

Registered number: 09973585

## VACCITECH LIMITED

### GROUP REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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## **VACCITECH LIMITED**

### **COMPANY INFORMATION**

**Directors**

A Hammacher (appointed 31 December 2019)  
A Mclean (resigned 31 December 2019)  
A Stoten (resigned 1 May 2019)  
P Morgon  
R Wright  
S Chatfield (resigned 1 May 2019)  
S Gilbert (resigned 25 September 2020)  
T Evans  
W Enright (appointed 20 August 2019)

**Registered number**

09973585

**Registered office**

The Schrodinger Building  
2nd Floor, Heatley Road  
The Oxford Science Park  
Oxford  
Oxfordshire  
OX4 4GE

## **VACCITECH LIMITED**

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## **VACCITECH LIMITED**

### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

#### **Introduction**

The directors present their Group Strategic Report for the 11 month period ended 31 December 2019.

#### **Principal Activities**

Vaccitech are a clinical-stage biopharmaceutical company engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious diseases and cancer. We use our proprietary platform to develop product candidates that stimulate powerful, targeted immune responses against pathogens and tumor cells. We design our product candidates to stimulate immune responses that are robust, highly specific, and are differentiated by the magnitude of the T cell populations induced, which exhibit critical functionality and durability. We are focused on applying our platform capabilities and the expertise of our team to address significant unmet medical needs in two settings—the therapeutic setting, for the treatment of chronic infectious diseases and cancer, and the prophylactic setting, for the prevention of infectious diseases, supported by our platform's ability to respond rapidly to epidemic and pandemic threats.

We have a broad pipeline of both clinical and preclinical stage therapeutic and prophylactic programs. Our current therapeutic programs include VTP-300 for the treatment of chronic hepatitis B infection, or CHB, VTP-200 for the treatment of human papilloma virus infection, or HPV, VTP-850 for the treatment of prostate cancer and VTP-600 for the treatment of non-small cell lung cancer, or NSCLC. Our current prophylactic programs include VTP-400 for the prevention of herpes zoster, or shingles, VTP-500 for the prevention of Middle East respiratory syndrome, or MERS, and VTP-950, our next-generation product candidate for the prevention of COVID-19 infection. In addition, we co-invented a COVID-19 vaccine candidate with the University of Oxford, which we assigned to Oxford University Innovation, or OUI, to facilitate the license of those rights by OUI to AstraZeneca UK Limited, or AstraZeneca. This product candidate is now known as AZD1222.

£36m of seed and Series A funding has been raised by the Company to date. In addition, Vaccitech won a contract of \$8.6 million from BARDA (a division of Health and Human Services in the US government) and entered into agreements with the Ludwig Cancer Research Institute and Cancer Research UK (CRUK) to obtain additional funding to take forward the Vaccitech programs. Vaccitech successfully completed two large prophylactic influenza Phase 2b efficacy studies in 2019 with data reported in early 2020. The data from these prophylactic studies were negative and the influenza program will be discontinued. On cessation of activities, the Australian subsidiary will remain dormant until required in the future. An impairment to the investment in the Australian subsidiary is included in these financial statements. Vaccitech's near term focus will be on our therapeutic programs for HBV, HPV and cancer. We are able to move these programs rapidly into the clinic based on years of work at the Jenner Institute. A Phase 1/2 HBV clinical trial has been initiated and a Phase 1/2 HPV trial is expected to begin early Q2 2020. The company reported data from an investigator sponsored Phase 2a prostate cancer trial that has been funded through an EU grant, in Q1 2020 demonstrating promising results as compared to a clinical study in a similar patient population. Vaccitech is working with CRUK to initiate a Phase 1/2 clinical trial in non small cell lung carcinoma (NSCLC) in Q1 2021. In parallel we are seeking additional funding to move our clinical programs through to completion. The timing of the initiation and completion of all our clinical studies in addition to fundraising have been adversely impacted by the SARS COV2 pandemic.

