

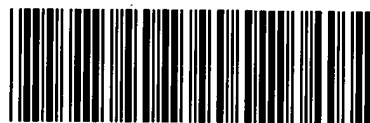
Registered number: 05210563

SYGNATURE DISCOVERY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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SYGNATURE DISCOVERY LIMITED

COMPANY INFORMATION

Directors	S C Hirst L E Jordison J G Williams P D Overton
Registered number	05210563
Registered office	The Discovery Building Biocity Pennyfoot Street Nottingham NG1 1GR
Independent auditor	BDO LLP Two Snowhill Birmingham B4 6GA
Bankers	HSBC UK Bank Plc 130 New Street Birmingham West Midlands B2 4JU

SYGNATURE DISCOVERY LIMITED

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SYGNATURE DISCOVERY LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 March 2023. These financial statements represent the accounts of Sygnature Discovery Limited, a 100% owned subsidiary of Evergreen Holdco 1 Limited.

Principal activity

The principal activity of the company is to provide collaborative integrated drug discovery services to the global pharmaceutical and biotechnology market.

Business review

Sygnature Discovery Limited (Sygnature) is an integrated drug discovery contract research organisation (CRO) and along with its subsidiaries, the company provides pre-clinical drug discovery services to biotechnology and pharmaceutical customers across the world.

Since 2004, Sygnature has delivered over 40 novel pre-clinical and 22 clinical compounds, with its scientists named on over 170 patents. Therapeutic areas of expertise include oncology, inflammation and immunology, neuroscience, metabolic diseases, infectious diseases, fibrotic diseases and more.

Sygnature further enhanced its capabilities during the year with two strategic acquisitions. In April 2022, the company acquired Peak Proteins Limited, a leading protein science CRO and in December 2022, the company acquired SB Drug Discovery Limited, a leading provider of ion channel and receptor drug discovery research. Both acquisitions support the company's strategy to continually enhance the breadth and depth of integrated drug discovery capabilities offered to customers.

On 30th November 2022, the trade and assets of Peak Proteins Ltd were transferred to Sygnature at book value and Peak Proteins became dormant from that date.

In line with the company's strategic plans and continued growth in headcount, Sygnature has continued to invest in additional capacity, opening a new state of the art 18,897 square foot facility at its site in Alderley Park as well as adding additional capacity in Nottingham.

Sygnature also took the decision during the year to invest in implementing a new ERP system to further improve operational effectiveness and streamline business processes.

Post the year end, Sygnature accelerated its global growth with the acquisition of Nuchem Sciences Inc and its subsidiaries, Omegachem Inc and Inixium Inc (together "Nuchem"). Nuchem is one of Canada's largest drug discovery CROs and enables Sygnature to continue expanding its global footprint and business operation to leverage drug discovery expertise in the North American market.

The directors are satisfied with the performance of the company as reported in the financial statements. As a result of continued strong demand for its integrated drug discovery services, the company has continued to achieve significant revenue growth in the year.

The key financial KPIs that the company monitors are turnover, turnover growth and Adjusted EBITDA (which is EBITDA adjusted for one off, exceptional or non-recurring items).

Turnover in the year ended March 2023 was £63,891,328 (2022: £52,172,059) which represented turnover growth of 22%.

SYGNATURE DISCOVERY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Business review (continued)

Adjusted EBITDA in the year ended March 2023 was £14,716,706 (2022: £14,820,585)

Whilst the Company has achieved over 20% revenue growth, we have seen a decline in our Adjusted EBITDA margin, reflecting the impact of wage and other cost inflation during the year as well as other investments in overheads to support future forecast growth.

Principal risks and uncertainties

Economic climate

Whilst outside of the Company's control, a difficult economic climate can work in favour of outsourcing businesses, as customers focus on reducing their total costs. Sygnature Discovery Limited and SB Drug Discovery Limited have focused on the element of business that allows customers to reduce costs and outsource risk.

The Company recognises the risk of bankruptcies as a result of the current inflationary economic environment and retains a tight credit control procedure to mitigate against the risk.

Competitor activity

The company has customers in both the UK market, and also in other countries around the world. Many of these markets are highly competitive in nature. As the market requires extensive skills and experience to participate, new entrants to the market are considered unlikely. The major risk is through more intense competition between existing suppliers. It is believed that, as end markets appear to be in strong growth, margin pressure should be manageable. To mitigate against increased margin pressure, the company constantly reviews its services and prices to ensure they are competitive, and appropriate to the value delivered to its customers.

Liquidity risk

The directors consider that the company has healthy net cash resources to enable it to continue to trade and to pay its liabilities as and when they become due. As a result, the directors believe the company's exposure is limited in the short term.

The levels of debt within the business are carefully monitored and cash generation of the Group and repayment terms modelled to ensure that debt can be repaid when it matures.

