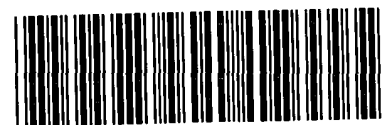


Imutex Limited
UNAUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2021

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COMPANIES HOUSE

Company Registration No. 10124988

Imutex Limited

Officers

DIRECTORS

Prof Brendan Buckley

Kimbell Duncan

Cathal Friel

Richard Huston (appointed 6 September 2021)

Gregory Stoloff (resigned 6 September 2021)

REGISTERED OFFICE

The Walbrook Building

25 Walbrook

London

EC4N 8AF

Imutex Limited

Strategic report

PRINCIPAL ACTIVITIES

Imutex Limited (the “Company” or “Imutex”) is a joint venture between SEEK Group and hVIVO Limited to accelerate the development of a broad-spectrum influenza vaccine (BIV) and a mosquito-borne disease vaccine (against diseases such as Zika, malaria, West Nile fever and dengue fever).

The development of BIV and Zika vaccines are key public health priorities identified by the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH) in the United States.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Imutex is accelerating the development of two assets:

- **FLU-v** is a novel first-in-class ‘universal’, broad-spectrum influenza vaccine candidate. FLU-v is designed to provide broad-spectrum cover against multiple influenza strains. Since it targets different antigens to those present in the seasonal influenza vaccines, it can be given as a stand-alone vaccine or in combination with seasonal vaccines to confer immunity. The vaccine aims to protect against antigenic drift and the emergence of future pandemic strains, which are the main vulnerabilities of seasonal flu vaccines, by targeting conserved antigens within the influenza proteomes.

The primary endpoints in two phase IIb studies were met:

- field study, FLU-v 003; vaccine demonstrated to be immunogenic using different immunological assays
- challenge study, FLU-v 004, the vaccine demonstrated reduction in the number of subjects experiencing mild to moderate influenza disease.

Imutex continues to explore options to advance the FLU-v vaccine program with potential partners.

- **AGS-v and the improved formulation AGS-v plus** are universal mosquito-borne diseases vaccine candidates with a novel proposed dual action mechanism of preventing infection in humans whilst impacting the mosquito population. It is designed to protect against mosquito-borne diseases carried in the saliva including but not limited to Zika, Malaria, Dengue Fever and West Nile Virus. AGS-v is composed of four salivary peptides isolated from *Anopheles gambiae* salivary glands. AGS-v Plus includes the same antigens and an additional one that is more common across a number of mosquitoes to increase the breadth of protection.

A randomised, placebo-controlled, double-blind Phase I first-in-man study of AGS-v was completed by the NIH in 2018 which showed that the vaccine was safe and induced immune responses in healthy volunteers.

On 11th March 2020, the positive results from this study were published in peer reviewed journal The Lancet, which described the results as encouraging and worthy of further study. A second phase Ib study, was carried out to test the safety and immunogenicity of the improved vaccine candidate, AGS-v plus, formulated in different adjuvants. The trial was completed in the first quarter of 2021 and the data shows that the vaccine is safe and immunogenic. Moreover, the blood of vaccinated subjects taken up by mosquitoes during feeding has the effect of reducing the number of eggs that *Aedes albopictus* female mosquito lays and the immune response in vaccinated subjects has been demonstrated to reduce the infectivity of Zika virus as shown in an *in vitro* assay. The study results have been submitted to a journal for publication.

Imutex Limited

Strategic report

KEY PERFORMANCE INDICATORS

Financial KPIs

The Directors consider the principal financial performance indicators of the Company to be:

	2021	2020
Loss before taxation for the year	£(155,068)	£(219,038)
Cash and cash equivalents	£52,387	£71,537
Intangible assets	£6,981,000	£6,981,000

Non-financial KPIs

The Directors consider the principal non-financial performance indicators of the Company to be:

- Milestones being achieved in the clinical development of FLU-v and AGS-v; and
- Formation of collaborations with potential partners to advance the assets further in clinical development.



Kimbell Duncan
Director
30 August 2022

Imutex Limited

Directors' report

FINANCIAL STATEMENTS

The Directors submit their report and financial statements of the Company (registered company number 10124988) for the year ended 31 December 2021.

RESEARCH AND DEVELOPMENT

The Company considers that most of its activities constitute research and development. In the opinion of the Directors, continuity of the investment in this area is essential for maintenance of the Company's market position and for achieving significant long-term value.

