

**ALEGRE TOPCO UK LIMITED**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Registered Number: 12373936 (England and Wales)**



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**ALEGRE TOPCO UK LIMITED**

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## **Directors, officers, and advisors**

### **Directors**

Edward James De Nor

Antonio Bernardino Guimaraes Parada

Andrea Ponti

### **Secretary**

Reed Smith Corporate Services Limited

### **Registered Office**

21 St. James's Square, London SW1Y 4JZ

### **Independent Auditor**

BDO LLP, Newton House, Cambridge Business Park, Cambridge CB4 0WZ

### **Company number**

12373936

## **Strategic report**

### **OVERVIEW**

The Group, through its subsidiaries Iontas and Fairjourney Biologics offers an innovation-driven, technology-based company that supports its pharmaceutical and biotechnology company partners in their pursuit to discover and develop new therapeutic antibodies against all classes of disease targets.

The Group aims to transform the conventional, multi-vendor, product development model by bringing innovative and high-throughput, data-driven technologies to its partners, incorporating the advantages of diverse antibody repertoires with the Group's therapeutic antibody discovery suite of technologies, to exploit antibodies of broad epitope coverage, multiple antibody formats, valency, and size, and to discover antibodies against multiple/rare epitopes.

The Group offers inclusive support to its partners, starting with customized, high-throughput discovery platforms, functional antibody testing, lead candidate selection, antibody optimization, antibody engineering and manufacturing, all under one same contract.

The Group believes that its knowledge, innovation, technologies, scientific rigor, and focus on producing quality products, provide a unique experience in one-stop service offerings, and assist the Company in its aim to reduce the time required for, and the inherent risk associated with, conventional multi-vendor product development. The Company has achieved organic revenue growth through market penetration and service diversification in the biologics, CRO space, as well as accretive growth through strategic expansion of its operations by acquiring Iontas innovative mammalian display technology, and through investments in research and development ("R&D").

### **Services**

The Group services include, but are not limited to, custom Antibodies modelling, design and manufacturing; proprietary mammalian display technology; custom, immune and naïve phage display production and screening; high-throughput screening and clone-picking; expertise with transgenic animals and multi-species antibody discovery; antibody characterization studies such as affinity measurements, functional assays and epitope mapping and binning; bi-specific, tri-specific, VHH antibody manufacturing; DNA synthesis and cloning, protein and antibody downstream processing with purification of protein in gram scale levels including characterization and validation; antibody engineering; transient and stable cell line generation; antibody optimization and humanization.

During 2021 to the list of services just presented were added the access to phage display libraries for the discovery of reagent, cold storage and logistic services and was prepared to be launched in early 2022 the antibody catalogue.

### **Brands**

The Group operated in 2021 under three flowing Brands with the followed broad offerings:

- Fairjourney Biologics – Antibody Discovery and Antibody Engineering;
- Iontas - Antibody Discovery, Antibody Engineering and Technology and Assets Licencing;
- FlowEighteen38 – Antigen Production, Antibody Production, Antibody Characterization, Reagent Antibodies, Cold Storage and Logistics, Antibody Catalogue.

**Strategic report (continued)****Operations of the Company**

The Group's operations are based in Cambridge, United Kingdom and Porto, Portugal and Boston, United States of America.

The Group is performing custom antibody discovery, engineering and production generation since its inception using phage display technology via Fairjourney Biologics and same services with the addition of the Mammalia display technology since the acquisitions of Iontas Limited.

The Group has focused on optimizing its cutting-edge technologies to support the development of novel therapeutic antibodies, bringing an expanded array of capabilities to partners in Europe, North America, and the rest of the world. The Group has sought to increase its capabilities at its Porto location by heavily investment during 2020 in adding equipment for protein production and purification. In its location in Cambridge and investment was made to further developing and improving technologies such as its mammalian display technology platform.

The Group established its executive headquarters in Porto, Portugal in an effort to bring key members of management under a streamlined chain of command that is responsible for pipeline selection and oversight, policy establishment, finances and accounting, sales and marketing, communication, contracts, information technology governance and administration. Its R&D and technology development capabilities were concentrated in the Cambridge location where the Technology Division was created. In Boston the Group started to develop its Business Development efforts in the last quarter of the year through a newly incorporated entity.

**Research, Development and Therapeutic Discovery Program**

CRO services are the main focus of the Group's business activities, though it also continues pursue the development of intellectual property portfolio of proprietary methods and physical assets. The Group has invested strategically in the development and licensing of antibody technologies, mammalian display platform, and related intellectual property assets. These investments have been accompanied by internal discovery programs focused on novel therapeutic antibodies and vaccines in areas such as COVID-19, and further enable companies to enter into non-fee-for-service partnership models of drug discovery programs.

**Principal activity**

The principal activity of the Alegre Topco UK Limited, Alegre Midco UK limited is to act as holding companies of the Group. Alegre Interco Limited and Alegre USA are to act as a service provides for other companies of the group providing services such as Management services and Business Development services respectively.

The principal activity of ALGRPT Portugal SA is to act a business and management consultancy activities company providing services for other companies of the Group.

Fairjourney Biologics and Iontas are leading, global, technology platform companies with full service, end-to-end solutions that empower pharmaceutical companies across the globe to discover, develop, optimize, engineer and manufacture treatments against any disease. The Company's experience, cutting-edge technologies and focus on intense scientific rigor enables unparalleled support of its partners in their quest to bring innovative treatments to the clinic.

Fairjourney Biologics Company has gained global recognition as a frontrunner in antibody discovery and development. Through Fairjourney Biologics the Group have achieved organic growth through market penetration and service diversification, as well as accretive growth through strategic expansion, acquiring and integrating the most innovative technologies. This is well reflected by acquisition of Iontas which allow the Group to gain access to a new technology, the mammalian display technology, that can now be offered by to Group to its clients.

Using the discovery technologies Phage display and mammalian technologies, the Group can generate very large panels of monoclonal antibodies from various backgrounds including mouse, rat, rabbit, chicken, llama and human.

**ALEGRE TOPCO UK LIMITED****Strategic report (continued)****Review of the business and key performance indicators**

The group's principal activities during the year continued to be the discovery, engineering, and production of antibodies.

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

	2021
<i>Revenues</i>	€25,411,000
<i>Group operating profit</i>	€3,876,000
<i>Loss after tax</i>	€3,268,000
<i>Current assets as % of current liabilities ('quick ratio')</i>	143%
<i>Average number of employees</i>	145

The Group continued to emphasize the value of technologically advanced discovery programs utilizing diverse animal repertoires and multiple technologies with unique advantages, while continuing to take on a larger volume of contracts in general. As a result, revenues of €25,411,000 were achieved for the period ended December 31, 2021. The Group's gross profit for the period ended December 31, 2021, was €20,383,000 (80% gross profit margin).

The Company has been expanding its commitment to research and development initiatives aimed at introducing new technological capabilities through both internal development as well as through partnerships. To support management and the Board of Directors in exercising oversight, the Group has implemented information systems for marketing and sales automation and customer relationship management, as well as accounting and financial reporting, resource planning and project management. Comprehensive operational and management reporting capabilities were implemented with a view to effectively support a geographically dispersed organization allowing managers access to company data globally. The go live happened in the first day of the year.

**Future developments**

The management team has a passionate emphasis on initiatives aimed to drive revenue, bolster internal assets and maximize shareholder value.

We aim to continue to build on asset generation through internal development particularly through the efforts being carried at Iontas by their Technology Division currently working on three, still in early stages, projects, believed to be very promising, both from the scientific and revenue generating capability perspective.

The focus will be also to increase the service offering as part of our commitment to further meet our clients' increasing needs.

The Group will continue to, in a well-informed manner, be open and search for strategic acquisitions and joint ventures aiming to navigate further down the value chain in the pre-clinical market.

The strategy also includes the possibility of growth through alliances and partnerships, within both our research and service sectors, as well as potential new market sectors.

From a geographic perspective, it is a clear objective to increase its share in the US Antibody discovery Market. The objective is being operationalized via Alegre USA LLC an entity incorporated in the US with the purpose of, at least in an initial phase, undertake very aggressive Business Development efforts.

**Strategic report (continued)****Operations**

The objective is to continue to aggressively expand our market share as we assist our partners with building their pipelines, expanding the volume and size of projects with our partners, and on-boarding new clients by actively introducing them to the benefits of extensive vendor consolidation, the routinely high success rates of our programs and fast turnaround times.

We continue to possess a competitive advantage with our integrated end-to-end platform, coupled with a strong, scientific know-how, enabling us to navigate our partners through the process of discovery, development, and manufacturing. Our ability to customize programs, yet maintain scientific rigor, enables our clients to access our global portfolio of services with confidence. Our personable and responsible global project management team and unified software ensures that our clients have program details at their fingertip.

Our strategy is supported by growing trends in pharma and finance. Global pharmaceutical companies are continuing to increase their share of reliance on CRO's to improve the efficiency and cost of development, increase turnaround time, and access advanced and integrated expertise.

The pharmaceutical outsourcing trends have major drivers of the CRO industry growth including robust biopharmaceutical funding, accelerated drug approval rates, the growing number of clinical trials, and proliferation of biopharmaceutical companies without internal research and clinical capabilities. In an attempt to streamline, many large pharmaceutical companies are limiting the number of external CRO vendors that can be contracted.