Factors which could impact on the working capital management (and associated risk factors) of the company are its ability to generate sufficient sales to new and existing customers and changes in the competitive environment of markets in which the company serves.

Interest risk

The Company finances its operations through credit facilities provided by Group companies. The majority of credit facilities provided by Group companies are at a fixed rate of interest with a small proportion of facilities at variable rates and therefore there is no material exposure to changes in interest rates. The levels of debt and associated interest costs are carefully monitored and cash generation of the Group is modelled to ensure that all interest payments can be paid when they fall due.

SYGNATURE DISCOVERY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Retention of key people

The experience, engagement and skills of the company's employees are a key resource. The loss of a number of these people could impact the company's ability to deliver for its customers. Regular reviews with the key staff are held, and development and reward plans are put in place to retain and develop those individuals. In addition to external training and attendance at scientific symposia, a comprehensive mentoring and promotion scheme is in place to facilitate employee career development. The company also invests in future generations of scientists through paid internships for local Universities. As the company continues to grow, more of those skills and experience become decentralised, leading to more diversification of key skills and therefore lower risk.

Financial key performance indicators

The KPIs that the company use are relevant to the type of business that it operates. The financial KPIs that the Group use are turnover (excluding rechargeable costs), earnings before depreciation, amortisation, interest and tax and operating cash generation.

The company continually monitors the performance of its operations and other activities through regular reviews using key performance indicators (KPIs) as tools for measurement.

Other key performance indicators

The other key performance indicators that the company use are operational (staff retention and motivation) and from a customer service perspective (customer feedback and retention and new customers). These key performance indicators are within the targets set for the year.

The directors consider that the company has met the KPI targets in the year and look forward to the planned ongoing development of the business. The company continues to conduct research and development activities.

Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of Stakeholders and other matters in their decision making. The directors continue to have regard for the interests of the company's employees and other stakeholders including customers, the impact of its activities on the community, the environment and the company's reputation for good business conduct, when making decisions.

In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the company for its members in the long term. We set out below, how the Board engages with stakeholders.

- General engagement and relations with key stakeholders such as employees, shareholders and suppliers is achieved by communication, collaboration and careful consideration of the impact of key decisions on the different stakeholder groups as summarised in the table.
- During the year the Board has continued to develop its methods of engagement with the workforce through regular company updates, quarterly Town Hall meetings, employee engagement surveys and focus groups which has led to enhancements in the benefits package offered to employees. These enhancements include a change of pension provider, improvements to the mental health coverage offered as part of the PMI scheme and additional benefits being added to the existing package.

SYGNATURE DISCOVERY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

**Directors' statement of compliance with duty to promote the success of the Company
(continued)**

- A formalised charity team has been set up consisting of employees from across the business. A combination of local and national charities have been nominated by employees. The company has a committed charitable budget to match individuals' fund raising, along with supporting volunteering activities. A total of £2,430 (including matched funding) was raised during the year.
- The company has shown further commitment to its ESG goals in 2022 by setting up an Environmental committee. This committee is a central point to discuss Sustainability activities, share information and propose new initiatives. The committee includes members from all departments and across the multiple sites, as well as representation from the Green Chemistry Group. The aim of the Group's ESG policies are to enhance reporting capabilities through relevant KPI's and to focus and support on the implementation of new environmental, social and carbon reduction initiatives. In addition, recycling schemes have been put in place to ensure that where possible, items such as used IT equipment, precious metal waste and other recyclable materials are sent to dedicated recycling facilities. Any value recovered from these recycling activities is earmarked for charitable donations in addition to the budget described above.
- The directors are fully aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act 2006. To ensure the company was operating in line with good corporate practice, all Directors have been briefed on the scope and application of section 172 in writing.

The key Board decisions made in the year are set out below:

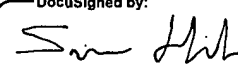
Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Continued expansion of therapeutic area expertise	Employees, shareholders, customers	<ul style="list-style-type: none"> • Enables customers to engage on fully integrated projects overseen by an expert in their project specific therapeutic area (ie oncology, neuroscience or inflammation & immunology) • Development of existing skills and talent of employees • Supports growth strategy of the business
Acquisition of Peak Proteins Ltd	Customers, employees, shareholders	<ul style="list-style-type: none"> • Enhances integrated drug discovery offering to customers, expanding capabilities to include protein sciences, protein production and protein crystallography • The acquisition is in line with the long term strategy which supports growth for shareholder and security for employees
Acquisition of SB Drug Discovery Limited	Customers, employees, shareholders	<ul style="list-style-type: none"> • Enhances integrated drug discovery offering to customers, expanding capabilities to include ion channel and receptor drug discovery • The acquisition is in line with the long term strategy which supports growth for shareholder and security for employees.