GOING CONCERN

As disclosed in note 2 to the financial statements, having made relevant and appropriate enquiries, including consideration of the Review of the Business, the Company's statement of financial position and working capital forecasts, the Board has a reasonable expectation that, at the time of approving the financial statements, the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company encounters, and must manage, several business risks of varying degrees. Such risks include:

- Regulatory, quality and ethics framework
- Intellectual property and patent protection
- Research and early development
- Operations and business performance
- Business continuity, infrastructure and scalability
- Financial risk

DIRECTORS

The Directors of the Company are as follows:

Prof Brendan Buckley
Kimbell Duncan
Cathal Friel
Richard Huston

DIVIDENDS

The Directors do not recommend the payment of a dividend (2020: £nil).

SUBSEQUENT EVENTS

There are no events after the balance sheet date requiring disclosure that are not contained in the Strategic report.



Kimbell Duncan
Director
30 August 2022

Imutex Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with UK adopted international accounting standards (IFRS).

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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable IFRS as adopted by the UK; 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Unaudited statement of comprehensive income for the year ended 31 December 2021

	Note	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Revenue		—	—
Cost of sales		—	—
Gross profit		—	—
Other income	6	—	187,492
Research and development expense		(35,273)	(325,568)
Administrative expense		(110,938)	(77,728)
Loss from operations		(146,211)	(215,804)
Finance costs	7	(8,857)	(3,234)
Loss before taxation		(155,068)	(219,038)
Taxation	8	10,839	—
Loss and total comprehensive loss for the year		(144,229)	(219,038)

All activities relate to continuing operations.

The accompanying notes are an integral part of the statement of comprehensive income.

Unaudited statement of financial position

At 31 December 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Intangible assets	9	6,981,000	6,981,000
		6,981,000	6,981,000
Current assets			
Other receivables	10	54,458	—
Tax receivable	8	—	11,623
Cash and cash equivalents	11	52,387	71,537
		106,845	83,160
Total assets		7,087,845	7,064,160
Equity and liabilities			
Equity			
Share capital	14	1	1
Share premium account		6,981,000	6,981,000
Retained earnings		(255,394)	(111,165)
Total equity		6,725,607	6,869,836
Current liabilities			
Trade and other payables	12	362,238	194,324
Total liabilities		362,238	194,324
Total liabilities and equity		7,087,845	7,064,160

For the financial period in question, the Company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

The Financial Statements of Imutex Limited (registered company number 10124988) on pages 6 to 16 were approved and authorised for issue by the Board on 30 August 2022 and signed on its behalf by:



Kimbell Duncan
Director

The accompanying notes are an integral part of the statement of financial position.

Unaudited statement of changes in equity

for the year ended 31 December 2021

	Share capital £	Share premium account £	Retained earnings £	Total equity £
As at 31 December 2019	1	6,981,000	107,873	7,088,874
Loss for the year	—	—	(219,038)	(219,038)
As at 31 December 2020	1	6,981,000	(111,165)	6,869,836
Loss for the year	—	—	(144,229)	(144,229)
As at 31 December 2021	1	6,981,000	(255,394)	6,725,607

The accompanying notes are an integral part of the statement of changes in equity.

Unaudited statement of cash flows

for the year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss before tax	(155,068)	(219,038)
Changes in working capital:		
(Increase)/decrease in receivables	(42,835)	522,409
Decrease in payables	(388)	(40,180)
Finance costs	8,857	3,234
Cash (used in)/generated from operations	(189,434)	266,424
Net finance costs	(8,857)	(3,234)
Tax paid	—	—
R&D tax credit	10,839	—
Net cash (used in)/generated from operating activities	(187,452)	263,190
Cash flows from financing activities		
Borrowings from/(repaid to) related parties	168,302	(342,726)
Net cash generated from/(used in) financing activities	168,302	(342,726)
Net decrease in cash and cash equivalents	(19,150)	(79,536)
Cash and cash equivalents at the start of year	71,537	151,073
Cash and cash equivalents at the end of year	52,387	71,537

The accompanying notes are an integral part of the statement of cash flows.

Notes to the financial statements

1. General information

The principal activity of Imutex Limited ("the Company" or "Imutex") is research and experimental development of vaccines, specifically the development of vaccines against flu and mosquito-borne diseases such as Zika, Malaria, West Nile Virus and Dengue Fever.

The Company is incorporated and domiciled in the United Kingdom. The Company's registered office address is The Walbrook Building, 25 Walbrook, London, United Kingdom EC4N 8AF.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Financial Statements have been prepared in accordance with UK adopted international accounting standards (IFRSs), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements also comply with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements are presented in the Company's functional currency, Pounds Sterling (£).

