

Company Registration No. SC549676 (Scotland)

**ODX INNOVATIONS LIMITED**  
**(FORMERLY KNOWN AS ORBITAL**  
**DIAGNOSTICS LIMITED)**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**



**ODX INNOVATIONS LIMITED**  
**(FORMERLY KNOWN AS ORBITAL DIAGNOSTICS LIMITED)**  
**COMPANY INFORMATION**

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<b>Directors</b>	J G Hamilton A K Shah A G Stapleton	(Appointed 29 January 2019) (Appointed 29 January 2019)
<b>Secretary</b>	MBM Secretarial Services Limited	
<b>Company number</b>	SC549676	
<b>Registered office</b>	Solasta House Inverness Campus Inverness Scotland IV2 5NA	
<b>Auditor</b>	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH	

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**(FORMERLY KNOWN AS ORBITAL DIAGNOSTICS LIMITED)**  
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**CHAIRMAN'S REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

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The company has secured significant levels of grant support for its activities. Alongside equity funding from a strategic investor in the Medical Device industry, the total value of funding to date is circa \$17m.

The company has applied these funds to develop a team of medical device professionals, intellectual property, facilities and undertake rapid product development in the field of fast antibiotic susceptibility testing.

The board are pleased to report that progress has been maintained on track despite the headwinds associated with Covid-19 in 2020.

ODx was able to continue uninterrupted work in our assembly and laboratory functions. Safe distancing was established via splitting staff shifts into smaller groups and extending the working day to > 18 hours. This enabled ODx to increase productivity and meet employee Health & Safety requirements.

The board would like to extend their thanks to all ODx team members for the significant adjustments to their working arrangements and for ensuring the company met all its operating goals on time and below budget as a consequence.

ODx are focussed on bringing products to market that can meaningfully advance clinical standards of care.

Urinary tract infections (UTI) are the most common bacterial infection requiring antibiotic treatment in the US according to the CDC. They are the second most common condition diagnosed by primary care physicians in the US after diabetes mellitus. Urinary tract infections are far more common in women than in men and between 25% and 40% of women between the ages of 20 and 40 have had one, which accounts for over 6 million visits to physicians per year. Studies have also shown that approximately 1 in 5 women in Europe have had a UTI at some point during their lives.

The World Health Organisation has called antibiotic resistance one of the biggest threats to global health, food security and development. Since UTIs are amongst the most common infections requiring antimicrobial treatment in both community and healthcare settings, they represent one of the most important areas for the careful and appropriate use of antimicrobial agents. Ensuring the effective management of UTIs, while at the same time minimising the emergence of resistance requires the support a various laboratory and point of care tests.

ODx has developed a product that allows for antimicrobial resistance testing of clinical urine specimens well within an hour.

Laboratory-based culture and AST results can take several days to return, which can leave patients who may have received empirical treatment with inappropriate antibiotics suffering their symptoms through that time, and potentially deteriorating to life threatening urosepsis. The small ODx benchtop instrument, has been designed for ease of use by non-laboratory trained healthcare workers and is expected to gain a CLIA waiver from the US FDA.

Around 25% of people with suspected UTIs do not receive the correct diagnosis and 15-25% of antibiotic prescriptions are ineffective. Around 25% of all sepsis deaths are caused by UTIs, causing around 1.6m deaths annually world wide.

ODx is seeking to address this major problem via providing actionable information to help healthcare professionals answer two important clinical questions : has the patient in front of me got a bacterial infection or not? And if they have, what's going to treat them effectively?

ODx development efforts towards our goal of transforming standards of care for UTIs has been recognised via the coveted "Innovation Award" & "Rising Stars" at the Scottish Life Science Awards and favourable media coverage through its' work to support the life science sector and NHS resilience in 2020.

ODx has several clinical studies under way. Results show high correlation with existing laboratory methods.

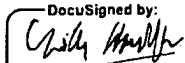
**ODX INNOVATIONS LIMITED**  
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**CHAIRMAN'S REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

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As a consequence, the board are confident the company will continue to attract required funding during the course of 2021 to take the company into regulatory clinical trials and launch.

The board would like to thank our funders, team members, partner organisations including TTP (Melbourne, Cambridge), clinicians in the UK, US and our study volunteers who are kindly supporting our development of our vitally needed device.

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J G Hamilton

**Chairman**

30 March 2021

**ODX INNOVATIONS LIMITED**  
**(FORMERLY KNOWN AS ORBITAL DIAGNOSTICS LIMITED)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

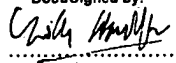
		31 December 2019		30 November 2018	
	Notes	£	£	(unaudited) £	£
<b>Fixed assets</b>					
Tangible assets	3		267,322		-
<b>Current assets</b>					
Debtors	4	435,031		-	
Cash at bank and in hand		648,305		6	
			1,083,336	6	
<b>Creditors: amounts falling due within one year</b>	5	(659,181)		-	
<b>Net current assets</b>			424,155		6
<b>Total assets less current liabilities</b>			691,477		6
<b>Creditors: amounts falling due after more than one year</b>	6		(41,321)		-
<b>Net assets</b>			650,156		6
<b>Capital and reserves</b>					
Called up share capital	7		8		6
Share premium account			3,880,925		-
Profit and loss reserves			(3,230,777)		-
<b>Total equity</b>			650,156		6

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 30 March 2021 and are signed on its behalf by:

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**Director**

**Company Registration No. SC549676**

**ODX INNOVATIONS LIMITED**  
**(FORMERLY KNOWN AS ORBITAL DIAGNOSTICS LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Company information**

ODX Innovations Limited is a private company limited by shares incorporated in Scotland. The registered office is Solasta House, Inverness Campus, Inverness, Scotland, IV2 5NA.