## **VACCITECH LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

#### **Financial review**

The loss before taxation for the 11-month period to 31 December 2019 was £20,009,285 (year ended 31 January 2019: £9,093,239). This result is largely the consequence of research and development expenditure of £12,985,733 (year ended 31 January 2019: £6,424,653), as the Group's programmes are still at development stage. However, turnover from the provision of services has grown in the period from £128,758 for the year ended 31 January 2019 to £5,528,132 in the 11-month period ended 31 December 2019 largely as a consequence of the aforementioned BARDA contract.

As a consequence of its research and development activities, the Group has recognised a research and development tax credit of £2,500,639 (year ended 31 January 2019: £1,607,272).

The Group's net assets stand at £9,048,117 (January 2019: £23,988,292). The movement during the year is the net result of the loss from activities as discussed above. At the balance sheet date, the Group held cash of £8,672,268 (January 2019: £21,827,648).

Included within the Group's net assets is a non controlling interest of £1,727,760 (January 2019: £725,449) arising from the investment in the subsidiary Vaccitech Oncology Limited during the period.

#### **Key performance indicators ("KPIs")**

The KPIs of the Group are considered by the board to comprise both non financial and financial measures. The key non financial measure is the status of the Group's programmes in development, as discussed under principal activities above, whereas the key financial measures are considered to be cash and research and development expenditure, which are stated in the financial review. The board is satisfied with the Group's progress against its KPIs.

#### **Principal risks and uncertainties**

Development of clinical products is inherently risky and one or more of our programs may be found to lack safety and/or efficacy. In addition, the manufacture of immunotherapeutics sometimes results in failures and the execution of clinical trials sometimes do not proceed as quickly as projected, either or both of which could set back projected timelines. Additional fund raising will be required to progress our existing core programs. Negative clinical or pre-clinical results or the state of financial markets or other macro economic issues could influence our ability to raise future funds.

#### **Future developments**

Vaccitech is also advancing other programs, together with co development partners, where Vaccitech retains all, or the majority of, the commercial rights to these programs. Vaccitech retains exclusive commercial rights to a MERS prophylactic vaccine which is being financed by non dilutive CEPI grants to Oxford University, which is leading development and holds a licence from Vaccitech. These groups have completed a Phase 1 clinical trial in the UK showing safety and immunogenicity and have initiated a second Phase 1 clinical trial in Saudi Arabia in Q4 2019. A Zoster immunotherapeutic is being co developed with our Chinese partner, CanSino Bio, which are expected to initiate a Phase 1 study in early 2021.

VACCITECH LIMITED

GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019

**Going concern**

The Group has incurred a loss for the period of £17,508,646 (12 month period to 31 January 2019: £7,485,967) after a research and development tax credit of £2,500,639 (12 month period to 31 January 2019: £1,607,272) and has net assets of £9,048,117 (31 January 2019: £23,988,292) of which cash represents £8,672,268 (31 January 2019: £21,827,648).

The accompanying consolidated and company financial statements have been presented on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The Group and Company have financed their activities principally from the issuance of ordinary and preferred equity securities. The Group and Company have experienced recurring losses since inception and expects to incur additional losses in the future in connection with research and development activities.


Management believes that the Group and Company have sufficient cash to support their operations at least through November 2021. In order to address its capital needs, including its planned clinical trials and other expenditure, the Group and Company are actively pursuing additional equity financing. Adequate financing opportunities might not be available to the Group and Company, when and if needed, on acceptable terms or at all. If the Group and Company are unable to obtain additional financing in sufficient amounts or on acceptable terms, the Group and Company will be forced to delay, reduce or eliminate some or all of its research and development programs and product portfolio expansion, which could adversely affect its operating results or business prospects. Although management continues to pursue these plans, there is no assurance that the Group and Company will be successful in obtaining sufficient funding on terms acceptable to the Group and Company to fund continuing operations, if at all. After considering the uncertainties, management consider it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements.

The Group's and Company's ability to continue as a going concern is dependent upon the Group's and Company's ability to raise additional debt and equity capital and this requirement for additional funding indicates that a material uncertainty exists which may cast significant doubt on the Group's and Company's ability to continue as a going concern. The accompanying consolidated and company financial statements do not include any adjustments relating to the recoverability of the recorded assets or the classification of liabilities that may be necessary should the Group and Company be unable to continue as a going concern.