SYGNATURE DISCOVERY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Review of staff benefits	Employees	<ul style="list-style-type: none"> • Transfer of employee pension scheme to a new provider bringing improvements in charges, online accessibility of pension data and support to all members of the pension scheme • Launch of a new one-stop benefits portal, providing easily accessible information for all company benefits and providing additional employee savings • Partnering with an external consultancy to further develop our mental health strategy, upgrading our training and support for employees • Addition of mental health cover to our existing PMI scheme and providing additional health & wellbeing resources on our online benefits platform.
Further expansion of footprint	Shareholders, employees	<ul style="list-style-type: none"> • Increased footprint both in Nottingham and at Alderley Park • Opportunity to recruit additional employees at both sites • Increased opportunity for existing employees to progress due to further expansion • Supports long term growth strategy for shareholders
Investment in ERP system (Board decision to progress was during the year)	Customers, employees, shareholders	<ul style="list-style-type: none"> • Reviewed, selected, designed and procured a new ERP platform which will go live in 2023 • Improved operational effectiveness and streamlined processes that will benefit our customers and employees • Enhanced KPI reporting functionality

This report was approved by the board on 15 November 2023 and signed on its behalf.

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S C Hirst
Director

SYGNATURE DISCOVERY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year, after taxation, amounted to £4,193,892 (2022 - £9,727,013).

During the year, £38,888 was gifted to Sygnature EBT. This has been recorded as a dividend in Sygnature's financial statements.

Other than the North American acquisition discussed in the Strategic Report, the directors do not currently anticipate any significant future changes in the nature of the Company's business

Directors

The directors who served during the year and up to the date of this report were:

S C Hirst
L E Jordison
J G Williams
P D Overton

Engagement with employees

Meetings between management and employees are held at regular intervals in order to achieve a common awareness of the financial and economic factors that affect the Company's performance. This engagement includes monthly company update videos, quarterly Town Hall meetings and regular staff surveys.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as practicable, be identical to that of a person who is fortunate enough not to suffer from disability.

Qualifying third party indemnity provisions

At the time of approval of this report, qualifying third party indemnity provision is in force and was in force during the year for the benefit of the Directors of the Spark Topco Limited (which includes Sygnature Discovery Limited) Group.

Disclosure of information to auditors

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

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

Streamline energy and carbon report

This information is included in the consolidated financial statements of Spark Topco Limited as at 31 March 2023.

SYGNATURE DISCOVERY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

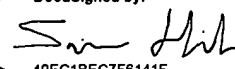
Post balance sheet events

On the 31st July 2023, Sygnature Discovery Limited acquired 100% of the share capital of Nuchem Sciences Inc and its subsidiaries, Omegachem Inc and IniXium Inc (together "Nuchem") via two newly formed companies registered in Canada, Symmetry Callco Inc and Symmetry ExchangeCo Inc. Symmetry ExchangeCo Inc was legally amalgamated with Nuchem coterminous with completion.

This was a material transaction for the Group that was primarily funded by a combination of additional debt, follow on funding from Five Arrows Principal Investments and reinvestment into the Group by existing management and Nuchem management.

Based in Canada, Nuchem is one of North America's largest discovery CROs employing over 300 staff in Montreal and Quebec city. Nuchem delivers expert integrated and standalone discovery solutions across medicinal, synthetic, scale-up, process and computational chemistry, as well as DMPK, in vitro biology and in vivo pharmacology. Additionally, the company provides protein chemistry services and offers crucial knowledge-based expertise in structural biology at the initial stages of drug discovery to global biotech and pharmaceutical companies.

This report was approved by the board on 15 November 2023 and signed on its behalf.

DocuSigned by:

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S C Hirst
Director

SYGNATURE DISCOVERY LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SYGNATURE DISCOVERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYGNATURE DISCOVERY LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sygnature Discovery Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

SYGNATURE DISCOVERY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYGNATURE DISCOVERY LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 8, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

SYGNATURE DISCOVERY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYGNATURE DISCOVERY LIMITED
(CONTINUED)**

Auditors' 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 Auditors' 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.

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, fraudulent operating expenditure and fictitious employees.

SYGNATURE DISCOVERY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYGNATURE DISCOVERY LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- We tested all journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- We reviewed accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Paul Fenner (Senior Statutory Auditor)

for and on behalf of
BDO LLP, Statutory auditor

Birmingham
Date: 15 November 2023

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

SYGNATURE DISCOVERY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	63,891,328	52,172,059
Cost of sales		(30,938,868)	(24,089,913)
Gross profit		32,952,460	28,082,146
Administrative expenses		(24,699,881)	(17,863,417)
Exceptional administrative expenses		(2,246,512)	(2,240,882)
Other operating income	5	2,061,174	1,512,406
Operating profit	6	8,067,241	9,490,253
Interest receivable and similar income	10	85	550
Interest payable and similar expenses	11	(1,583,203)	(191,163)
Profit before tax		6,484,123	9,299,640
Tax on profit	12	(2,290,231)	427,373
Profit for the financial year		4,193,892	9,727,013

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 17 to 41 form part of these financial statements.

