

Company registered number: 09617654

Oxitec Insect Holdings Limited
Annual report and financial statements
for the year ended 31 December 2021

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Oxitec Insect Holdings Limited

Company Information

Registered no: 04512301

Directors

Theodore Fisher
Doit Koppler

Independent Auditors

RSM UK Audit LLP
Davidson House
Forbury Square
Reading
RG1 3EU

Bankers

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

Registered Office

71 Innovation Drive
Milton Park
Abingdon
Oxfordshire
OX14 4RQ

Oxitec Insect Holdings Limited

**Annual report and financial statements for the year ended 31
December 2021**

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Oxitec Insect Holdings Limited

Statement of directors' responsibilities in respect of the financial statements for the year ended 31 December 2021

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;
- 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 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.

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.

Oxitec Insect Holdings Limited

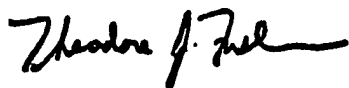
Statement of Financial Position as at 31 December 2021

	Note	31 December 2021 US\$	31 December 2020 US\$
Fixed assets			
Investments	4	-	-
Current assets			
Debtors	5	1	1
Total assets less current liabilities		1	1
Net assets		1	1
Capital and reserves			
Called up share capital	6	1	1
Capital contribution		209,275,163	193,975,163
Accumulated Losses		(209,275,163)	(193,975,163)
Total equity		1	1

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 4 -8 are an integral part of these financial statements. The financial statements on pages 2 to 8 were approved by the board of directors on 14 November 2022, and were signed on its behalf by:



Theodore J Fisher

Director

Company registered number: 09617654

Oxitec Insect Holdings Limited

Statement of Changes in Equity
For the year ended 31 December 2021

	Called up share capital US\$	Capital contribution US\$	Accumulated losses US\$	Total equity US\$
At 1 January 2021	1	193,975,163	(193,975,163)	1
Capital contribution	-	15,300,000	-	15,300,000
Loss for the year	-	-	(15,300,000)	(15,300,000)
At 31 December 2021	1	209,275,163	(209,275,163)	1

	Called up share capital US\$	Capital contribution US\$	Accumulated losses US\$	Total equity US\$
At 1 January 2020	1	188,815,163	(188,815,163)	1
Capital contribution	-	5,160,000	-	5,160,000
Loss for the year	-	-	(5,160,000)	(5,160,000)
At 31 December 2020	1	193,975,163	(193,975,163)	1

Oxitec Insect Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

(a) General information

Oxitec Insect Holdings Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of the registered office is 71 Innovation Drive, Milton Park, Abingdon, Oxfordshire OX14 4RQ.

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) Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in USD, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

(c) 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. As a parent company that qualifies as small, the company has taken the exemption not to prepare group accounts according to Companies Act 2006 s 399(2A).

(d) 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 2021 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, TS Biotechnology Holdings, LLC to provide it. Whilst the directors expect the parent company to contribute to provide support based on previous practice, future amounts are not contractually committed.

These circumstances represent a material uncertainty which may cast 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 Insect Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

(e) 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.

(f) 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 \$5,160,000 (2019: \$500,000) impairment to investments at the balance sheet date.

(g) 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.

2. Directors and employees remuneration

The company had no employees during the year (2020: nil). The directors did not receive any remuneration in relation to their position as directors of the company (2020: £nil). 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.

Oxitec Insect Holdings Limited

Notes to the financial statements for the year ended 31 December 2021**3. Investments**

	Shares in subsidiary undertaking US\$
Cost	
At 1 January 2021	193,975,163
Investment in Oxitec Limited in year	15,3000,000
At 31 December 2021	209,275,163
Impairment provision	
At 1 January 2021	(193,975,163)
Amounts provided	(15,300,000)
At 31 December 2021	(209,275,163)
Carrying amount at 31 December 2021 and 31 December 2020	-

On 24 February 2021, the company received an additional capital contribution of \$2,400,000 which it used to subscribe for 79,734 shares in Oxitec Limited for the sum of \$2,400,000.

The company received further capital contribution of \$2,400,000 on 6 May 2021 which was used to subscribe for 79,734 shares in Oxitec Limited. On 13 August 2021 the company received further additional contribution of \$2,500,000 which was used to subscribe for 83,056 shares, on 13 October the company received an additional contribution of \$4,800,000 which it used to subscribe for 159,468 shares and on 16 November 2021 the company received further capital contribution of \$3,200,000 which it used to subscribe for 106,312 shares

During the year the directors reviewed the carrying amount of the investment and determined that an impairment of \$15,300,000 (2020: \$5,160,000) was required due to a change in the company's business strategy for commercialising 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.

Subsidiaries (direct)

Company name	Principal activity	Country of Incorporation	% of equity interest
Oxitec Limited	Research and experimental development on biotechnology and support activities for crop production	United Kingdom	100%

Registered address:

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

Oxitec Insect Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

3. Investments (continued)

Subsidiaries (Indirect)

Company name	Principal activity	Country of Incorporation	% of equity interest
Oxitec do Brasil Tecnologia de Insetos tda	Field trials in insects	Brazil	100
Oxitec Sdn Bhd	Dormant	Malaysia	100
Mosquito Technologies Limited	Dormant	Mexico	100
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, Modulo 3, Techno Park, CEP 13069-310, Campinas, SP, Brazil

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

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

Oxitec Australia Pty Ltd was closed on 10 March 2020 and Oxitec Singapore pte was struck off on 4 February 2020.

4. Debtors

	Year ended 31 December 2021 US\$	Year ended 31 December 2020 US\$
Amounts owed by group undertakings	1	1

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

Oxitec Insect Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

5. Called up share capital

At 31 December 2021, the company had allotted and fully paid 1 Ordinary share of £1 (2020: 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.

6. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is TS Biotechnology Holdings, LLC based in Virginia USA.

7. Post balance sheet events

On 7 January 2022, the company received an additional contribution of \$5,200,000 from Oxitec UK Holdings, Inc with which it then purchased 172,757 shares in its 100 % owned subsidiary Oxitec Limited for \$5,200,000.

On 18 March 2022, the company received an additional contribution of \$1,800,000 from Oxitec UK Holdings, Inc with which it then purchased 59,801 shares in its 100 % owned subsidiary Oxitec Limited for \$1,800,000.

On 8 June 2022, the company received an additional contribution of \$2,500,000 from Oxitec UK Holdings, Inc with which it then purchased 83,056 shares in its 100 % owned subsidiary Oxitec Limited for \$2,500,000.

On 14 July 2022, the company received an additional contribution of \$2,400,000 from Oxitec Holdings Inc with which it then purchased 79,734 shares in its 100% owned subsidiary Oxitec Ltd for \$2,400,000.

On 23 August 2022, the company received an additional contribution of \$3,800,000 from Oxitec Holdings Inc.

8. Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the company and its group requires additional funds to be provided by its ultimate parent company, TS Biotechnology Holdings, LLC which are not contractually committed. As stated in note 1 these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

The auditor's report was unqualified.

The senior statutory auditors was Mayulee Pinkerton CA.
The auditor was RSM UK Audit LLP.