Having prepared cashflow forecasts through to December 2021 and after considering the uncertainties along with mitigating actions that could be taken, management considers it is appropriate to continue to adopt the going concern basis in preparing the consolidated and company financial statements. In addition, there has been no material operational impact of COVID-19, nor is there expected to be going forwards.

From August 2020 through November 2020, the Company entered into convertible note arrangements with lenders for an aggregate £31,903,186 in gross proceeds. The Notes bear interest at 8% per annum and have a maturity date of July 6, 2023. The Notes are convertible into Company's equity shares with the note principal converting at a 20% discount at the earliest of the next round of equity financing, exit, or maturity, unless the cash redemption amount to be received by the lenders at twice the loan principal is greater than the value of the equity shares into which the Notes are convertible.

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

  
.....  
W Enright  
Director

Date: 22 Dec 2020

## **VACCITECH LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the period ended 31 December 2019.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### **Directors**

The Directors who served during the period were:

A Mclean (resigned 31 December 2019)  
W Enright (appointed 20 August 2019)  
A Stoten (resigned 1 May 2019)  
S Chatfield (resigned 1 May 2019)  
T Evans  
P Morgon  
S Gilbert (resigned 25 September 2020)  
R Wright  
A Hammacher (appointed 31 December 2019)

#### **Disclosure of information to auditor**

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

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

#### **Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

VACCITECH LIMITED

DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

  
.....  
W Enright  
Director

Date: 22 Dec 2020



## **VACCITECH LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VACCITECH LIMITED**

#### **Opinion**

We have audited the financial statements of Vaccitech Limited (the 'parent Company') and its subsidiaries (the 'Group') for the 11month period ended 31 December 2019, which comprise the consolidated Statement of comprehensive income, the consolidated and Company Statements of financial position, the consolidated and Company Statements of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

We draw attention to note 2.3 in the financial statements, which indicates that the group and company is dependent on raising additional debt and equity capital. There can be no assurance that such capital will be available in sufficient amounts or on terms acceptable to the group and company. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Group Report and Financial Statements, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## **VACCITECH LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VACCITECH LIMITED (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**VACCITECH LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VACCITECH LIMITED (CONTINUED)**

**Use of our report**

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



Kim Hayward (Senior statutory auditor)

for and on behalf of  
**BDO LLP,**

Statutory Auditor  
Southampton

Date: 23 December 2020

**VACCITECH LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	11 months to 31 December 2019 £	12 months to 31 January 2019 £
Turnover		5,528,132	128,758
Administrative expenses		(25,631,287)	(9,250,935)
Other operating income		62,117	-
<b>Operating loss</b>	4	<b>(20,041,038)</b>	<b>(9,122,177)</b>
Interest receivable and similar income		31,753	28,938
<b>Loss before taxation</b>		<b>(20,009,285)</b>	<b>(9,093,239)</b>
Tax on loss		2,500,639	1,607,272
<b>Loss for the financial period</b>		<b>(17,508,646)</b>	<b>(7,485,967)</b>
<b>(Loss) for the period attributable to:</b>			
Non-controlling interests		(625,965)	(8,475)
Owners of the parent Company		(16,882,681)	(7,477,492)
		<b>(17,508,646)</b>	<b>(7,485,967)</b>
<b>Total comprehensive income for the period attributable to:</b>			
Non-controlling interest		(625,965)	(8,475)
Owners of the parent Company		(16,882,681)	(7,477,492)
		<b>(17,508,646)</b>	<b>(7,485,967)</b>

There was no other comprehensive income for 2019 (2019:£NIL).

The notes on pages 16 to 30 form part of these financial statements.