This is particularly promising for those CROs that fill multiple niches in the discovery and manufacturing pipeline. In a recent estimate, the CRO industry alone was estimated to be a multibillion USD industry and considered to be highly fragmented and relatively few of full scale and scope of service.

Ongoing, growing investments by pharma in R&D are expected to ramp up for antibodies given the rising prevalence of cancer and other chronic diseases. In oncology, antibodies are viewed as the mainstay, as people move away from other types of therapies such as small molecules. In recent years, the success of key pipeline drugs in the immuno-oncology space have been a key component of the record high capital market funding for the biotechnology sector.

**Principal risks and uncertainties**

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. The risks described below are not the only ones the Company will face. If any of these risks actually occurs, the Company business, financial condition or results of operations may be materially and adversely affected. In that case, the trading price of the Company's securities could decline and investors in such securities could lose all or part of their investment.

**Currency risk**

The Group operates from the United Kingdom, Portugal and United States of America and provides services most significantly to the European and North American markets which gives rise to exposure to market risks from changes in foreign currency values. Most significantly, the Company is exposed to potential currency fluctuations between GBP, EUR and USD. Fluctuations in the exchange rate could impact profitability.

**Liquidity risk**

The Company's approach to managing its obligations is to maintain sufficient resources to meet its obligations when due without undue risk to the Company. The Company monitors its cash requirements on an ongoing basis to ensure that there are sufficient resources for operations as well as to fund anticipated leasing, capital and development expenditures. In addition, the Company manages its cash to meet its debt obligations and to fund general and administrative costs.

**Strategic report (continued)*****Research and Development and Product Development***

The Group is a life science Group that makes customized antibodies and is engaged in the research and product development of new antibodies, processes, procedures, and innovative approaches to the antibody production. Its subsidiaries Iontas and Fairjourney Biologics has been engaged in such research and development activities since 2012 and significant success. Continued investment in retaining key scientific staff, as well as an ongoing commitment in research and development activities, will continue to be a cornerstone in the Group's development of new services, processes, and competitive advantages of mammalian display technology and its methods for the production of human antibodies. The Company realises that such research and product development activities endeavour, but cannot assure, the production of new and innovative processes, procedures or innovative approaches to antibody production or new antibodies. Furthermore, if it does not achieve sufficient market acceptance of its expansion of its commercialization of its products and services, it will be difficult for the Group to achieve consistent profitability. The Company's marketing and sales approach and external sales personnel continues to introduce a steady stream of new partners.

***Competition***

Although there are only a limited number of full-service CRO companies, the Group may face intense competition in providing its services and products.

Some competitors might have resources of a variety of types that can exceed those of the Group's. Increased competition by bigger, better-financed players with geographic advantages could materially and adversely affect the Group's business, financial condition, and results of operations. To continue competitive, the Group needs to provide successfully and efficiently:

- products and services that satisfy partner requirements;
- excellent partner service;
- high levels of quality and reliability;
- reliable and efficient distribution systems.

Increased competition may require the Company to reduce prices or increase spending on sales and marketing and partner support, which may have a material adverse effect on its financial condition and results of operations.

***Intellectual Property Protection***

It is important for the Group its ability to obtain, protect and enforce patents on its technology, namely the mammalian display technology platform or the Triple Vector which is still patent pending. The Group's efforts to enforce and maintain its intellectual property rights may not be successful and may result in substantial costs and diversion of management time. Also, others may challenge these or future patents of the Group and these could be tightened, invalidated or declared unenforceable, or it may be forced to stop using the technology covered by these patents or to license the technology from third parties. In addition to patent protection, the Company also relies on copyright and trademark protection, trade secrets, know-how, continuing technological innovation and licensing opportunities. The Company's failure to protect its proprietary information and techniques may inhibit or limit its ability to exclude certain competitors from the market and execute its business strategies.

***Failure of Laboratory Facilities***

The Group's business is dependent upon a laboratory infrastructure to provide services and products. If the laboratory facilities are affected by a fire, a flood or any such events, its activities may be affected.

This type of failures is unpredictable, and despite the fact that the Group has made significant capital expenditures designed to create redundancy within these mechanical systems, facilities, software's and data storage the risk cannot be 100% eliminated and as a result, the Group may incur significant liability exposure, which may exceed any insurance payout that the Group may obtain in the future.



**Strategic report (continued)**

***Pandemic Risk***

The Group does not believe it has been affected positively by the pandemic. There were no positive impacts in revenue despite the fact that there were projects on COVID-19 developed by both Iontas and FairJourney. Those projects were internal efforts that were never monetised. There are no expectations of doing that in the future and we do not expect to be contracted to develop for clients COVID-19 related projects.

The negative impacts experienced by the Group relate to necessity significantly increase inventories order to minimize the impact of supply-chain disruptions.

With all measures put in place during 2020 and 2021, that will continue to be in place during the outbreak for as long as it lasts, it is in our opinion unlikely, but still a possibility, that in the future the Group's operation may be negatively affected by the COVID-19 pandemic.

*Antonio Parada*

**Antonio Parada**

**Director**

**Date:** 28/06/2022

**ALEGRE TOPCO UK LIMITED**

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**Directors' report**

The Directors present their report and the audited Consolidated financial statements for the period from 1 January 2021 to 31 December 2021.

**Principal activity**

Alegre Topco UK Limited holds 100% of the shares of Alegre Midco UK Limited. Alegre Midco UK Limited holds 100% of the shares Alegre Interco Limited, a UK company. Alegre Interco Limited holds 100% of the shares ALGRPT Portugal Limited, a Portuguese company. ALGRPT Portugal SA holds 100% of the shares of Fairjourney Biologics SA, a Portuguese company.

The principal activity of the Alegre Topco UK Limited and Alegre Midco UK limited is to act as a holding company of the Group.

Alegre Interco Limited as a Management services provider to other companies of the Group.

The principal activity of ALGRPT Portugal SA is to act a business and management consultancy activities company providing services for other companies of the Group.

Fairjourney Biologics and Iontas are leading, global, technology platform companies with full service, end-to-end solutions that empower pharmaceutical companies across the globe to discover, develop, optimize, engineer and manufacture treatments against any disease. The Company's experience, cutting-edge technologies and focus on intense scientific rigor enables unparalleled support of its partners in their quest to bring innovative treatments to the clinic.

Fairjourney Biologics Company has gained global recognition as a frontrunner in antibody discovery and development. Through Fairjourney Biologics the Group have achieved organic growth through market penetration and service diversification, as well as accretive growth through strategic expansion, acquiring and integrating the most innovative technologies. This is well reflected by acquisition of Iontas which allow the Group to gain access to a new technology, the mammalian display technology, that can now be offered by to Group to its clients.

Also, part of the Group is Alegre USA LLC, a USA company incorporated on 15 October 2021 and that the principal activity is to act as Business Development services provider to other companies of the Group.

**Dividends**

During the period ended 31 December 2021 no dividends were approved or paid by the company (2020: none).

**Research and development**

For the period ended 31 December 2021 the Group has made a considerable investment Research and development. In Iontas was created the Technology Division which has as main focus the research and development of new technologies. The purpose is to add to the two technologies the company already offers to its clients, mammalian display (proprietary technology) and phage display, more alternative or complementary technologies. These would be used in the services the company provided to customers and/or licensed clients.

During 2021 this division has been almost fully dedicated to three particular projects.

Given that the company believes the works is early stages in these projects and amongst other things, there is not yet sufficient certainty these projects are technically feasible and are commercially viable, classifying the cost as development cost instead of research cost is considered premature.

For these reasons, the company decided that the appropriate accounting treatment for all research expenditure associated with these three projects is to write it off to the profit and loss account as incurred.

To conclude, the only costs capitalised during 2021 are cost related to the mammalian display technology for wish capitalizations were already made in the past and will be in the future.

**Directors' report (continued)****Future developments**

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference.

**Events since the balance sheet date**

No significant events affecting the Group have occurred since the end of the year.

**Financial risk management objectives and policies**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

***Cash flow risk***

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

***Credit risk***

The Group's principal financial assets are cash and cash equivalents, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

***Liquidity risk***

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of existing cash balances, cash generated from operation and long-established relations with banking institutions by Fairjourney Biologics that allow quick access to working capital facilities if needed.

***Creditor payment policy***

The Group seeks to comply with agreed payment terms of 30 days.

**Going concern**

The Directors have considered the company's cashflow forecasts and they have no grounds for concern regarding the company's ability to meet its obligations as they fall due and continue to operate within the existing cash balance and working capital facilities, thus requiring no additional funding to maintain liquidity.

In reaching their decision to prepare financial statements on a going concern basis, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Directors' indemnities**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain force at the date of this report.

**Political and charitable contributions**

Political and charitable contributions of €25,000 were made during the period ended 31 December 2021 (2020: €nil).

**ALEGRE TOPCO UK LIMITED****Directors' report (continued)****Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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 and profit or loss of the company and group for that period. In preparing these 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 and the Directors' Remuneration Report 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 confirm that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 statements may differ from legislation in other jurisdictions.

