US\$	Year ended 31 December 2017 US\$
(a) Tax expenses included in profit and loss:		
Current tax:		
UK Corporation tax on loss for the year	-	-
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	(177,315,163)	(11,000,000)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(33,689,881)	(2,117,500)
Non-deductible expenses	33,689,881	2,117,500
Total tax charge	-	-

The company has no unrelieved tax losses available to offset against future trading profits and thus the company has not recognised any deferred tax asset in respect of these losses.

### 5. Investments

Cost	Shares in subsidiary undertaking US\$
At 1 January 2018	180,549,071
Investment in Oxitec Limited in year	7,766,092
At 31 December 2018	188,315,163
Impairment provision	
At 1 January 2018	(11,000,000)
Amounts provided	(177,315,163)
At 31 December 2018	(188,315,163)
Carrying amount at 31 December 2018	-
Carrying amount at 31 December 2017	169,549,071

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

### 5. Investments (continued)

On the 18 May 2018 the Company subscribed for 30,008 shares in Oxitec Limited for the sum of \$4,766,092 and on the 7 September 2018 the Company subscribed for 18,888 shares in Oxitec Limited for the sum of \$3,000,000.

During the year the directors reviewed the carrying amount of the investment using a discounted cash flow and determined that an impairment of \$177,315,163 (period ended 31 December 2017: \$11,000,000) 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.

In the opinion of the Directors the aggregate value of the Company's remaining investments in the subsidiary undertakings is not less than the amount included in the balance sheet.

#### Subsidiaries (all 100% owned)

Company name	Principal activity	Country of Incorporation	% of equity interest
Oxitec Limited	Insects	United Kingdom	100%

#### Registered addresses

Oxitec Limited 71 Innovation Drive, Milton Park, Abingdon, OX14 4RQ

#### Subsidiaries (Indirect)

Company name	Principal activity	Country of Incorporation	% of equity interest
Oxitec do Brasil Tecnologia de Insetos tda	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	100
Precision Biological Innovation, S.R.L.	Dormant	Costa Rica	100

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

### 5. Investments (continued)

#### Registered addresses:

Oxitec do Brasil Tecnologia de Insetos Ltda, Avenida Alexander Grahn Bell, 200, Bloco C, Modulo 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

### 6. Debtors

	Year ended 31 December 2018	Period ended 31 December 2017
	US\$	US\$
Amounts owed by parent undertaking	1	1

### 7. Called up share capital

At 31 December 2018, Allotted and Fully paid 1 ordinary share of £1 (31 December 2017: 1 ordinary share of £1)

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital. The value of one £1.00 share has been translated to US\$, rounded to \$1.00.

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

### 8. Ultimate parent undertaking and controlling party

Intrexon UK Holdings Inc. a company incorporated in Delaware, USA, as the immediate parent undertaking. Intrexon Corporation, a company incorporated in Virginia, USA, as the ultimate parent company, the ultimate controlling party, and the smallest and largest group for which consolidated financial statements which include Intrexon UK Insect Holdings Limited, are available.

A copy of the consolidated financial statements of Intrexon Corporation, can be obtained from Intrexon Corporation, 20374 Seneca Meadows Parkway, Germantown, Maryland, USA.

### 9. Post balance sheet event

On 26 September 2019 the company received additional capital contributions of \$500,000 from Intrexon Corporation which it then used to purchase an additional 3,148 shares in its 100% owned subsidiary Oxitec Limited for \$500,000.

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.