**VACCITECH LIMITED**  
**REGISTERED NUMBER: 09973585**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

		31 December 2019 £	31 January 2019 £
	Note		
<b>Fixed assets</b>			
Tangible assets	7	769,061	839,469
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	3,683,913	2,537,851
Cash at bank and in hand	10	8,672,268	21,827,648
		<u>12,356,181</u>	<u>24,365,499</u>
Creditors: amounts falling due within one year	11	<u>(4,077,125)</u>	<u>(1,216,676)</u>
<b>Net current assets</b>		<u>8,279,056</u>	<u>23,148,823</u>
<b>Net assets</b>		<u><u>9,048,117</u></u>	<u><u>23,988,292</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	2,442	2,442
Share premium account	13	36,009,957	36,009,957
Foreign exchange reserve	13	(56,396)	-
Share based payment reserve	13	1,413,548	416,957
Profit and loss account	13	(30,049,194)	(13,166,513)
<b>Equity attributable to owners of the parent Company</b>		<u>7,320,357</u>	<u>23,262,843</u>
Non-controlling interests		<u>1,727,760</u>	<u>725,449</u>
		<u><u>9,048,117</u></u>	<u><u>23,988,292</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**W Enright**  
Director  
Date: 22 Dec 2020

The notes on pages 16 to 30 form part of these financial statements.

**VACCITECH LIMITED**  
**REGISTERED NUMBER: 09973585**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	31 December 2019 £	31 January 2019 £
<b>Fixed assets</b>			
Tangible assets	7	769,061	839,469
Investments	8	7,480,300	2,324,093
		<u>8,249,361</u>	<u>3,163,562</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	3,991,508	3,560,444
Cash at bank and in hand	10	6,522,815	20,498,515
		<u>10,514,323</u>	<u>24,058,959</u>
Creditors: amounts falling due within one year	11	(3,539,359)	(1,169,200)
<b>Net current assets</b>		<u>6,974,964</u>	<u>22,889,759</u>
<b>Total assets less current liabilities</b>		<u>15,224,325</u>	<u>26,053,321</u>
<b>Net assets</b>		<u>15,224,325</u>	<u>26,053,321</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,442	2,442
Share premium account	13	36,009,957	36,009,957
Share based payment reserve	13	1,413,548	416,957
Profit and loss account	13	(22,201,622)	(10,376,035)
		<u>15,224,325</u>	<u>26,053,321</u>

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 and has not prepared its own Statement of Comprehensive Income in these financial statements. The loss before tax of the parent company for the year was £18,328,162 (2019: £8,178,927)

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**W Enright**

Director

Date: 22 Dec 2020

The notes on pages 16 to 30 form part of these financial statements.

VACCITECH LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 February 2019	2,442	36,009,957	-	416,957	(13,166,513)	23,262,843	725,449	23,988,292
<b>Comprehensive income for the period</b>								
Loss for the period	-	-	-	-	(16,882,681)	(16,882,681)	(625,965)	(17,508,646)
Foreign exchange reserve movement	-	-	(56,396)	-	-	(56,396)	-	(56,396)
<b>Total comprehensive income for the period</b>	-	-	(56,396)	-	(16,882,681)	(16,939,077)	(625,965)	(17,565,042)
NCI addition	-	-	-	-	-	-	1,628,276	1,628,276
Share based payment charge	-	-	-	996,591	-	996,591	-	996,591
<b>Total transactions with owners</b>	-	-	-	996,591	-	996,591	1,628,276	2,624,867
<b>At 31 December 2019</b>	<b>2,442</b>	<b>36,009,957</b>	<b>(56,396)</b>	<b>1,413,548</b>	<b>(30,049,194)</b>	<b>7,320,357</b>	<b>1,727,760</b>	<b>9,048,117</b>

The notes on pages 16 to 30 form part of these financial statements.

VACCITECH LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JANUARY 2019

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 February 2018	2,074	30,060,721	-	(5,689,021)	24,373,774	-	24,373,774
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	(7,477,492)	(7,477,492)	(8,475)	(7,485,967)
<b>Total comprehensive income for the year</b>	-	-	-	(7,477,492)	(7,477,492)	(8,475)	(7,485,967)
Shares issued during the year	368	5,949,236	-	-	5,949,604	-	5,949,604
NCI Creation	-	-	-	-	-	733,924	733,924
Share based payment charge	-	-	416,957	-	416,957	-	416,957
<b>Total transactions with owners</b>	368	5,949,236	416,957	-	6,366,561	733,924	7,100,485
<b>At 31 January 2019</b>	<b>2,442</b>	<b>36,009,957</b>	<b>416,957</b>	<b>(13,166,513)</b>	<b>23,262,843</b>	<b>725,449</b>	<b>23,988,292</b>

The notes on pages 16 to 30 form part of these financial statements.