SYGNATURE DISCOVERY LIMITED
REGISTERED NUMBER: 05210563

BALANCE SHEET
AS AT 31 MARCH 2023

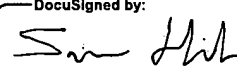
	Note	2023 £	2022 £
Fixed assets			
Intangible assets	16	21,115,013	7,135,242
Tangible assets	17	19,099,194	12,820,448
Investments	18	30,389,007	1,909,404
		<u>70,603,214</u>	<u>21,865,094</u>
Current assets			
Stocks	19	1,958,501	1,170,897
Debtors: amounts falling due after more than one year	20	10,749,726	-
Debtors: amounts falling due within one year	20	25,388,181	23,678,292
Cash at bank and in hand	21	4,049,399	6,490,065
		<u>42,145,807</u>	<u>31,339,254</u>
Creditors: amounts falling due within one year	22	(45,082,037)	(12,637,572)
Net current (liabilities)/assets		<u>(2,936,230)</u>	<u>18,701,682</u>
Total assets less current liabilities		<u>67,666,984</u>	<u>40,566,776</u>
Creditors: amounts falling due after more than one year	23	(22,385,009)	(1,483,627)
Provisions for liabilities			
Deferred tax	25	(4,271,622)	(1,674,234)
Other provisions		(122,994)	(177,596)
		<u>(4,394,616)</u>	<u>(1,851,830)</u>
Net assets		<u><u>40,887,359</u></u>	<u><u>37,231,319</u></u>

SYGNATURE DISCOVERY LIMITED
REGISTERED NUMBER: 05210563

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital	27	95	95
Capital redemption reserve	28	5	5
Other reserves	28	628,524	628,524
Merger reserve	28	(755,972)	(257,008)
Profit and loss account	28	41,014,707	36,859,703
Total equity		40,887,359	37,231,319

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

DocuSigned by:

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S C Hirst
 Director

The notes on pages 17 to 41 form part of these financial statements.

SYGNATURE DISCOVERY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Capital redemption reserve	Other reserves	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2022	95	5	628,524	(257,008)	36,859,703	37,231,319
Comprehensive income for the year						
Profit for the year	-	-	-	-	4,193,892	4,193,892
Total comprehensive income for the year	-	-	-	-	4,193,892	4,193,892
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(38,888)	(38,888)
Other movement type	-	-	-	(498,964)	-	(498,964)
Total transactions with owners	-	-	-	(498,964)	(38,888)	(537,852)
At 31 March 2023	95	5	628,524	(755,972)	41,014,707	40,887,359

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Other reserves	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2021	95	5	628,524	(257,008)	27,132,690	27,504,306
Comprehensive income for the year						
Profit for the year	-	-	-	-	9,727,013	9,727,013
Total comprehensive income for the year	-	-	-	-	9,727,013	9,727,013
Total transactions with owners	-	-	-	-	-	-
At 31 March 2022	95	5	628,524	(257,008)	36,859,703	37,231,319

The notes on pages 17 to 41 form part of these financial statements.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Sygnature Discovery Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the company's operations and principal activity is set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Spark Topco Limited as at 31st March 2023 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Going concern

The company is part of wider Group debt facilities and therefore the directors have assessed the going concern of the company by reviewing the wider Group. The board have prepared Group forecasts to March 2025 and considered a period of one year from the date the financial statements are approved. The forecasts are based on historic trading patterns and forecast growth. The directors are satisfied that the Group has headroom in its existing committed facilities to respond to the various realistic downside sensitivities in its forecasts that could be reasonably expected to be forecast at the date of approval of the financial statements such as the impact of cost inflation.

After consideration of these forecasts and taking account of historic trading and cash headroom, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and to meet its debt covenants and settle its liabilities as and when they fall due for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Revenue

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

Turnover represents the value of drug discovery services provided in the year excluding value added tax.

Turnover is recognised as contractual obligations are fulfilled.

Certain contracts allow costs incurred on the projects to be recharged. Where the company is the principal in the transaction the turnover is recognised as the related costs are incurred.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.8 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Research and development

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

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

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.11 Interest income

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

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.16 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

Other intangible assets

Intangible assets, which include research and development models, are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	3	years
Goodwill	-	10	years
Computer software	-	3	years

Capitalised development expenditure consists of costs to internally develop novel studies in the in vivo pharmacology and translational oncology therapeutic areas. These studies are developed as client offerings and are designed to deliver data valuable to the drug discovery R&D process. All costs capitalised meet the criteria as stipulated in FRS102 section 18.