The Financial Statements have been prepared under the historical cost convention.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and Directors' report.

In determining the basis for preparing the Financial Statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of the approval of the Financial Statements. As at 31 December 2021 the Company had cash and cash equivalents of £52,387 (2020: £71,537) and net current liabilities of £255,394 (2020 net current liabilities: £111,165).

Management prepares detailed working capital forecasts which are reviewed by the Board on a regular basis. The forecasts include assumptions regarding the timing and quantum of investment in the Company's research and development programme. Whilst there are inherent uncertainties regarding the cash flows associated with the development of FLU-v and AGS-v, the Directors are satisfied that there is sufficient discretion and control as to the timing and quantum of cash outflows to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future.

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks 2016". Having made relevant and appropriate enquiries, including consideration of the Company's current cash resources and the working capital forecasts, the Directors have a reasonable expectation that the Company will have adequate cash resources to continue to meet the requirements of the business for at least the next twelve months. Accordingly, the Board continues to adopt the going concern basis in preparing the Financial Statements.

Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the financial statements

Intangible assets

The cost of a purchased intangible asset is the purchase price plus any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at their fair value and are subsequently measured at their amortised cost using the effective interest rate method. Due to the short-term nature of these balances, the carrying amount of trade payables approximates to their fair value.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the asset.

Current and deferred tax

Tax currently payable is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss before income tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the Company makes estimates and assumptions concerning the future based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant effect on the amounts recognised in the Financial Statements are addressed below.

Recognition of intangible fixed asset

On 21 April 2016, PepTcell Limited granted Imutex a worldwide sub-licence of the flu and mosquito-borne disease vaccine platforms for £7.0 million in cash consideration and a downstream commercialisation royalty. The sub-licence has been accounted for in the balance sheet as an intangible fixed asset.

Notes to the financial statements

4. Interpretations of accounting standards

Amendments to published standards effective for the year ended 31 December 2021

During the year no amendments to standards that became effective during the year were material to the Company.

Standards adopted early by the Company

The Company has not adopted any standards or interpretations early in either the current or the preceding financial period.

New and revised IFRSs in issue but not yet effective

Interpretations to existing standards and new standards that are not yet effective and have not been early adopted by the Company:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021. (Amendment to IFRS 16)	1 April 2021
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract. (Amendments to IAS 37)	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use. (Amendments to IAS 16)	1 January 2022
IFRS	Annual Improvements to IFRS Standards 2018–2020	1 January 2022
IFRS 3	Reference to the Conceptual Framework. (Amendments to IFRS 3)	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-current. (Amendments to IAS 1)	1 January 2023
IFRS 17	IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.	1 January 2023
IAS 1	Disclosure of Accounting Policies. (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction. (Amendments to IAS 12)	1 January 2023
IAS 8	Definition of Accounting Estimates. (Amendments to IAS 8)	1 January 2023

The Directors are of the opinion that the application of these standards is unlikely to have any significant impact, other than increased disclosures, on the Financial Statements of the Company.

5. Segmental information

The Company's Board are responsible for resource allocation and the assessment of performance. In the performance of this role, the Board review the Company's activities, in the aggregate. The Company has therefore determined that it has only one reportable segment under IFRS 8 Operating Segments, which is 'medical and scientific research'.

The Company carries out its main activities from the United Kingdom. The Company conducts management and administration and research and development activity in the UK. All revenue is derived from activities undertaken in the UK, although no revenue was recorded in the reporting year.

6. Other income

	<u>Year ended 31 December 2021</u>	<u>Year ended 31 December 2020</u>
	<u>£</u>	<u>£</u>
Government grant	—	187,492

Notes to the financial statements

7. Finance costs

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Other bank charges	232	392
Interest on loan	8,625	2,842
	8,857	3,234

8. Taxation

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Current tax:		
Current tax on profit for the year	—	—
Adjustment in respect of previous year	(10,839)	—
Total tax	(10,839)	—

Corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit or loss for the year.

The charge for the year can be reconciled to the loss in the statement of comprehensive income as follows:

Loss before taxation	(155,068)	(219,038)
Tax at the UK corporation tax rate of 19% (2020: 19%)	(29,463)	(41,617)
Effect of other reliefs	—	—
Amounts not recognised	29,463	41,617
Prior year research and development tax credit	(10,839)	—
Tax credit for the year	(10,839)	—

Factors affecting current and future taxation

The rate of UK corporation tax for the year to 31 December 2021 was 19%.