**Auditor**

BDO LLP were appointed as auditors of the company during the period and in accordance with section 489(4) of the Companies Act 2006, a resolution proposing the reappointment of BDO UK LLP will be put to the members at the forthcoming Annual General Meeting.

**Authority of issue of financial statements**

The consolidated financial statements of Group were approved by the Board of Directors and authorised for issue on ..... and were signed on its behalf by:

*Antonio Parada*

**Antonio Parada**

**Director**

**Date:** 28/06/2022

**Independent auditor's report  
To the members of Alegre Topco UK Limited****Opinion on the financial statements**

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 2021 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Alegre Topco UK Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2021 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and 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 UK adopted international accounting standards and, as regards the Parent Company financial statements, United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISA 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Group and the 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.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**ALEGRE TOPCO UK LIMITED**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Other Companies Act 2006 reporting**

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.

In the light of the knowledge and understanding of the Group and 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.

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, 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.

**ALEGRE TOPCO UK LIMITED***Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

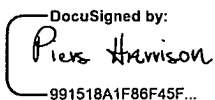
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the Parent Company. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (IFRS and the Companies Act 2006), sales taxes, labour regulations and tax in the United Kingdom and in foreign jurisdictions.
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and correspondence with regulators. We also consulted with BDO internal specialists.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, review of the revenue recognition policy and testing the amounts of revenue recognised on contracts in the period. We also considered key areas of estimation uncertainty or judgement, for example in relation to the consideration of the potential impairment of goodwill and other intangible fixed assets.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

**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.

DocuSigned by:  
  
 991518A1F86F45F...

**Piers Harrison (Senior Statutory Auditor)**

**For and on behalf of BDO LLP, Statutory Auditor**

**Cambridge, United Kingdom**

**Date: 11 July 2022**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**ALEGRE TOPCO UK LIMITED****Consolidated income statement  
for the year ended 31 December 2021**

			Period 20 December 2019 to 31 December
	Note	2021 €'000	2020 €'000
Revenue	5	25,411	19,195
Cost of sales		(5,028)	(763)
<b>Gross profit</b>		<b>20,383</b>	<b>18,432</b>
Administrative expenses		(17,241)	(21,360)
Other operating income		734	1,453
<b>Operating profit / (loss)</b>	6	<b>3,876</b>	<b>(1,475)</b>
Finance expense	9	(7,179)	(6,074)
<b>Loss before tax</b>		<b>(3,303)</b>	<b>(7,549)</b>
Taxation	10	35	(850)
<b>Loss for the financial year</b>		<b>(3,268)</b>	<b>(8,399)</b>

**Consolidated statement of other comprehensive income  
for the year ended 31 December 2021**

Consolidated statement of other comprehensive income for the year ended 31 December 2021		Period 20 December 2019 to 31 December	
	Note	2021 €'000	2020 €'000
Loss for the period		(3,268)	(8,399)
<i>Items that will or may be reclassified to profit or loss:</i>			
Exchange losses arising on translation of foreign operations		157	(312)
		157	(312)
<b>Total comprehensive loss</b>		<b>(3,111)</b>	<b>(8,711)</b>

		Period 20 December 2019 to 31 December
EBITDA*		
	Note	2021 €'000
		2020 €'000
Operating profit / (loss)		3,876
Depreciation and amortisation		5,887
EBITDA		9,763

\*EBITDA – earnings before interest, tax, depreciation and amortisation. The directors have assessed this performance measure as relevant for the users of the financial statements.



**Company statement of comprehensive income**  
**for the year ended 31 December 2021**

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the year was a loss of €7,381,000 (2020: loss €5,899,000).

The accompanying accounting policies and notes on pages 23 to 54 form an integral part of these financial statements

**ALEGRE TOPCO UK LIMITED****Consolidated statement of financial position****At 31 December 2021**

	<b>Note</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	11	76,606	76,606
Other intangibles	12	27,178	29,339
Property, plant & equipment	13	28,473	20,792
Deposit – employees fund		49	34
Deferred tax	10	180	63
<b>Total non-current assets</b>		<b>131,486</b>	<b>126,834</b>
<b>Current assets</b>			
Inventory	15	899	109
Trade and other receivables	16	8,520	6,123
Corporation tax receivable		2,217	50
Cash and cash equivalents		9,307	4,758
<b>Total current assets</b>		<b>20,943</b>	<b>11,040</b>
<b>Total assets</b>		<b>152,429</b>	<b>137,875</b>
<b>Equity</b>			
Share capital	20	11	11
Share premium		3,578	21,478
Distributable reserve		17,900	-
Foreign exchange translation reserve		(155)	(312)
Other reserves		9	-
Retained earnings		(11,667)	(8,399)
<b>Total equity</b>		<b>9,676</b>	<b>12,778</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables	17	-	31
Preference share capital liability	20	107,033	106,408
Borrowings	19	16,303	5,021
Deferred tax		4,797	4,684
<b>Total non-current liabilities</b>		<b>128,133</b>	<b>116,144</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	10,246	6,486
Borrowings	19	1,631	936
Corporation tax liability		2,743	1,530
<b>Total current liabilities</b>		<b>14,620</b>	<b>8,952</b>
<b>Total liabilities</b>		<b>142,753</b>	<b>125,096</b>
<b>Total equity and liabilities</b>		<b>152,429</b>	<b>137,875</b>

The financial statements on pages 16 to 22 were approved and authorised for issue by the Board of Directors on

..... and were signed on its behalf by:

*Antonio Parada*

**Antonio Parada**

**Director**

**Date:**

28/06/2022

Company registration number: 12373936

The accompanying accounting policies and notes on pages 23 to 54 form an integral part of these financial statements.

**ALEGRE TOPCO UK LIMITED****Company statement of financial position**

At 31 December 2021

	Note	2021 €'000	2020 €'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	14	96,349	96,349
Deferred tax		-	-
Other receivables	16	22,214	25,330
<b>Total non-current assets</b>		<b>118,563</b>	<b>121,679</b>
<b>Current assets</b>			
Trade and other receivables		399	-
Corporation tax receivable		127	-
Cash and cash equivalents		17	415
<b>Total current assets</b>		<b>543</b>	<b>415</b>
<b>Total assets</b>		<b>119,106</b>	<b>122,094</b>
<b>Equity attributable to equity holders of the company</b>			
Share capital	20	11	11
Share premium		3,578	21,478
Distributable reserve		17,900	-
Retained earnings		(13,280)	(5,899)
<b>Total equity attributable to equity holders of the company</b>		<b>8,209</b>	<b>15,590</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables		2,747	-
Preference share capital liability	20	107,033	106,408
<b>Total non-current liabilities</b>		<b>109,780</b>	<b>106,408</b>
<b>Current liabilities</b>			
Trade and other payables	17	1,117	96
<b>Total current liabilities</b>		<b>1,117</b>	<b>96</b>
<b>Total liabilities</b>		<b>110,897</b>	<b>106,504</b>
<b>Total equity and liabilities</b>		<b>119,106</b>	<b>122,094</b>

The financial statements on pages 16 to 22 were approved and authorised for issue by the Board of Directors on

.....and were signed on its behalf by:

*Antonio Parada*

**Antonio Parada**

**Director**

28/06/2022

**Date:**

Company registration number: 12373936

The accompanying accounting policies and notes on pages 23 to 54 form an integral part of these financial statements.

**ALEGRE TOPCO UK LIMITED****Consolidated statement of changes in equity**  
**for the year ended 31 December 2021**

	Share Capital €'000	Share Premium €'000	Distributable reserve €'000	Translation reserve €'000	Other reserve €'000	Retained earnings €'000	Total equity €'000
<b>Equity at 20 December 2019</b>	-	-	-	-	-	-	-
<b>Transactions with shareholders</b>							
Shares issued	11	21,478	-	-	-	-	21,489
Total transactions with shareholders	11	21,478	-	-	-	-	21,489
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(8,399)	(8,399)
Other comprehensive loss	-	-	-	(312)	-	-	(312)
Total comprehensive loss	-	-	-	(312)	-	(8,399)	(8,711)
<b>Equity as at 31 December 2020</b>	<b>11</b>	<b>21,478</b>	<b>-</b>	<b>(312)</b>	<b>-</b>	<b>(8,399)</b>	<b>12,778</b>
<b>Transactions with shareholders</b>							
Shares issued	1	-	-	-	-	-	1
Share buy back	(1)	-	-	-	-	-	(1)
Total transactions with shareholders	-	-	-	-	-	-	-
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(3,268)	(3,268)
Other comprehensive loss	-	-	-	157	-	-	157
Total comprehensive loss	-	-	-	157	-	(3,268)	(3,111)
Legal reserve	-	-	-	-	9	-	9
Transfers between reserves	-	(17,900)	17,900	-	-	-	-
<b>Equity as at 31 December 2021</b>	<b>11</b>	<b>3,578</b>	<b>17,900</b>	<b>(155)</b>	<b>9</b>	<b>(11,667)</b>	<b>9,676</b>

**ALEGRE TOPCO UK LIMITED****Company statement of changes in equity**

for the period from 20 December 2019 to 31 December 2021

	Share Capital €'000	Share Premium €'000	Distributable reserve €'000	Retained earnings €'000	Total equity €'000
<b>Equity at 20 December 2019</b>					
<b>Transactions with shareholders</b>					
Shares issued	11	21,478	-	-	21,489
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(5,899)	(5,899)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(5,899)	(5,899)
<b>Equity as at 31 December 2020</b>	<b>11</b>	<b>21,478</b>	<b>-</b>	<b>(5,899)</b>	<b>15,590</b>
<b>Transactions with shareholders</b>					
Shares issued	1	-	-	-	1
Share buy-back	(1)	-	-	-	(1)
Total transactions with shareholders	-	-	-	-	-
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(7,381)	(7,381)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(7,381)	(7,381)
<b>Transfers between reserves</b>		(17,900)	17,900	-	-
<b>Equity as at 31 December 2021</b>	<b>11</b>	<b>3,578</b>	<b>17,900</b>	<b>(13,280)</b>	<b>8,209</b>

The accompanying accounting policies and notes on pages 23 to 54 form an integral part of these financial statements.