VACCITECH LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 February 2019	2,442	36,009,957	416,957	(10,376,035)	26,053,321
<b>Comprehensive income for the year</b>					
Loss for the period	-	-	-	(16,017,243)	(16,017,243)
Other comprehensive income - revaluation of investment in subsidiary	-	-	-	4,191,656	4,191,656
<b>Total comprehensive income for the period</b>	-	-	-	(11,825,587)	(11,825,587)
<b>Contributions by and distributions to owners</b>					
Share based payment charge	-	-	996,591	-	996,591
<b>At 31 December 2019</b>	<b>2,442</b>	<b>36,009,957</b>	<b>1,413,548</b>	<b>(22,201,622)</b>	<b>15,224,325</b>

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JANUARY 2019

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 February 2018	2,074	30,060,721	-	(5,689,021)	24,373,774
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(6,575,662)	(6,575,662)
Other comprehensive income - revaluation of investment in subsidiary	-	-	-	1,888,648	1,888,648
<b>Total comprehensive income for the year</b>	-	-	-	(4,687,014)	(4,687,014)
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	368	5,949,236	-	-	5,949,604
Share based payment charge	-	-	416,957	-	416,957
<b>Total transactions with owners</b>	<b>368</b>	<b>5,949,236</b>	<b>416,957</b>	<b>-</b>	<b>6,366,561</b>
<b>At 31 January 2019</b>	<b>2,442</b>	<b>36,009,957</b>	<b>416,957</b>	<b>(10,376,035)</b>	<b>26,053,321</b>

## **VACCITECH LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

#### **1. General information**

Vaccitech Limited is a private company limited by shares, incorporated and domiciled in England and Wales with registered number 09973585. The Company's registered office can be found on the company information page of these financial statements.

The Company's principal activity is the development and improvement of vaccine technology.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.3 Going concern**

The Group has incurred a loss for the period of £17,508,646 (12 month period to 31 January 2019: £7,485,967) after a research and development tax credit of £2,500,639 (12 month period to 31 January 2019: £1,607,272) and has net assets of £9,048,117 (31 January 2019: £23,988,292) of which cash represents £8,672,268 (31 January 2019: £21,827,648).

The accompanying consolidated and company financial statements have been presented on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The Group and Company have financed their activities principally from the issuance of ordinary and preferred equity securities. The Group and Company have experienced recurring losses since inception and expects to incur additional losses in the future in connection with research and development activities.

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 2. Accounting policies (continued)

##### 2.3 Going concern

Management believes that the Group and Company have sufficient cash to support their operations at least through November 2021. In order to address its capital needs, including its planned clinical trials and other expenditure, the Group and Company are actively pursuing additional equity financing. Adequate financing opportunities might not be available to the Group and Company, when and if needed, on acceptable terms or at all. If the Group and Company are unable to obtain additional financing in sufficient amounts or on acceptable terms, the Group and Company will be forced to delay, reduce or eliminate some or all of its research and development programs and product portfolio expansion, which could adversely affect its operating results or business prospects. Although management continues to pursue these plans, there is no assurance that the Group and Company will be successful in obtaining sufficient funding on terms acceptable to the Group and Company to fund continuing operations, if at all. After considering the uncertainties, management consider it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements.

The Group's and Company's ability to continue as a going concern is dependent upon the Group's and Company's ability to raise additional debt and equity capital and this requirement for additional funding indicates that a material uncertainty exists which may cast significant doubt on the Group's and Company's ability to continue as a going concern. The accompanying consolidated and company financial statements do not include any adjustments relating to the recoverability of the recorded assets or the classification of liabilities that may be necessary should the Group and Company be unable to continue as a going concern.

Having prepared cashflow forecasts through to December 2021 and after considering the uncertainties along with mitigating actions that could be taken, management considers it is appropriate to continue to adopt the going concern basis in preparing the consolidated and company financial statements. In addition, there has been no material operational impact of COVID-19, nor is there expected to be going forwards.