9. Intangible assets

	Acquired intellectual property £	Total £
Cost:		
At 31 December 2019	6,981,000	6,981,000
Additions at cost	—	—
At 31 December 2020	6,981,000	6,981,000
Additions at cost	—	—
At 31 December 2021	6,981,000	6,981,000
Accumulated depreciation:		
At 31 December 2021	—	—
Carrying amount:		
At 31 December 2019	6,981,000	6,981,000
At 31 December 2020	6,981,000	6,981,000
At 31 December 2021	6,981,000	6,981,000

Notes to the financial statements

10. Other receivables

	31 December 2021	31 December 2020
	£	£
Prepayments	54,113	—
VAT receivable	345	—
	54,458	—

11. Cash and cash equivalents

	31 December 2021	31 December 2020
	£	£
Cash at bank and in hand	52,387	71,537

All the Company's cash and cash equivalents at 31 December 2021 are held in interest bearing accounts. All cash and cash equivalents of the Company at 31 December 2021 are denominated in Pounds Sterling (£).

The Directors consider that the carrying value of cash and cash equivalents approximates fair value. For details on the Company's credit risk management, refer to note 13.

12. Trade and other payables

	31 December 2021	31 December 2020
	£	£
Trade payables	49,290	1,844
Accruals	3,341	51,500
Loans from related parties (see note 15)	309,607	140,982
	362,238	194,325

The Directors consider that the carrying value of payables approximates fair value. Included within trade payables is the equivalent of £45,375 denominated in US Dollars.

The Company has financial risk management policies in place to ensure that trade payables are settled within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the reporting periods presented herein (see note 13).

13. Financial risk management

The Company is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Company for managing those risks and the methods used to measure them. Risk management is carried out by the Board of Directors. The Board identifies and evaluates financial risks.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company is funded principally by equity and loans from related parties.

Financing decisions are made by the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Company commitments and development plans.

Notes to the financial statements

Financial assets

At the reporting date, the Company held the following financial assets:

	31 December 2021 £	31 December 2020 £
Cash and cash equivalents	52,387	71,537

Financial liabilities

At the reporting dates, the Company held the following financial liabilities, all of which were classified as other financial liabilities at amortised cost:

	31 December 2021 £	31 December 2020 £
Trade payables	49,290	1,844
Accruals	3,341	51,500
Loans from related parties	309,607	140,982
	362,238	194,325

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. In the year ended 31 December 2021, both these risks are considered to have been minimal.

Credit risk

Credit risk arises principally from the Company's short-term deposits, cash and cash equivalents and trade and other receivables.

The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Company seeks to limit the level of credit risk on cash and cash equivalents by only depositing surplus liquid funds with counterparty banks that have high credit ratings.

The Company considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The loss allowance as at 31 December 2021 was determined to be £nil (2020: £nil) and none of the financial assets were past due. Management considers the above measures to be sufficient to control the credit risk exposure.

No collateral is held by the Company as security in relation to its financial assets.

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board of Directors manages liquidity risk by regularly reviewing the Company's cash requirements by reference to short-term cash flow forecasts and medium-term working capital projections.

At 31 December 2021, the Company had cash and cash equivalents of £52,387 (2020: £71,537).

Foreign currency risk management

The Company's exposure to foreign currency risk has been limited. No balance is held in foreign currencies at the end of the reporting year and the Company has made no payments in foreign currencies other than US Dollars and Euros. As such, management has not presented any sensitivity analysis in this area as this is immaterial.

Notes to the financial statements

Maturity of financial assets and liabilities

All of the Company's non-derivative financial liabilities and its financial assets at 31 December 2021 are either payable or receivable within one year.

14. Share capital

	Number	£
A ordinary shares of £0.01 each	51	0.51
B ordinary shares of £0.01 each	49	0.49

The Company has issued no share options.

Components of equity

The components of equity are as follows:

- share capital and the share premium account, both of which arise on the issue of shares;
- retained deficit, which reflects losses incurred to date.

15. Related party transactions

Transactions with the Company's related parties

As at 31 December 2021 an amount of £157,898 (2020: £71,904) was due to PepTcell Limited and £151,709 (2020: £69,078) to hVIVO Limited in respect of loan principal and accrued interest. The loans are unsecured and repayable on demand. Interest is charged at the rate of 5.0 percent above the Bank of England base rate per annum of the £147,900 and £142,100 loans from PepTcell Limited and hVIVO Limited respectively.

16. Ultimate controlling party

Imutex is a joint venture between PepTcell Limited and hVIVO Limited, with the relevant activities of Imutex jointly controlled by PepTcell Limited and hVIVO Limited.

17. Capital commitments

At the reporting date, the Company had no capital commitments.