2.17 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold improvements	- Straight line over remaining lease term.
Laboratory equipment	- 3 to 10 years straight line.

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

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

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.19 Stocks

General laboratory stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Screening compound stocks purchased are recognised at cost.

Internally produced compound stocks are presented at cost to produce; including consumable, staff and apportioned overhead costs. Work In Progress (WIP) compounds are recognised at the average cost of completed compounds to date which management believe to be the true and fairest representation of value.

2.20 Debtors

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

2.21 Cash and cash equivalents

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

2.22 Creditors

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

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.24 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the company is acting as an agent or as the principal in the relation to consumable costs purchased from third-party suppliers and subsequently recharged to the customer to determine whether both costs and associated revenue should be recognised.
- Determine whether work on certain projects constitutes qualifying costs in relation to the applicable legislation in order to claim research and development tax reliefs.
- Determine whether there are indicators of impairment of the company's intangible fixed assets. Factors taken in reaching this conclusion require the entity to estimate the future cashflows expected to arise and a suitable discount rate in order to calculate its present value.

Other key sources of estimation uncertainty

- Tangible and intangible fixed assets (see note 17 and 16) are depreciated and amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Valuation of investments (see note 18) are considered for indicators of impairment on an annual basis. Where indicators of impairment exist, an impairment test is carried out. This requires certain judgements including estimates of future cash flows to determine the value in use of the investment in order to determine whether the recoverable amount is less than the carrying amount and therefore an impairment is required.
- Intangible assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset is impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Turnover

The whole of the turnover is attributable to the single principal activity of the company as disclosed in the Strategic Report.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	24,395,733	18,970,758
Rest of Europe	12,571,849	8,866,603
Rest of the world	26,923,746	24,334,698
	<u>63,891,328</u>	<u>52,172,059</u>

5. Other operating income

	2023 £	2022 £
Research and development expenditure credit	<u>2,061,174</u>	<u>1,512,406</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Tangible fixed assets - depreciation	2,838,048	2,237,722
Intangible fixed assets - amortisation	1,564,915	851,728
Other operating lease rentals	2,985,221	1,998,732
Loss on disposal of fixed assets	4,691	-
Research and development expenditure	15,855,188	11,824,513
Exceptional items (note 14)	<u>2,246,512</u>	<u>2,240,882</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	81,700	40,000
Fees payable to the Company's auditors and their associates in respect of:		
Taxation compliance services	67,750	40,000
All other assurance services	14,000	12,250
All non-audit services not included above	18,588	5,850
	<u>81,700</u>	<u>40,000</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	22,478,359	18,265,396
Social security costs	2,512,210	1,916,041
Cost of defined contribution scheme	2,910,746	2,101,185
	<u>27,901,315</u>	<u>22,282,622</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Administration	85	62
Research and development	470	366
Marketing	4	3
Sales	10	9
	<u>569</u>	<u>440</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	558,816	672,401
Company contributions to defined contribution pension schemes	46,690	91,531
	<u>605,506</u>	<u>763,932</u>

During the year retirement benefits were accruing to 4 directors (2022 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £159,605 (2022 - £233,334).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,792 (2022 - £24,088).

10. Interest receivable

	2023 £	2022 £
Other interest receivable	<u>85</u>	<u>550</u>

11. Interest payable and similar expenses

	2023 £	2022 £
Loans from group undertakings	1,561,254	176,850
Finance leases and hire purchase contracts	9,200	14,313
Other interest payable	12,749	-
	<u>1,583,203</u>	<u>191,163</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	(119,000)
Adjustments in respect of previous periods	(307,157)	(23,373)
Total current tax	<u>(307,157)</u>	<u>(142,373)</u>
Deferred tax		
Origination and reversal of timing differences	2,597,388	(661,000)
Changes to tax rates	-	495,000
Adjustments in respect of previous periods	-	(119,000)
Total deferred tax	<u>2,597,388</u>	<u>(285,000)</u>
Taxation on profit on ordinary activities	<u>2,290,231</u>	<u>(427,373)</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation (continued)**Factors affecting tax charge/ (credit) for the year**

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19 %). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>6,484,123</u>	<u>9,299,640</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19 % (2021 -19 %)	1,231,983	1,766,932
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,772	406,520
Adjustment in research and development tax credit leading to an increase in the tax credit	-	(214,000)
Other tax adjustments, reliefs and transfers	436,551	-
Adjustments to tax charge/ (credit) in respect of prior periods	(307,157)	(142,373)
Group relief surrendered	-	356,601
EMI share scheme deduction	-	(2,872,000)
Fixed asset differences	22,430	(51,076)
Non-taxable income	(10,375)	(10,879)
Research and development increased deduction	-	(214,000)
Movement in deferred tax not recognised	374,315	51,902
Changes to tax rates	533,537	495,000
Other permanent differences	173	-
Other differences leading to an increase in the tax charge	2	-
Total tax charge/ (credit) for the year	<u><u>2,290,231</u></u>	<u><u>(427,373)</u></u>