From August 2020 through November 2020, the Company entered into convertible note arrangements with lenders for an aggregate £31,903,186 in gross proceeds. The Notes bear interest at 8% per annum and have a maturity date of July 6, 2023. The Notes are convertible into Company's equity shares with the note principal converting at a 20% discount at the earliest of the next round of equity financing, exit, or maturity, unless the cash redemption amount to be received by the lenders at twice the loan principal is greater than the value of the equity shares into which the Notes are convertible.

##### 2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 2. Accounting policies (continued)

- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold improvements	-	10% Straight line
Lab equipment	-	25% straight line
Office equipment	-	33% straight line
Computer equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.6 Development costs

Research and development costs are written off in the period in which they are incurred.

#### 2.7 Valuation of investments

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in other comprehensive income for the period.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.9 Cash and cash equivalents

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

#### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 2. Accounting policies (continued)

##### 2.11 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest pound sterling.

###### Transactions and balances

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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### 2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 2. Accounting policies (continued)

##### 2.13 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.15 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the year. However, the nature of estimation means that actual outcome could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effects on amounts recognised in the financial statements.

##### Share based payments

Estimating fair value for share-payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility. For the measurement of the fair value of equity settled transactions with employees at the grant date, the Company uses the Black-Scholes model.

##### Valuation of investment in subsidiary

The Company records their investment in subsidiary at fair value. The Directors review the fair value of each investment on an annual basis and consider for impairment. The directors make significant judgements regarding the fair value based on the market data available at each reporting date.

#### 4. Operating loss

The operating loss is stated after charging:

	2019 £	2019 £
Research & development charged as an expense	11,623,663	6,423,671
R&D charged against BARDA contract	(5,132,516)	-
Exchange differences	130,340	(432,333)
Depreciation of tangible fixed assets	170,611	69,272
Defined contribution pension cost	80,824	58,592
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15,300	10,770
Share based payment charge	996,591	416,957

#### 5. Employees

The average monthly number of employees, including directors, during the period was 30 (2019 - 12).

#### 6. Taxation

The tax on loss recognised within the Statement of Comprehensive Income is solely that of tax income from research and development tax credits.

The Company has taxable losses carried forward of £6,831,435 (2019: £6,487,690) and a £1,457,058 (2019: £1,102,907) unrecognised deferred tax asset which can be offset against future taxable profits.

VACCITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

7. Tangible fixed assets

Group

	Short-term leasehold improvements £	Lab equipment £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 February 2019	427,922	403,464	33,539	45,437	910,362
Additions	-	70,261	3,798	26,144	100,203
At 31 December 2019	427,922	473,725	37,337	71,581	1,010,565
<b>Depreciation</b>					
At 1 February 2019	14,264	44,175	2,767	9,687	70,893
Charge for the period on owned assets	39,226	100,295	12,026	19,064	170,611
At 31 December 2019	53,490	144,470	14,793	28,751	241,504
<b>Net book value</b>					
At 31 December 2019	374,432	329,255	22,544	42,830	769,061
At 31 January 2019	413,658	359,289	30,772	35,750	839,469



VACCITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

7. Tangible fixed assets (continued)

Company

	Short-term leasehold improvements £	Lab equipment £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 February 2019	427,922	403,464	33,539	45,437	910,362
Additions	-	70,261	3,798	26,144	100,203
At 31 December 2019	427,922	473,725	37,337	71,581	1,010,565
<b>Depreciation</b>					
At 1 February 2019	14,264	44,175	2,767	9,687	70,893
Charge for the period on owned assets	39,226	100,295	12,026	19,064	170,611
At 31 December 2019	53,490	144,470	14,793	28,751	241,504
<b>Net book value</b>					
At 31 December 2019	374,432	329,255	22,544	42,830	769,061
At 31 January 2019	413,658	359,289	30,772	35,750	839,469

**VACCITECH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**8. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 February 2019	2,324,093
Additions	4,016,581
Revaluations	4,191,656
	<hr/>
At 31 December 2019	10,532,330
<b>Impairment</b>	
Charge for the period	3,052,030
	<hr/>
At 31 December 2019	3,052,030
	<hr/>
<b>Net book value</b>	
At 31 December 2019	7,480,300
	<hr/> <hr/>
At 31 January 2019	2,324,093
	<hr/> <hr/>