**ALEGRE TOPCO UK LIMITED****Consolidated statement of cash flows  
for the year ended 31 December 2021**

	<b>Note</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
<b>Loss for the period before tax</b>		(3,303)	(7,549)
<b>Adjustments for:</b>			
Amortisation of Intangible assets	12	2,500	4,875
Depreciation of property, plant and equipment	13	3,387	1,445
Loss on disposal		10	122
Interest payable		7,179	6,074
Increase in inventories		(790)	(50)
Increase in trade and other receivables		(2,397)	(1,784)
Increase in trade and other payables		5,064	10,316
Tax paid		(2,249)	(1,213)
<b>Net cash flows from operating activities</b>		<b>9,401</b>	<b>12,236</b>
<b>Investing activities</b>			
Purchase investment		-	(12)
Payments to acquire intangible assets	12	(354)	(682)
Payments to acquire property, plant and equipment	13	(10,078)	(11,095)
Acquire subsidiary Fairjourney Biologics		-	(33,496)
Acquire subsidiary Iontas		-	(13,206)
<b>Net cash used by investing activities</b>		<b>(10,432)</b>	<b>(58,491)</b>
<b>Financing activities</b>			
Interest paid		(265)	(6,074)
Proceeds from borrowings		12,168	56,715
Redemption preference shares		(6,289)	-
Payment of lease obligations		(191)	(9,949)
Issue of ordinary shares		-	10,632
<b>Net cash generated by financing</b>		<b>5,423</b>	<b>51,324</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,392</b>	<b>5,069</b>
Exchange gains on cash and cash equivalent		157	(311)
Cash and cash equivalents at beginning of period		4,758	-
<b>Cash and cash equivalents at end of period</b>		<b>9,307</b>	<b>4,758</b>

The accompanying accounting policies and notes on pages 23 to 54 form an integral part of these financial statements.

## Notes to the consolidated financial information

### 1. Company Information

The consolidated financial information represents the results of Alegre Topco UK Limited (the "Company") and its subsidiaries, together comprising the Group ("Alegre Topco" or the "Group").

Alegre Topco UK Limited is a private company limited by shares and incorporated in England and Wales, registration number 12373936. The company's registered office is 21 St. James's Square, London SW1Y 4JZ.

The principal business of the Group is to offer a range of products and services based on antibody engineering, discovery and production.

### 2. Accounting policies

#### Accounting convention

The financial information has been prepared using the historical cost convention. The principal accounting policies adopted in the preparation of the consolidated financial statements are set below. They have been consistently applied to the period presented, unless otherwise stated. The consolidated financial statements are presented in Euros, rounded to the nearest thousand (€'000), which is also the Group's functional currency with the exception of Iontas Limited where the functional currency is Sterling (£).

#### Basis of preparation of the consolidated financial statements

The consolidated financial statements are presented in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

#### Basis of preparation of the parent company financial statements

The financial statements of the parent company have been prepared under the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework and the Companies Act 2006.

In summary those disclosure exemptions adopted are:

The requirements of IFRS 7 Financial Instruments: Disclosures, as equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated

the disclosure exemptions from IFRS 13 Fair Value Measurement to the extent that they apply to financial instruments.

The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:

paragraph 79(a)(iv) of IAS 1 (share capital);

paragraph 73(e) of IAS 16 Property, Plant and Equipment;

paragraph 118(e) of IAS 38 Intangible Assets.

The requirements of paragraphs 10(d) and 111 (Statement of cash flows), 134 to 136 (managing capital), and 16 (statement of compliance with IFRS) of IAS 1 Presentation of Financial Statements.

The requirements of IAS 7 Statement of Cash Flows.

The requirements of paragraph 17 of IAS 24 Related Party Disclosures.

The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Accounting policies (continued)****Going concern**

The Directors have considered the company's cashflow forecasts and they have no grounds for concern regarding the company's ability to meet its obligations as they fall due and continue to operate within the existing cash balance and working capital facilities, thus requiring no additional funding to maintain liquidity.

In reaching their decision to prepare financial statements on a going concern basis, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Basis of consolidation**

The Group financial information consolidates those of the Company and the subsidiaries over which the Company has control. Control is established when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and could affect those returns through its power over the subsidiary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

The consolidated financial information incorporates the results of business combinations using the acquisition 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 profit or loss from the date on which control is obtained until the date on which control ceases.

*Subsidiaries*

Where a subsidiary undertaking is acquired/disposed of during the period, the consolidated profits or losses are recognised from/until the effective date of the acquisition/disposal.

All inter-company balances and transactions between Group companies are eliminated on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the Company financial statements.

**Foreign currency****a) Functional and presentational currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's functional currency and the Group's presentational currency is the Euro (€).

**a) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**b) Group companies**

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each income statement are translated at the rate of exchange at the transaction date. Where this is not possible, the average rate for the period is used but only if there is no significant fluctuation in the rate.
- On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity. Post transition exchange differences are recycled to profit or loss as a reclassification adjustment upon disposal of the foreign operation.



**Notes to the consolidated financial information (continued)****Accounting policies (continued)****Revenue recognition**

Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, VAT, and other sales duty.

The Group applies IFRS 15 *Revenue from contracts with customers*. Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance and applies the five-step method to:

- (i) identify contracts with its customers;
- (ii) determine performance obligations arising under those contracts;
- (iii) set an expected transaction price;
- (iv) allocate that price to the performance obligations; and then
- (v) recognise revenues as and when those obligations are satisfied.

*Sales of services*

Revenue for rendered services is recognised at the point of reasonable completion of contractual obligation to the customer defined according to the completion stage, calculated by contract timeline, and reflect the consideration to which the entity expects to be entitled.

*Sales of products*

Revenue is recognised when the product has been completed and the risks are transferred to the customer.

*R&D collaboration revenue*

Revenue is recognised when the service has been completed and the customer has received the result of the service. If the revenue is dependent on the Group achieving certain milestones, then the revenue is only recognised in the income statement following successful completion of the milestones.

**Research and development expenditure credits**

Where the Group receives research and development expenditure credits ("RDEC") it accounts for these as a deduction from the relevant expenditure under IAS 20 'Accounting for Government Grants and Disclosures'.

**Government grants**

Where the Group receives government grant income it is recognised under IAS 20 'Accounting for Government Grants and Disclosures'. Government grants in respect of capital expenditure are credited to a deferred income account and are released to the income statement over the expected useful life of the relevant asset by equal annual instalments. Grants that are related to expenditure are credited to match expenditure incurred under the terms of the grant.

**Inventory**

Inventories are measured at the lower of cost and net realisable value. The cost of inventory comprises costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories are assigned by using the first-in, first-out (FIFO). The FIFO formula assumes that the items of inventory that were purchased first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

**Intangible assets - Goodwill**

Goodwill is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows) and is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have been impaired and that the carrying amount may not be recoverable. Any impairment in carrying value is charged to the income statement. An impairment loss recognised for goodwill cannot be reversed.

**ALEGRE TOPCO UK LIMITED**

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**Notes to the consolidated financial information (continued)****Accounting policies (continued)****Intangible assets - Business combinations**

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset. The cost of such intangible assets is their fair value at the acquisition date and comprises brands, customer contracts and relationships, order backlogs, software and technology. All intangible assets acquired through business combination are amortised over their useful lives estimated at between 2 and 23 years.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

**Intangible assets - Internally generated: Research and Development**

Any research costs are expensed in the period they are incurred. An internally generated intangible asset arising from development, or the development phase, of an internal project is recognised if all of the following criteria have been met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangibles not yet in use are subject to annual impairment testing.

Internally generated assets are amortised over 5 years at 20% per annum.

**Notes to the consolidated financial information (continued)****Accounting policies (continued)****Property, plant and equipment**

Property, plant and equipment is recorded at cost deducted of accumulated depreciation and any provision for impairment. Depreciation is provided using the straight-line method to write off the cost of the asset less any residual value over its useful economic life. The residual values of assets are reviewed annually and revised where necessary. Assets' useful economic lives are as follows:

Plant and machinery	-	4 - 7 years
Office equipment	-	4 - 10 years
Leasehold improvements	-	10 years
Buildings	-	20 years
Right of use lease assets	-	The earlier of the end of the useful life of the asset or the end of the lease term

No depreciation is charged on assets under construction until it is probable that economic benefits associated with the assets will flow to the Group and the cost can be measured reliably.