Factors that may affect future tax charges

On the 3rd March 2021 Budget it was announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021. As this rate was substantively enacted at the balance sheet date it has been used to calculate the deferred tax balance.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Dividends

	2023 £	2022 £
Dividends paid	<u>38,888</u>	<u>-</u>

During the year, £38,888 was gifted to Sygnature EBT. This has been recorded as a dividend in Sygnature's financial statements.

14. Exceptional items

	2023 £	2022 £
Acquisition related costs	68,588	2,090,849
Legal and professional	166,334	217,581
ERP Implementation costs	1,553,330	-
Move costs/ unutilised space	439,149	119,152
Holiday Pay accrual adjustment	-	(216,340)
Other one off exceptional items	19,111	29,640
	<u>2,246,512</u>	<u>2,240,882</u>

Acquisition related costs in 2023 relate to third party PMI costs. In 2022, acquisition costs relate to a one off bonus paid to staff following the sale of the company to Five Arrows Principal Investments

Legal and professional costs in 2023 relate to 3 settlement agreements made in 2023 (including associated legal costs) and one off legal costs relating to the set up on a new employee SIP scheme.

ERP implementation costs (including third party consultancy costs) relating to the design and implementation of a new ERP system

Move costs / Unutilised space relates to the rental payments for new leases before the space has been occupied. There is often a delay between the start of the lease and eventual occupation as a result of lab modifications and other fit out work that needs to take place before the properties can be used

Holiday pay accrual adjustment relates to the release of a large holiday pay accrual in 2022. This accrual was exceptionally high at the end of 2021 due to the Covid pandemic and subsequently released in 2022 when more normal levels of holiday were taken in the year

Other one off / exceptional items include losses on disposal of fixed assets, intercompany management service fees and Covid 19 shift incentive payments (2022)

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Adjusted EBITDA

	2023 £	2022 £
Operating profit	8,067,241	9,490,253
Depreciation	2,838,048	2,237,722
Amortisation	1,564,915	851,728
Exceptional items (note 14)	2,246,512	2,240,882
Adjusted EBITDA	14,716,716	14,820,585

16. Intangible assets

	Computer software £	Development expenditure £	Goodwill £	Total £
Cost				
At 1 April 2022	176,167	725,454	7,305,813	8,207,434
Additions	-	445,846	-	445,846
On acquisition of subsidiaries	-	-	15,098,840	15,098,840
At 31 March 2023	176,167	1,171,300	22,404,653	23,752,120
Amortisation				
At 1 April 2022	59,135	47,099	965,958	1,072,192
Charge for the year on owned assets	26,232	249,963	1,288,720	1,564,915
At 31 March 2023	85,367	297,062	2,254,678	2,637,107
Net book value				
At 31 March 2023	90,800	874,238	20,149,975	21,115,013
At 31 March 2022	117,032	678,355	6,339,855	7,135,242

The goodwill is being amortised over the directors estimate of its useful economic life of 10 years.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Tangible fixed assets

	Short-term leasehold property £	Laboratory equipment £	Total £
Cost or valuation			
At 1 April 2022	6,142,623	17,027,086	23,169,709
Additions	2,170,632	4,657,170	6,827,802
Transfers intra group	870,469	1,423,424	2,293,893
Disposals	-	(28,565)	(28,565)
At 31 March 2023	<u>9,183,724</u>	<u>23,079,115</u>	<u>32,262,839</u>
Depreciation			
At 1 April 2022	4,012,848	6,336,413	10,349,261
Charge for the year on owned assets	639,492	2,198,556	2,838,048
Disposals	-	(23,664)	(23,664)
At 31 March 2023	<u>4,652,340</u>	<u>8,511,305</u>	<u>13,163,645</u>
Net book value			
At 31 March 2023	<u><u>4,531,384</u></u>	<u><u>14,567,810</u></u>	<u><u>19,099,194</u></u>
At 31 March 2022	<u><u>2,129,775</u></u>	<u><u>10,690,673</u></u>	<u><u>12,820,448</u></u>

Transfers intra group - see business combinations note (note 29)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Laboratory equipment	400,762	460,417
	<u><u>400,762</u></u>	<u><u>460,417</u></u>

The depreciation charged to the Statement of Comprehensive Income for the year was £59,655 (2022 - £97,714).