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 8. Fixed asset investments (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Vaccitech Oncology Limited	The Schrodinger Building, 2nd Floor, Heatley Road, The Oxford Science Park, Oxford, OX4 4GE	Ordinary	76%
Vaccitech Australia PTY Limited	PKF (NS) Tax PTY Ltd, Level 8, 1 O'Connell Street, Sydney, NSW	Ordinary	100%
Vaccitech Personal Oncology Limited	The Schrodinger Building, 2nd Floor, Heatley Road, The Oxford Science Park, Oxford, OX4 4GE	Ordinary	100%

The fair value of the Company's investment in Vaccitech Oncology Limited as at 31 December 2019 is £7,480,300.

The fair value of the Company's investment in Vaccitech Australia PTY Limited as at 31 December 2019 is £nil, after an impairment charge of £3,052,030.

The subsidiary Vaccitech Personal Oncology Limited was dissolved on 3 March 2020.

**VACCITECH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**9. Debtors**

	Group 31 December 2019 £	Group 31 January 2019 £	Company 31 December 2019 £	Company 31 January 2019 £
Trade debtors	206,188	-	206,188	-
Amounts owed by group undertakings	-	-	566,519	1,067,605
Other debtors	289,798	222,516	30,874	177,504
Prepayments and accrued income	975,878	712,070	975,878	712,070
Tax recoverable	2,212,049	1,603,265	2,212,049	1,603,265
	<u>3,683,913</u>	<u>2,537,851</u>	<u>3,991,508</u>	<u>3,560,444</u>

**10. Cash and cash equivalents**

	Group 31 December 2019 £	Group 31 January 2019 £	Company 31 December 2019 £	Company 31 January 2019 £
Cash at bank and in hand	<u>8,672,268</u>	<u>21,827,648</u>	<u>6,522,815</u>	<u>20,498,515</u>

**11. Creditors: Amounts falling due within one year**

	Group 31 December 2019 £	Group 31 January 2019 £	Company 31 December 2019 £	Company 31 January 2019 £
Trade creditors	2,967,212	583,416	2,429,447	545,940
Amounts owed to group undertakings	1	-	-	-
Other taxation and social security	110,478	46,471	110,478	46,471
Other creditors	29,869	25,022	29,869	15,022
Accruals and deferred income	969,565	561,767	969,565	561,767
	<u>4,077,125</u>	<u>1,216,676</u>	<u>3,539,359</u>	<u>1,169,200</u>

# VACCITECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 12. Share capital

	31 December 2019 £	31 January 2019 £
<b>Allotted, called up and fully paid</b>		
23,466 (2019 - 23,466) Ordinary shares of £0.01 each	235	235
22,065 (2019 - 22,065) Series A shares of £0.10 each	2,207	2,207
	<hr/>	<hr/>
	<b>2,442</b>	<b>2,442</b>
	<hr/>	<hr/>

Series A shares have preferential voting rights and preferential liquidation rights over Ordinary shares.

### 13. Reserves

#### Share premium account

Share premium is the amount by which the amount received by a company for a share issue exceeds its nominal value.

#### Foreign exchange reserve

The foreign exchange reserve is the accumulated exchange gains or losses on translation of foreign subsidiaries during consolidation at the balance sheet date.

#### Profit and loss account

The profit and loss account is the Company's accumulated profit/loss up to the balance sheet date.

#### Share based payment reserve

The share based payment reserve represents the cumulative amount which has been expensed in the Statement of Comprehensive Income in connection with equity settled share based payments, less any amounts transferred to retained earnings on the exercise of share options.

# VACCITECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 14. Share based payments

The Company has share option schemes for certain directors and employees. EMI options are exercisable at a price agreed by HMRC. Unapproved share options are exercisable at a price decided by the Company. The vesting schedules vary depending on the option. If the options remain unexercised after a period of ten years from the date of grant the options expire. Unexercised options are forfeited if the employee leaves the Company.

During the period ended 31 December 2019, the Company has recognised a share based payment charge of £996,591 (2019: £416,957).