No depreciation is charged on the land owned by the company in Porto, Portugal which is used as the site for the company's offices.

Subsequent costs of major additions or major components are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying cost of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance, and operational inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between net disposal proceeds and the carrying amount is recognised in the income statement as "other operating losses/gains".

**Impairment**

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. As a result some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill, other individual assets or cash-generating units that include goodwill and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. The cashflow evaluations are a result of the Directors' estimation of future sales and expenses based on their past experience and the current market activity within the business. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Accounting policies (continued)****Leases**

The Group is a lessee of office premises and, under IFRS 16, the Group recognises a right-of-use asset and a lease liability in respect of qualifying leases. Non-qualifying leases include right of access agreements, leases of low value or leases of less than twelve months.

The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the Group has recalculated the Right of use asset and the lease liability based on the date of the acquisition of the subsidiary holding the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise such an option to extend and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

**Notes to the consolidated financial information (continued)****Accounting policies (continued)****Financial assets**

On initial recognition, the Group classifies its financial assets as either financial assets at fair value through income statement, at amortised cost or fair value through comprehensive income, as appropriate. The classification depends on the purpose for which the financial assets were acquired. At the reporting year-end the financial assets of the Group were all classified as loans or receivables.

*Trade receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

They are initially recognised at fair value and measured subsequent to initial recognition at amortised cost using the effective interest method, less any impairment loss.

The Group's financial assets comprise trade receivables, other receivables (excluding prepayments) and cash and cash equivalents.

*Trade and other receivables - impairment*

The group applies an expected credit loss model to calculate the impairment losses on its trade receivables. The group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables at the balance sheet date have been put into groups based on days past the due date for payment and an expected loss percentage is assessed for each group to generate the expected credit loss provision for each group. If deemed appropriate, a total expected credit loss provision then calculated.

The recent history of the Group indicates that no receivables have been deemed uncollectable and as a result it is not thought appropriate to calculate an expected credit loss provision.

**Financial liabilities**

The Group's financial liabilities include trade and other payables and borrowings which include lease liabilities and bank loans.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in the income statement.

Trade payables are recognised initially at their fair value, net of transaction costs and subsequently measured at amortised costs less settlement payments.

**ALEGRE TOPCO UK LIMITED**

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**Notes to the consolidated financial information (continued)****Accounting policies (continued)****Taxation*****Current tax***

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the income statement unless the tax relates to an item taken directly to equity in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

***Deferred tax***

Tax losses available to be carried forward, as well as other income tax credits to the Group, are assessed for recognition as deferred tax assets.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date.

**Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the present obligations arising from legal or constructive commitments resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the statement of financial position date.

All provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimates.

**Notes to the consolidated financial information (continued)****Accounting policies (continued)****Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of inventory or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Retirement benefits**

The cost of pensions in respect of the Group's defined contribution scheme is charged to the income statement in the period in which the related employee services were provided.

**Equity***Issued capital*

Ordinary shares are classified as equity. The nominal value of shares is included in issued capital.

*Share premium*

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.

*Distributable reserve*

The Distributable reserve represents the value of cancelled share premium.

*Other reserves*

The other reserves represent the legal reserve which is non distributable and is a requirement under Portuguese law.

*Foreign exchange translation reserve*

The foreign exchange reserve represents foreign exchange gains and losses arising on translation of investments in overseas subsidiaries into the consolidated financial statements.

*Retained earnings*

The retained earnings include all current and prior period results for the Group and the post-acquisition results of the Group's subsidiaries as determined by the income statement.

**Preference share capital**

Preference shares have been issued by the Group parent with a nominal value of €1,208,000 (2020: €1,208,000) and a total value of €107,033,000 (2020: €106,408,000). The Director's view is that these financial instruments constitute a liability as opposed to equity and have therefore been disclosed on the Position Statement as such.

**Dividends**

Final equity dividends to the shareholders of the Group are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid. Dividends receivable are recognised when the Group's right to receive payment is established.

**Notes to the consolidated financial information (continued)****3. Critical accounting judgements and estimation uncertainty**

The preparation of financial statements requires management to make judgments, estimations, and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. There are not considered to be any significant estimates which would result in an adjustment to the carrying amount of assets and liabilities. Information about such judgements and estimates are contained in the accounting policies and the notes to the financial statements. The key areas are summarised below:

**Judgements in applying accounting policies:*****Research and Development costs***

Capitalisation of development costs in accordance with IAS 38 requires analysis of the technical feasibility and commercial viability of the project in the future. This in turn requires a long-term judgement to be made about the development of the industry in which the development will be marketed. Where the Directors consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the project, which indicates that the costs incurred will be recovered they are capitalised within intangible fixed assets. The amount of the capitalisation is based on estimates to judge the percentage of the time relevant staff spend on projects. Where insufficient evidence exists, the costs are expensed to the income statement.

***Useful economic life (UEL) and depreciation***

Calculation of depreciation and the retention of assets on the fixed asset register requires management to make judgements regarding the useful economic lives of fixed assets. These judgements are based on Group's experience of similar assets and industry standards. Where management identifies that actual UELs differ from those estimated, the UELs are adjusted in the period that the difference is identified.

***Right of use asset recognition***

Management have assessed each lease liability for recognition under IFRS 16 and recognised a right of use asset where appropriate.

***Acquisition accounting***

As part of the process of acquisition, IFRS 3 *Business combinations* requires that where goodwill is present there should be a fair value exercise undertaken to establish if there are additional intangible assets which are within the goodwill. In order to recognise and value these intangible assets the directors are required to make significant judgements as to the type of asset and then to carry out the valuation process which requires discounted cashflow calculations and selection of the discount factor.

**Sources of estimation uncertainty:*****Goodwill and other intangible assets***

Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash generating unit to which the goodwill and intangibles have been allocated. The carrying value of the investments are also assessed. The value in use calculations require an estimation of the future cash flows expected to arise from the cash generating units and a suitable discount rate to calculate the present value.

***Leases***

As part of the group's adoption of IFRS 16, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental rate of borrowing. Arriving at the appropriate discount rate is based on a number of factors and requires significant estimation.



**Notes to the consolidated financial information (continued)****4. Financial instruments – risk management**

The board of directors of Alegre Topco has overall responsibility for the determination of the Group's risk management objectives and policies. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. All funding requirements and financial risks are managed based on policies and procedures adopted by the board.

The Group does not enter into derivative transactions or trade in financial instruments and the Directors believe the Group is not materially exposed to commodity price risk.

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Foreign exchange risk
- Interest rate risk

The Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank loans

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

Trade and other payables are measured at amortised cost.

**Financial instruments by category****Financial assets**

	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
Cash and cash equivalents	9,307	4,758
Trade receivables	3,078	2,276
Prepayments	1,415	1,070
Recoverable VAT	-	360
Other receivables	4,027	2,417
<b>Financial assets at amortised cost</b>	<b>17,827</b>	<b>10,881</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)**  
**Financial instruments – risk management (continued)**

## Financial liabilities

	At 31 December 2021 €'000	At 31 December 2020 €'000
<b>Non-current</b>		
Other payables	-	31
<b>Current</b>		
Trade payables	3,337	472
Other payables	1,848	3,656
VAT payable	45	-
Accruals	1,510	176
<b>Trade and other payables</b>	<b>6,740</b>	<b>4,304</b>
<b>Non-current</b>		
Bank loans	14,776	3,513
Borrowings – lease liability	1,368	1,508
Other borrowings	159	-
Preference share liability	107,033	106,408
<b>Current</b>		
Bank loans	1,311	729
Borrowings – lease liability	217	207
Other borrowings	103	-
<b>Loans and borrowings</b>	<b>124,967</b>	<b>112,365</b>
<b>Financial liabilities at amortised cost</b>	<b>131,707</b>	<b>116,669</b>

The key risks to the Group and the policies and procedures put in place by management to manage them are summarised below:

Interest rate risk

Depending on whether variable or fixed interest rates have been negotiated on bank loans, the volatility of interest rates can result in a cash flow risk. Currently, the interest rates on bank loans are variable since they are connected to Euribor. The management team continuously monitors the Euribor fluctuations in order to mitigate any potential adverse impact on financial performance. If necessary, this mitigation can be achieved by contracting interest rate hedging instruments swapping the variable rates for fixed rates, this way mitigating the volatility risk of short-term interest rates.

Foreign exchange risk

In respect of monetary assets and liabilities held in currencies other than Euro (US dollar, Sterling) the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances. The Group's foreign exchange exposure is continuously monitored.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Financial instruments – risk management (continued)**Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. Group's net trade receivables for the three reported periods are disclosed in the financial assets table above.

The Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by contracts with customers with agreed credit terms.