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2022	2,561,483
Additions (on acquisition of subsidiaries)	44,077,406
Hive up of Peak Proteins Ltd trade and assets	(15,597,803)
	<hr/>
At 31 March 2023	31,041,086
	<hr/>
Amortisation	
At 1 April 2022	652,079
	<hr/>
At 31 March 2023	652,079
	<hr/>
Net book value	
At 31 March 2023	30,389,007
	<hr/> <hr/>
At 31 March 2022	1,909,404
	<hr/> <hr/>

The company holds a 100% interest in the ordinary share capital of Xenogenesis Limited, 100% of the share capital of Peak Proteins Limited (directly and indirectly) and 100% of the share capital of FGHJ Limited and its direct subsidiary SB Drug Discovery Limited, all incorporated in the United Kingdom.

Following the transfer of all trade, assets and liabilities to Sygnature Discovery Limited in the year ended March 2021, Xenogenesis Limited is no longer trading.

Following the transfer of all trade, assets and liabilities to Sygnature Discovery Limited in the year Peak Proteins Limited is no longer trading.

Investment on acquisition of subsidiaries – refer to Business Combinations note (note 30) on Spark Topco Limited consolidated financial statements.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Stocks

	2023 £	2022 £
Compound stocks	1,632,269	909,315
Consumable stocks	326,232	261,582
	<u>1,958,501</u>	<u>1,170,897</u>

Compound stocks have been impaired by £219,319 (2022 - £41,781) and charged to the statement of comprehensive income in the year.

20. Debtors

	2023 £	2022 £
Due after more than one year		
Amounts owed by group undertakings	<u>10,749,726</u>	<u>-</u>
	2023 £	2022 £
Amounts falling due within one year		
Trade debtors	7,430,506	6,942,090
Amounts owed by group undertakings	10,707,425	11,935,199
Other debtors	2,822,472	1,595,410
Prepayments and accrued income	4,427,778	3,205,593
	<u>25,388,181</u>	<u>23,678,292</u>

The amounts recognised in the Statement of Comprehensive income in respect of bad debts is £nil. (2022 - £99,695)

21. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>4,049,399</u>	<u>6,490,065</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	3,702,651	1,760,761
Amounts owed to group undertakings	35,363,808	6,113,056
Corporation tax	-	75,221
Other taxation and social security	637,286	899,632
Obligations under finance lease and hire purchase contracts	134,529	138,577
Other creditors	617,228	104,107
Accruals and deferred income	4,626,535	3,546,218
	<u>45,082,037</u>	<u>12,637,572</u>

Amounts owed to group undertakings are interest free and repayable on demand.

23. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	83,276	217,783
Amounts owed to group undertakings	22,301,733	1,265,844
	<u>22,385,009</u>	<u>1,483,627</u>

Details of the finance lease and hire purchase contracts are included in note 22 of the financial statements.

Hire purchase and finance lease creditors are secured on the assets concerned.

Amounts owed to group undertakings

This comprises an unsecured interest-bearing loan of £20,563,629 and accumulated interest of £1,738,101 to Evergreen Holdco 1 Limited. In the current financial year interest of £1,561,254 (2022: £119,052) has been charged at the rate of 10% (compounded) and is rolled up into the loan (see note 11). The loan is due to be fully repaid on 28 August 2031.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	134,529	138,577
Between 1-5 years	83,276	217,783
	<u>217,805</u>	<u>356,360</u>

Hire purchase and finance lease creditors are secured on the assets concerned.

25. Deferred taxation

	2023 £
At beginning of year	(1,674,234)
Charged to profit or loss	(2,597,388)
At end of year	<u>(4,271,622)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(4,525,281)	(3,285,000)
Tax losses carried forward	253,659	1,610,000
Other differences leading to an increase/ decrease in the tax charge	-	766
	<u>(4,271,622)</u>	<u>(1,674,234)</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. Deferred grant income

During the year, the company received no further grants (2022 - Nil). In accordance with the accounting policy this is to be released to the statement of comprehensive income as the associated costs are incurred.

	Deferred grant income £
Unreleased opening grant	177,596
Released in year	(54,602)
At 31 March 2023	122,994

27. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
95,000 (2022 - 95,000) Ordinary shares of £0.0010 each	95	95

28. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital contribution reserve

Contribution by shareholders that is not in return for share capital in the company.

Capital redemption reserve

Contains the nominal value of own shares that have been acquired by the company and cancelled.

Merger Reserve

Merger reserve arose on current past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Profit and loss account

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

29. Transfer of business

On the 12 April 2022, Sygnature Discovery Limited acquired, directly and indirectly, 100% of the share capital of Peak Proteins Ltd. For a consideration of £19,861,567. The transaction involved the acquisition of 52% of the issued share capital of Peak Proteins Ltd and 100% of the issued share capital of Evergreen Holdco 3 Limited. Evergreen Holdco 3 Limited holds the remaining 48% of the issued share capital of Peak Proteins Ltd.