	Weighted average exercise price (pence) 31 December 2019	Number 31 December 2019	Weighted average exercise price (pence) 31 January 2019	Number 31 January 2019
Outstanding at the beginning of the year	0.10	3,644	0.10	1,793
Granted during the year	0.10	855	0.10	1,851
Forfeited during the year	0.10	(816)		-
Exercised during the year	0.10	(82)		-
<b>Outstanding at the end of the year</b>	<b>0.10</b>	<b>3,601</b>	<b>0.10</b>	<b>3,644</b>

	31 December 2019 Black- Scholes	31 January 2019 Black- Scholes
Option pricing model used		
Weighted average share price (pence)	737.72	525.94
Exercise price (pence)	0.10	0.10
Weighted average contractual life (days)	875	875
Expected volatility	14.43%	25%
Risk-free interest rate	0.82%	0.83%

# VACCITECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 15. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 December 2019 £	Group 31 January 2019 £
Not later than 1 year	210,000	210,000
Later than 1 year and not later than 5 years	678,904	870,493
	<u>888,904</u>	<u>1,080,493</u>

### 16. Related party transactions

During the period the Company made purchases of £237,039 (2019: £180,884) from its shareholder, Oxford Sciences Innovation Plc. At 31 December 2019, the Company owed £56,155 (2019: £nil) to Oxford Sciences Innovation Plc.

During the period the Company made purchases of £687,617 (2019: £1,467,918) from its shareholder, the University of Oxford. At 31 December 2019, the Company owed £75,670 (2019: £nil). These amounts include payments to Viral Vector Core Facility, a division of the University of Oxford.

During the period the Company made purchases of £138,317 (2019: £188,319) for services from Oxford University Innovation Limited which is a wholly owned subsidiary of the Company's shareholder, the University of Oxford. At 31 December 2019, the Company owed £3,089 (2019: £347) to Oxford University Innovation Limited.

During the period the Company made purchases of £6,498 (2019: £15,599) for services from Bioresolve Limited, a Company with a common director. At 31 December 2019, no balance was owed (2019: £nil) to Bioresolve Limited.

During the period the Company made purchases of £30,000 (2019: £23,340) for services from MRGN Advisors SARL a Company with a common director. At 31 December 2019, no balance was owed (2019: £21,667) to MRGN Advisors SARL.

During the period, the Company made purchases of £148,620 (2019: £43,200) from 6 directors in relation to consultancy fees and reimbursement of expenses. At 31 December 2019, the Company owed £41,972 (2019: £14,400) to these Directors.

During the period, the Company provided services to its subsidiary, Vaccitech Oncology Limited, of £1,820,531 (2019: £432,375). All services were performed at arms' length. At 31 December 2019, £566,520 (2019: £432,375) was due to the Company from Vaccitech Oncology Limited.

The Company has taken advantage of the exemption under FRS 102 section 33.1A not to disclose transactions with 100% owned group companies.

## VACCITECH LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 17. Post balance sheet events

In April 2020, pursuant to an agreement between Oxford University Innovation Limited ("OUI"), a related party, and AstraZeneca Plc for the development and commercialization of a COVID-19 vaccine, OUI and the Company amended the license of technology agreements previously entered into in March 2016 and January 2019 to enable a single exclusive license agreement for the use and ownership of the ChAdOx1 or ChAdOx2 vectors codeveloped by OUI and the Company (the "Amended OUI Agreement"). Under the Amended OUI Agreement, the Company will receive a share of all monetary payments and non-monetary consideration received by OUI under all vaccine license arrangements involving ChAdOx1 and ChAdOx2 viral vectors. In respect of any impact of COVID-19 on how the group and company operationally performs its activities, this is not considered to be material.

From August 2020 through November 2020, the Company entered into convertible note arrangements with lenders for an aggregate £31,903,186 in gross proceeds. The Notes bear interest at 8% per annum and have a maturity date of July 6, 2023. The Notes are convertible into Company's equity shares with the note principal converting at a 20% discount at the earliest of the next round of equity financing, exit, or maturity, unless the cash redemption amount to be received by the lenders at twice the loan principal is greater than the value of the equity shares into which the Notes are convertible.

#### 18. Controlling party

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