The Directors do not consider that there is any concentration of risk within other receivables.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are substantial banks with high credit ratings. The maximum exposure is the amount of the deposit. To date, the Group has not experienced any losses on its cash and cash equivalent deposits.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

**At 31 December 2021**

	<b>Within 1 year</b>	<b>2-5 years</b>	<b>5+ years</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Trade payables	3,337	-	-
Accruals	1,510	-	-
Other payables	1,848	-	-
Bank loans	1,311	14,776	-
Lease liability	217	1,368	-
Other borrowings	103	159	-
	<b>8,326</b>	<b>16,303</b>	-

**At 31 December 2020**

	<b>Within 1 year</b>	<b>2-5 years</b>	<b>5+ years</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Trade payables	472	-	-
Accruals	176	-	-
Other payables	3,655	31	-
Bank loans	729	3,513	-
Lease liability	206	1,417	92
	<b>5,238</b>	<b>4,961</b>	<b>92</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Financial instruments – risk management (continued)****Capital management**

The Group's capital is made up as follows:

	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
Share capital	11	11
Share premium	3,578	21,478
Distributable reserve	17,900	-
Foreign exchange translation reserve	(155)	(312)
Other reserves	9	-
Retained earnings	(11,667)	(8,399)
	<b>9,676</b>	<b>12,778</b>

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources, fund raising, and borrowings.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****5. Revenue from contracts with customers****(a) Revenue from operations**

	<b>Year ended 31 December 2021 €'000</b>	<b>Period to 31 December 2020 €'000</b>
Revenue arises from supply of services		
R&D collaboration	<b>25,411</b>	<b>19,195</b>

**(b) Geographic markets**

An analysis of external revenue by geographic market is given below:

	<b>Year ended 31 December 2021 €'000</b>	<b>Period to 31 December 2020 €'000</b>
Revenue arises from:		
United Kingdom	4,605	3,279
Europe	8,479	8,788
North America	10,426	6,815
Rest of the World	1,901	313
	<b>25,411</b>	<b>19,195</b>

All revenue received in the current period has been recognised at a point in time in accordance with the Group's revenue recognition policy.

**6. Operating profit/(loss)**

Operating profit/(loss) is presented after charging the following items:

	<b>Year ended 31 December 2021 €'000</b>	<b>Period to 31 December 2020 €'000</b>
Audit fees	160	138
Other audit services:		
Non-audit fees – other assurance services	-	-
Research and Development expenditure	476	1,549
Depreciation of property, plant and equipment	3,387	1,445
Amortisation of intangible assets	2,500	4,875
Loss on disposal of property, plant and equipment	10	122
Foreign exchange (gains) / losses	(40)	160
Employee costs (note 7)	4,757	4,586

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****7. Employee benefit expenses**

The aggregate remuneration of persons (including Directors) employed by the Group during the period was:

	<b>Year ended 31 December 2021</b>	<b>Period to 31 December 2020</b>
	<b>€'000</b>	<b>€'000</b>
Wages and salaries	3,639	3,874
Social security costs	1,047	669
Pension costs	71	43
	<b>4,757</b>	<b>4,586</b>

The Group operates a defined contribution scheme for its directors and employees. The pensions cost charge represents the contributions payable by the Company.

Key management comprises only the directors. Directors' remuneration included in staff costs amounts to:

	<b>Year ended 31 December 2021</b>	<b>Period to 31 December 2020</b>
	<b>€'000</b>	<b>€'000</b>
Wages and salaries	20	317
Social security costs	1	65
Pension costs	-	-
	<b>21</b>	<b>382</b>

No directors were members of a defined benefit scheme. No directors exercised share options during the period.

The average monthly number of persons (including directors) employed by the Group during the period was:

	<b>Year ended 31 December 2021</b>	<b>Period to 31 December 2020</b>
	<b>Number</b>	<b>Number</b>
Management	8	2
Operations and administration	137	116
	<b>145</b>	<b>118</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****8. Finance income**

<b>COMPANY</b>	<b>Year ended 31 December 2021 €'000</b>	<b>Period to 31 December 2020 €'000</b>
Interest on loans to subsidiary companies	949	774
	<b>949</b>	<b>774</b>

**9. Finance expenses**

<b>GROUP</b>	<b>Year ended 31 December 2021 €'000</b>	<b>Period to 31 December 2020 €'000</b>
Bank loans	266	76
Interest on preference shares (cumulative at 6% per annum)	6,913	5,998
<b>Total finance expense</b>	<b>7,179</b>	<b>6,074</b>

<b>COMPANY</b>	<b>Year ended 31 December 2021 €'000</b>	<b>Period to 31 December 2020 €'000</b>
Interest on preference shares	6,913	5,998
<b>Total finance expense</b>	<b>6,913</b>	<b>5,998</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****10. Taxation**

GROUP	Year ended 31 December 2021	Period to 31 December 2020
	€'000	€'000
<b>Current tax</b>		
UK R&D tax credit	-	(55)
Portugal tax payable	357	1,675
	357	1,620
<b>Deferred tax</b>		
Deferred tax asset on carried forward losses	(7)	(63)
Deferred tax loss on intangible amortisation	(317)	(892)
Deferred tax liability on temporary differences	(68)	185
	(392)	(770)
<b>Total current tax</b>	<b>(35)</b>	<b>850</b>

The credit for the period can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

Loss before taxation	(3,303)	(7,549)
Expected tax credit based on corporation tax rate 2020: 19%	(628)	(1,434)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,633	2,232
Difference due to Portuguese tax rate	357	266
Permanent differences for Portuguese tax purpose	(1,397)	(224)
Tax losses surrendered in excess of R&D credit	-	10
Tax credit for the year	(35)	850

**Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the current and prior periods:

At the balance sheet date, the Group had unused tax losses of €949,000 (2020: €331,000) available for offset against future profits. A deferred tax asset has been recognised in respect of €180,000 (2020: €63,000) of such losses.

The group has also recognised a deferred tax liability due to intangibles acquired in business combination of €4,577,000 (2020: €4,684,000) and a deferred tax liability of €220,000 (2020: €186,000) due to temporary differences.



**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Taxation (continued)**

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the current and prior periods:

	Intangible assets €'000	Temporary differences €'000	UK tax losses €'000	Total €'000
<b>At 31 December 2020</b>	4,684	186	(63)	4,807
Asset for losses charged to profit or loss	-	-	(117)	(117)
Liability for temporary differences charge to profit or loss	-	-	(117)	(117)
Charge to other comprehensive income	(107)	34	-	(71)
<b>At 31 December 2021</b>	4,577	220	(180)	4,619
	Intangible assets €'000	Temporary differences €'000	UK tax losses €'000	Total €'000
<b>At 20 December 2019</b>	-	-	-	-
Asset for losses charged to profit or loss	-	-	(63)	(63)
Liability for temporary differences charge to profit or loss	-	186	-	186
Charge to other comprehensive income	4,684	-	-	4,684
<b>At 31 December 2020</b>	4,684	186	(63)	4,807

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****11. Goodwill****GROUP**

	<b>€'000</b>
<b>COST</b>	
<b>At 20 December 2019</b>	-
Additions – acquisition of Fairjourney Biologics	66,844
Additions – acquisition of Iontas	9,762
<b>At 31 December 2020</b>	<b>76,606</b>
Additions	-
<b>At 31 December 2021</b>	<b>76,606</b>

The Company performs a goodwill impairment test annually and when circumstances indicate that the carrying value may not be recoverable. For the purposes of impairment testing, goodwill acquired through business combinations has been allocated to two different CGUs. The recoverable amount of each CGU was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The cash flows were projected over a five-year period based on past experience and actual operating results. The Company performed its annual goodwill impairment test in December 2021 and no impairment was indicated for the period tested.

The carrying value of Goodwill per CGU was as follows:

	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
Fairjourney Biologics	66,844	66,844
Iontas	9,762	9,762
	<b>76,606</b>	<b>76,606</b>

## ALEGRE TOPCO UK LIMITED

## Notes to the consolidated financial information (continued)

## 12. Other Intangibles

GROUP	Patents €'000	Order backlog €'000	Customer contracts €'000	Customer relationships €'000	Brand €'000	Technology €'000	Software €'000	Development costs €'000	Total €'000
<b>COST</b>									
<b>At 20 December 2019</b>	-	-	-	-	-	-	-	-	-
Acquisition	301	3,247	11,000	14,769	3,246	965	201	31	33,760
Additions	298	-	-	-	-	-	281	103	682
Disposal	(158)	-	-	-	-	-	-	-	(158)
<b>At 31 December 2020</b>	441	3,247	11,000	14,769	3,246	965	482	134	34,284
Opening foreign exchange	29	-	-	-	-	-	-	-	29
Additions	89	-	-	-	-	-	104	143	336
Disposal	-	-	-	-	-	-	-	(32)	(32)
<b>At 31 December 2021</b>	559	3,247	11,000	14,769	3,246	965	586	245	34,617
<b>AMORTISATION</b>									
<b>At 20 December 2019</b>	-	-	-	-	-	-	-	-	-
Acquisition	94	-	-	-	-	-	-	12	106
Charge for period	45	3,018	739	589	301	122	44	17	4,875
Disposal	(36)	-	-	-	-	-	-	-	(36)
<b>At 31 December 2020</b>	103	3,018	739	589	301	122	44	29	4,945
Opening foreign exchange	7	-	-	-	-	-	-	-	7
Charge for period	52	229	757	678	324	193	217	50	2,500
Disposal	-	-	-	-	-	-	-	(13)	(13)
<b>At 31 December 2021</b>	162	3,247	1,496	1,267	625	315	261	66	7,439
<b>NET BOOK VALUE</b>									
<b>At 31 December 2020</b>	338	229	10,261	14,180	2,945	843	438	105	29,339
<b>At 31 December 2021</b>	397	-	9,504	13,502	2,621	650	325	179	27,178

The company carries no intangible assets.