All trade, assets and liabilities of Peak Proteins Ltd were hived up to Sygnature Discovery Limited on 30th November 2022. Consequently, £15,098,839 was recognised in goodwill and £498,964 was recognised in equity using merger accounting principals to reflect the amortisation of goodwill that would have been recognised in periods if hive up had occurred immediately post-acquisition.

The book and fair value of the recognised amounts of identifiable assets acquired and liabilities assumed are:

	Book value £	Fair value £
Fixed Assets		
Tangible	2,293,893	2,293,893
	<u>2,293,893</u>	<u>2,293,893</u>
Current Assets		
Stocks	20,270	20,270
Debtors	882,308	882,308
Cash at bank and in hand	2,357,839	2,357,839
Total Assets	<u>5,554,310</u>	<u>5,554,310</u>
Creditors		
Due within one year	(1,283,990)	(1,283,990)
Total Identifiable net assets	<u><u>4,270,320</u></u>	<u><u>4,270,320</u></u>
Consideration		
		£
Amount adjusted through the intercompany account		<u><u>4,270,320</u></u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

30. Contingent liabilities

There is security in favour of the third party debt provider in place over the assets of Spark Midco 2 Limited and its subsidiaries, excluding Sygnature Discovery Trustee Company Limited.

31. Capital commitments

At 31 March 2023 the Company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	<u>291,211</u>	<u>1,626,011</u>

32. Pension commitments

The company operates defined contribution pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension costs charged to the Statement of Comprehensive income represent contributions payable by the company during the year and amounted to £2,910,746 (2022 - £2,101,185) of which £278,010 (2022 - £16,853) was unpaid at the balance sheet date and are included in creditors.

33. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	2,985,221	2,809,800
Later than 1 year and not later than 5 years	15,739,863	11,632,374
Later than 5 years	10,910,416	13,060,539
	<u>29,635,500</u>	<u>27,502,713</u>

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

34. Related party transactions

On the 12th of April 2022, Sygnature Discovery Limited acquired, directly and indirectly, 100% of the share capital of Peak Proteins Limited. The transaction involved the acquisition of 52% of the issued share capital of Peak Proteins Ltd and 100% of the issued share capital of Evergreen Holdco 3 Limited. Evergreen Holdco 3 Limited held the remaining 48% of the issued share capital of Peak Proteins Ltd. The shareholders of Evergreen Holdco 3 Limited included some members of key management of Sygnature Discovery Limited.

During the year sales of £1,178 (2022 - £7,825) were made to SAS Step Pharma, a French company associated with the Group with a common director. The amount outstanding from SAS Step Pharma at the year end was £299 (2022 - £Nil).

During the year ended 31 March 2022, a loan was made to a director by the company. At the year end £59,911 (2022 - £58,144) was outstanding representing the amounts loaned during the prior year plus associated interest accrued during the period.

The company's related party transactions in the year include the remuneration of the directors' emoluments and pension entitlements disclosed in note 9 of the financial statements and who were considered to represent key management personnel

35. Post balance sheet events

On the 31st July 2023, Sygnature Discovery Limited acquired 100% of the share capital of Nuchem Sciences Inc and its subsidiaries, Omegachem Inc and IniXium Inc (together "Nuchem") via two newly formed companies registered in Canada, Symmetry Callco Inc and Symmetry ExchangeCo Inc. Symmetry ExchangeCo Inc was legally amalgamated with Nuchem coterminous with completion.

This was a material transaction for the Group that was primarily funded by a combination of additional debt, follow on funding from Five Arrows Principal Investments and reinvestment into the Group by existing management and Nuchem management.

Based in Canada, Nuchem is one of North America's largest discovery CROs employing over 300 staff in Montreal and Quebec city. Nuchem delivers expert integrated and standalone discovery solutions across medicinal, synthetic, scale-up, process and computational chemistry, as well as DMPK, in vitro biology and in vivo pharmacology. Additionally, the company provides protein chemistry services and offers crucial knowledge-based expertise in structural biology at the initial stages of drug discovery to global biotech and pharmaceutical companies.

SYGNATURE DISCOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

36. Controlling party

As at the year end, Sygnature Discovery Limited was controlled by Evergreen Holdco 1 Limited, a company incorporated in the United Kingdom. The registered office of Evergreen Holdco 1 Limited is the same as Sygnature Discovery Limited, as given in the company information page.

The smallest and largest group for which consolidated accounts are prepared is Spark Topco Limited, a company incorporated in the United Kingdom. The registered office of Spark Topco Limited is the same as Sygnature Discovery Limited, as given in the company information page. Consolidated accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors do not consider there to be a single ultimate controlling party.