**1.1 Accounting convention**

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

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

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

**1.2 Going concern**

The directors are pleased with the progress that the company has made in its first period of operations. During this financial period, the company has been investing significantly in product research and development and growing its specialist workforce. Consistent with other life sciences businesses in the pre-turnover stage, the company is reporting an operating loss in the financial period to 31 December 2019.

The directors acknowledge the continuing and increasing reliance on the financial support from investors in order to grow and undertake its product research and development. They are satisfied and encouraged with the support that has been provided to the business from the private and public sectors.

Since the period end, the company has secured \$8m of further equity funding via a share issue of \$3m in February 2020 and a subsequent share issue of \$5m in May 2020. Furthermore, the company has recently secured \$4m of loan funding following the issue of convertible loan notes in January 2021 with an agreement with the investor for a further \$4m convertible loan notes to be issued later in 2021 subject to certain conditions being satisfied in accordance with the agreement.

The Directors have prepared financial projections through to March 2022 and have considered the financial requirements of the company beyond this date. The additional secured loan funding provides significant additional working capital for the company. The financial projections have been prepared on the assumption that the conditions for the second tranche of \$4m convertible loan notes will be met. As financial forecasts are inherently uncertain, particularly in light of global events brought on by the coronavirus pandemic, there remains a material uncertainty in relation to going concern. However, at the date of approving these financial statements the directors are confident that by securing the additional convertible loan note funding, and with the ongoing financial support from Highlands and Islands Enterprise, the technical and financial milestones will continue to be met.

In conclusion, notwithstanding the uncertainty noted above, the directors are satisfied the company will obtain sufficient financial resources to enable liabilities to be met as they fall due for at least twelve months from the date of approval of these financial statements. The directors therefore consider it is appropriate to continue to prepare the financial statements on a going concern basis.

**1.3 Research and development expenditure**

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

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**(FORMERLY KNOWN AS ORBITAL DIAGNOSTICS LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**

**1 Accounting policies**

**(Continued)**

**1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Lab equipment	33.33% straight line
Fixtures and fittings	20% straight line
Computers	50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

**1.6 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash at bank and in hand.

**1.7 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



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

**1 Accounting policies**

**(Continued)**

**1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

**1.9 Taxation**

**Current tax**

On the basis of losses incurred, there is no current tax charge to be provided for in the period.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.13 Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 12 (2018 - 3).

**3 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 December 2018	-	-	-
Additions	114,624	189,009	303,633
At 31 December 2019	114,624	189,009	303,633
<b>Depreciation and impairment</b>			
At 1 December 2018	-	-	-
Depreciation charged in the period	4,631	31,680	36,311
At 31 December 2019	4,631	31,680	36,311
<b>Carrying amount</b>			
At 31 December 2019	109,993	157,329	267,322
At 30 November 2018	-	-	-

**4 Debtors**

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	435,031	-

**5 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	592,677	-
Other creditors	66,504	-
	659,181	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**6 Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other creditors	41,321	-
	<u>41,321</u>	<u>-</u>

**7 Called up share capital**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
600,000 Ordinary A shares of £0.00001 each	6	6
176,470 Ordinary B shares of £0.00001 each	2	-
	<u>8</u>	<u>6</u>

**Reconciliation of movements during the period:**

	<b>Ordinary A shares Number</b>	<b>Ordinary B shares Number</b>
At 1 December 2018	600	-
Issue of fully paid shares	-	176,470
Sub division of shares	599,400	-
	<u>600,000</u>	<u>176,470</u>
At 31 December 2019	600,000	176,470

During the period the company had a sub division of shares which resulted in all existing A class shareholders being issued 1,000 shares for every 1 share held.

During the period the company issued 176,470 ordinary B shares at a nominal value of £0.00001 for \$28.33 per share, resulting in a share premium of £3,880,925 based on the spot rate at the date the shares were issued.

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

**8 Audit report information**

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

The auditor's report was unqualified.

**Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements, which indicates that the company incurred an operating loss during the period ended 31 December 2019 and acknowledges the continuing and increasing reliance on the financial support from investors. As stated in note 1.2, these events or conditions, along with other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other matters which we are required to address**

In the previous accounting period the directors of the company took advantage of the audit exemption under Section 477 of the Companies Act 2006. Therefore the prior period financial statements were not audited.

The senior statutory auditor was Scott Jeffrey.

The auditor was Johnston Carmichael LLP.

**9 Financial commitments, guarantees and contingent liabilities**

Local Enterprise government grants are subject to terms and conditions, any breach of which, may result in the grants having to be repaid in part or in full.

**10 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
Within one year	202,117	-
Between two and five years	729,282	-
	<u>931,399</u>	<u>-</u>

**11 Events after the reporting date**

Subsequent to the period end the company issued a further 282,352 ordinary B shares with a nominal value of £0.00001 for \$28.33 per share, translated at the spot rate at the date the shares were issued. The company has also secured further funding of \$4m via the issue of convertible loan notes.

As highlighted in note 1.2, the emergence of the coronavirus pandemic has introduced new risks and uncertainties to the business. However, those risks continue to be carefully monitored and action taken wherever possible to mitigate its effect on the business.

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

**12 Related party transactions**

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
<b>Amounts due to related parties</b>		
Key management personnel	49,457	-
	<u>49,457</u>	<u>-</u>

No guarantees have been given or received.