## ALEGRE TOPCO UK LIMITED

## Notes to the consolidated financial information (continued)

## 13. Property, plant and equipment

GROUP	Plant and machinery €'000	Office equipment €'000	Assets under construction €'000	Leasehold improvements €'000	Freehold land €'000	Buildings €'000	Right of use lease asset €'000	Total €'000
<b>COST</b>								
<b>At 20 December 2019</b>	-	-	-	-	-	-	-	-
Acquisition	6,156	357	3,739	210	2,629	-	770	13,861
Additions	2,627	323	6,589	-	-	540	1,016	11,094
Disposal	-	-	-	-	-	-	-	-
<b>At 31 December 2020</b>	8,783	680	10,328	210	2,629	540	1,786	24,955
Foreign exchange on opening	107	15	-	14	-	-	65	201
Transfers	-	-	(10,328)	-	-	10,328	-	-
Additions	5,133	897	1,352	630	-	2,096	-	10,108
Disposal	(157)	(5)	-	(225)	-	-	-	(387)
<b>At 31 December 2021</b>	<b>13,866</b>	<b>1,587</b>	<b>1,352</b>	<b>629</b>	<b>2,629</b>	<b>12,964</b>	<b>1,851</b>	<b>34,878</b>
<b>DEPRECIATION</b>								
<b>At 20 December 2019</b>	-	-	-	-	-	-	-	-
Acquisition	2,344	259	-	115	-	-	-	2,718
Charge for period	883	103	-	75	-	192	193	1,445
Disposals	-	-	-	-	-	-	-	-
<b>At 31 December 2020</b>	3,227	362	-	190	-	192	193	4,163
Foreign exchange on opening	78	7	-	12	-	-	5	102
Charge for period	2,041	634	-	39	-	386	414	3,514
Disposals	(157)	(3)	-	(215)	-	-	-	(375)
<b>At 31 December 2021</b>	<b>5,189</b>	<b>1,000</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>578</b>	<b>612</b>	<b>7,405</b>
<b>NET BOOK VALUE</b>								
<b>At 31 December 2020</b>	<b>5,556</b>	<b>318</b>	<b>10,328</b>	<b>20</b>	<b>2,629</b>	<b>348</b>	<b>1,593</b>	<b>20,792</b>
<b>At 31 December 2021</b>	<b>8,677</b>	<b>587</b>	<b>1,352</b>	<b>603</b>	<b>2,629</b>	<b>12,386</b>	<b>1,239</b>	<b>27,473</b>

The company carries no property, plant or equipment.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****14. Investments****COMPANY*****Investment in subsidiaries***

	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
Investment in subsidiaries at incorporation	-	-
Acquisition of FairJourney Biologics SA and Iontas Limited	96,349	96,349
	<b>96,349</b>	<b>96,349</b>

The acquisition of both trading subsidiaries, FairJourney Biologics SA and Iontas Limited, resulted in the ownership of both companies being passed down the Group structure so that ALGRPT Portugal SA is the immediate parent of FairJourney Biologics SA and Alegre Interco Limited is the immediate parent of Iontas Limited and also ALGRPT Portugal SA. The carrying value of the investment in subsidiaries is the value of the shares issued by the immediate parents as consideration for the acquired companies. The ultimate parent company of the Group is Alegre Topco UK Limited.

The principal subsidiaries of Alegre Topco UK Limited, all of which have been included in the consolidated financial statements, are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal place of business</b>	<b>Proportion of ownership interest</b>	<b>Nature of business</b>
Alegre Midco UK Limited	United Kingdom	21 St. James's Square, London SW1Y 4JZ	100% Ordinary shares	Holding company
Alegre Interco UK Limited**	United Kingdom	21 St. James's Square, London SW1Y 4JZ	100% Ordinary shares	Service provision company
Iontas Limited**	United Kingdom	Unit 2 London Road, Pampisford, Cambridge CB22 3EG	100% Ordinary shares	Provision of services, products and technologies related to discovery, engineering and production of antibodies
ALGRPT Portugal SA **	Portugal	Rua do Campo Alegre, 823 4150-180 Porto , Portugal	100% Ordinary shares	Holding company
FairJourney Biologics SA**	Portugal	Rua do Campo Alegre, 823 4150-180 Porto , Portugal	100% Ordinary shares	Provision of services, products and technologies related to discovery, engineering and production of antibodies

\*\* indirectly owned by Alegre Topco UK Limited

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****15. Inventory**

<b>GROUP</b>	<b>At 31 December</b>	<b>At 31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Consumable materials	899	109
<b>Total Inventory</b>	<b>899</b>	<b>109</b>

**16. Trade and other receivables**

<b>GROUP</b>	<b>At 31 December</b>	<b>At 31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
<b>Current assets</b>		
Trade receivables	3,078	2,276
Other receivables	4,027	2,417
Prepayments	1,415	1,070
Recoverable VAT	-	360
<b>Total trade and other receivables</b>	<b>8,520</b>	<b>6,123</b>
<b>COMPANY</b>	<b>At 31 December</b>	<b>At 31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
<b>Non-current assets</b>		
Amounts due from Group undertakings	22,214	25,330
<b>Total other receivables</b>	<b>22,214</b>	<b>25,330</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****17. Trade and other payables**

<b>GROUP</b>	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
<b>Non-current</b>		
Other payables	-	31
<b>Current</b>		
Trade payables	3,337	472
Taxation and social security	549	618
Other payables	1,848	3,656
VAT payable	45	-
Deferred income	2,957	1,564
Accruals	1,510	176
<b>Total trade and other payables</b>	<b>10,246</b>	<b>6,486</b>

<b>COMPANY</b>	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
<b>Non-current</b>		
Amounts due to Group undertakings	2,747	-
<b>Current</b>		
Trade payables	461	30
Amounts owed to Group undertakings	486	-
Accruals	170	66
<b>Total trade and other payables</b>	<b>1,117</b>	<b>96</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****18. Obligation under Leases**

Under IFRS 16 *Leases*, the majority of those previously classified as operating leases will be brought onto the financial position statement as a right-of-use asset and as an offsetting lease liability. Both asset and liability are based on present values of the lease payments due over the term of the lease with the asset being depreciated in accordance with IAS 16 'Property, plant and equipment' and the liability increased by the addition of interest and reduced as lease payments are made.

The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the Group does not restate its comparative figures but recognises the cumulative effect of adopting IFRS 16 as an adjustment to equity at the beginning of the current period.

The result of the changes brought about by the standard means that the lease payment, which under the old standard appeared as an expense in the income statement, is now replaced by an interest charge and a depreciation charge. These will now be the amount of the expense in the income statement and will appear in the finance charge and administrative charges respectively.

Property, plant and equipment comprises owned and leased assets.

**GROUP**

	At 31 December 2021 €'000	At 31 December 2020 €'000
Property, plant and equipment - owned	26,234	19,199
Right-of-use assets except for investment property	1,239	1,593
	<b>27,473</b>	<b>20,792</b>
<b>Right-of-use assets</b>		
The group leases office buildings:		
Opening balance at 1 January	1,593	-
Foreign exchange on opening balance	60	-
Balance at acquisition	-	770
Additions in the year	-	1,016
Depreciation charge for the year	(414)	(193)
<b>Closing balance at 31 December</b>	<b>1,239</b>	<b>1,593</b>
<b>Lease Liability</b>		
Maturity analysis – contractual discounted cash flows		
Within one year	217	207
Two to five years	1,368	1,416
Over five years	-	92
<b>Total lease liabilities at 31 December</b>	<b>1,585</b>	<b>1,715</b>
 Lease liabilities per the statement of financial position		
Current	217	207
Non-current	1,368	1,508
	<b>1,585</b>	<b>1,715</b>
 Amounts recognised in profit or loss		
Depreciation on right of use assets	414	193
Interest on lease liabilities	69	32
 Amounts recognized in the statement of cashflows		
Total cash outflow for leases	260	118



**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Lease commitments (continued)**

The following payments are due to be made on operating lease commitments which are all leases on office accommodation:

Land & buildings	At 31 December 2021 €'000	At 31 December 2020 €'000
Within one year	297	243
Two to five years	1,365	1,566
Over five years	-	91
	<b>1,662</b>	<b>1,900</b>

When measuring lease liabilities the Group discounted lease payments using its incremental borrowing rate at 20 December 2019. The weighted average rate applied is 4.1%. The Company carries no leases.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****19. Borrowings**

<b>GROUP</b>	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
<b>Non-current</b>		
Bank loan	14,776	3,513
Lease liability	1,368	1,508
Other borrowings	159	-
	<b>16,303</b>	<b>5,021</b>
<b>Current</b>		
Bank loan	1,311	729
Lease liability	217	207
Other borrowings	103	-
	<b>1,631</b>	<b>936</b>
<b>Total loans and borrowings</b>	<b>17,934</b>	<b>5,957</b>

The Company carries no borrowings.

**Bank loan**

The Group has three bank loans amounting to a total of €16.1m (2020: €4,242,000) and comprising the following elements; a principal amount balance of €16.1m (2020: €3,958,000), including accrued interest.

Loan A of initial principal €5.0m carries an interest rate of 1% plus the arithmetic average of the 6 Month Euribor rate, calculated with reference to the month immediately preceding each interest period. The loan is repayable in tranches until 2026.

Loan B of initial principal €11.5m carries an interest of 12 Month Euribor if above 0% plus 1.15%. The loan is repayable in 144 monthly instalments.

Loan B of initial principal €3.0m carries an interest of 12 Month Euribor if above 0% plus 1.35%. The loan is repayable in 60 monthly instalments.

Other borrowings consist of grant income of €262,000 to be repaid. The interest is 0%.

**Lease liabilities**

For details of the lease liabilities included in Borrowings please see note 18.

**Preference share liability**

<b>GROUP &amp; COMPANY</b>	<b>At 31 December 2021 €'000</b>	<b>At 31 December 2020 €'000</b>
<b>Non-current</b>		
Liability for preference shares	107,033	106,408
<b>Total loans and borrowings</b>	<b>107,033</b>	<b>106,408</b>

For the details of the preference shares in issue and their treatment please see note 20.

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**Notes to the consolidated financial information (continued)**
**20. Share capital****GROUP & COMPANY**

The following classes of shares were in issue at the reporting date, please note that Ordinary shares are treated as Equity and Preference shares are treated as a liability:

**Ordinary share capital****A1 Ordinary shares**

Shares have right to receive notice of, to attend, speak and vote at all GMs and to receive and vote on any written resolutions. Carry right to receive dividends or other distributions of revenues or profit.

**B1 Ordinary shares**

Shares have right to receive notice of, to attend, speak and vote at all GMs and to receive and vote on any written resolutions. Carry right to receive dividends or other distributions of revenues or profit.

**C1 Ordinary shares**

Shares constitute a separate class of shares (voting ordinary shares) which have right to receive notice of, to attend, speak and vote at all GMs and to receive and vote on any written resolutions. Subject to Act and Article 42.2 carry right to receive dividends or other distributions of revenues or profit.

**E1 Ordinary shares**

Shares confer no voting rights and no rights to receive dividends. On an exit (being a share sale, an asset sale or a listing) or another liquidity event, the proceeds shall be distributed in the following order of priority: - first, in paying holders of preference shares a sum equal to the subscription price paid for each such preference share; - second, before the E1 first hurdle threshold has been achieved, the holders of A1 ordinary shares, A2 ordinary shares, B1 ordinary shares and C1 ordinary shares (the holders being the "waterfall shareholders") shall receive, on a pro rata basis, a sum up to an amount delivering 1.5x the aggregate subscription amount paid by the holder for their relevant shares (less any amount paid under the first limb); - third, once the E1 first hurdle threshold has been achieved but before the E1 second threshold has been exceeded (i) the holders of E1 ordinary shares shall be paid the relevant proportion of the second hurdle proceeds and any E1 catch up amount; and (ii) the remainder shall be paid to the waterfall shareholders on a pro rata basis; - fourth, once the E1 second hurdle threshold has been achieved but before the E1 third threshold has been exceeded (i) the holders of E1 ordinary shares shall be paid the relevant proportion of the third hurdle proceeds; and (ii) the remainder shall be paid to the waterfall shareholders on a pro rata basis; and - fifth, once a return of 2.5x has been achieved (i) the holders of E1 ordinary shares shall be paid the relevant proportion of the fourth hurdle proceeds; and (ii) the remainder shall be paid to the waterfall shareholders on a pro rata basis.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)**  
**Share capital (continued)**

Alegre Topco UK Limited's issued and fully paid Ordinary share capital is summarised below:

	Number	Nominal value €
<b>Ordinary shares - par value €0.01</b>		
At incorporation	1	-
Issued 29 January 2020		
- A1 Ordinary shares	436,817	4,368
- B1 Ordinary shares	219,091	2,191
Issued 13 May 2020		
- A1 Ordinary shares	157,639	1,576
- C1 Ordinary shares	238,873	2,389
As at 31 December 2020	<b>1,052,421</b>	<b>10,524</b>
 Repurchase of own shares 23 March 2021		
- C1 Ordinary shares	(54,772)	(548)
Issued 23 August 2021		
- E1 Ordinary shares	72,500	725
Issued 9 November 2021		
- E1 Ordinary shares	6,250	63
Issued 23 December 2021		
- E1 Ordinary shares	12,500	125
As at 31 December 2021	<b>1,088,899</b>	<b>10,889</b>

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****Share capital (continued)****Preference share capital****A1 Preference shares**

Shares have right to receive notice of, to attend, speak and vote at all GMs and to receive and vote on any written resolutions. They carry no right to receive dividends or other distributions of revenues or profit.

**B1 Preference shares**

Shares have right to receive notice of, to attend, speak and vote at all GMs and to receive and vote on any written resolutions. Carry no right to receive dividends or other distributions of revenues or profit.

**C1 Preference shares**

Preference shares have rights to receive notice of, to attend, speak and vote at all GMs and to receive and vote on any written resolutions.

Alegre Topco UK Limited may, at any time, with the approval from the majority of the investors redeem in cash all or some of the preference shares for the Subscription Price. After the 3rd year, in the occurrence of an Exit the preference shares are redeemed at an amount equal to the Subscription Price. In the event of a listing, the preference shares are converted into ordinary shares. The ordinary shares issued would be a variable number of shares dependent on the listing value for an amount equal to the Subscription Price.

Alegre Topco UK Limited's issued Preference share capital is summarised below:

	Number	Nominal value €
<b>Preference shares - par value €0.01</b>		
At incorporation	-	-
Issued 29 January 2020		
- A1 Preference shares	50,158,533	501,585
- B1 Preference shares	25,157,653	251,577
Issued 13 May 2020		
- A1 Preference shares	18,101,241	181,012
- C1 Preference shares	27,429,129	274,291
As at 31 December 2020	<b>120,846,556</b>	<b>1,208,465</b>
Redemption 16 March 2021	-	-
- C1 Preference shares	(6,289,413)	(62,894)
As at 31 December 2021	<b>114,557,143</b>	<b>1,145,571</b>

**Preference share capital**

Having considered the terms and conditions of the Preference shares in issue, the Directors believe that the shares constitute a liability and therefore the total value of the shares issued have been presented in non-current liabilities rather than Equity with a value of €107,033,000 (2020: €106,408,000).

On 26 March 2021 a shareholder was allowed by Alegre Topco UK Limited to redeem their holding of 6,289,413 C1 Preference shares at the subscription price as allowed under the Call Option agreement.

**ALEGRE TOPCO UK LIMITED****Notes to the consolidated financial information (continued)****21. Dividends**

During the period ended 31 December 2021 dividends were approved and paid as detailed below:

- Alegre Interco Limited distributed dividends of €127.076,19 on 31 December 2021 to its immediate parent company, Alegre Midco UK Limited
- Alegre Midco Limited distributed dividends of €127.076,19 on 31 December 2021 to its immediate parent company Alegre Topco UK Limited

No external dividends were paid or approved in the year to 31 December 2021 (2020: nil)

**22. Related party transactions**

The following are considered to be related parties:

All directors and certain senior employees who have authority and responsibility for planning, directing, and controlling the activities of the Group are considered to be key management personnel. Details of key management personnel's compensation are given in note 7.

Patents carried at a net book value of €nil (2020: €122,000) in intangible assets were transferred to a director. No consideration was received and the loss on this transferrin the period to 31 December 2020 was therefore €122,000. The directors believed the difference between fair value and carrying value to be insignificant.

FairJourney Biologics owns one of the building where its operation take place. For one of the building (site B), there is an property option agreement acquired by Magicroad for an amount of 1 Euro. Antonio Parada is the sole owner of Magicroad and also i) a director of Alegre Topco UK Limited, Iontas Limited, ALGRPT, and Fairjourney Biologics and ii) an Alegre TopCo UK Limited shareholder.

During the period Magicroad provided management services to Alegre Top Co, the contract amounting to €280,000 per annum. The pending balance at 31 December 2021 is €300 000 as the issued invoice is currently under review. (At 31 December 2020 balancing owing was €nil).

During the period Safetydiversity provided services to Fairjourney Biologics amounting to €9,038 (2020: €2,447). Safetydiversity is majority owned by Antonio Parada who is a director of Alegre Topco UK, Iontas, ALGRPT and Fairjourney Biologics. In addition Rita Teles (Group CFO) is a minority owner of that company. At 31 December 2021 the balance owing to Safetydiversity was €nil (2020: €nil).

During the period VerticalSentinel was assigned co-development projects by Fairjourney Biologics amounting to €nil (2020: €104,500.00). VerticalSentinel is co-owned by Antonio Parada, a director of Alegre Topco UK, Iontas, ALGRPT and Fairjourney Biologics and Maria Pajuelo a director of Alegre Topco UK, ALGRPT and Fairjourney Biologics. In addition Daniel Teixeira (COO) is a minority owner of the company. At 31 December 2021 the balance owing to VerticalSentinel was €nil (2020: €nil).

The ultimate shareholder of the Group is GHO Capital Fund II LLP.

**23. Events since the balance sheet date**

There were no significant subsequent events which the directors consider require disclosure.