Registered number: 11514538

# ASTRO BIDCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# ASTRO BIDCO LIMITED

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# ASTRO BIDCO LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| DIRECTORS | J Goldman<br>R Milbank<br>M Neaves |
| SECRETARY | R Milbank |
| COMPANY NUMBER | 11514538 |
| COMPANY STATUS | Private company limited by shares |
| REGISTERED OFFICE | Babraham Research Campus<br>Babraham,<br>Cambridge<br>United Kingdom<br>CB22 3AT |
| INDEPENDENT AUDITORS | PricewaterhouseCoopers LLP<br>The Maurice Wilkes Building<br>St John's Innovation Park<br>Cowley Road<br>Cambridge CB4 0DS |

# ASTRO BIDCO LIMITED

## STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2020

### PRINCIPAL ACTIVITIES

The results for the Group, being Astro Bidco Limited and its subsidiaries as detailed on page 16, show revenue for the year ended 31 December 2020 from operations of £17,043,000 (9 month period ended 31 December 2019: £8,728,000) and profit before tax of £709,000 (9 month period ended 31 December 2019: £520,000). The net assets of the Group amounted to £16,291,000 as at 31 December 2020 (31 December 2019: £13,167,000)

The principal activity of the Group has been to provide integrated biopharmaceutical drug discovery, design, optimization and manufacture services in biologics early development. The Group also provides comprehensive chemistry services to pharmaceutical, biotech companies, governmental and academic research institutes.

### BUSINESS ENVIRONMENT & STRATEGY

The Group is dependent upon the continuing drive to develop and manufacture better biopharmaceutical products, providing better treatments for patients.

With a presence in both established biologics through monoclonal antibodies and antibody drug conjugates and emerging biologics mAb-conjugates, Astro Bidco Limited is well positioned to build on its strong early stage integrated offering and further expansion into additional technologies. With a total addressable market for Discovery services in the region of $2.2B, there is a significant opportunity for growth.

The Group's management team and scientific experts have considerable experience across Developability, the selection of the best product candidate for manufacture, encompassing immunogenicity, protein engineering, bioassays and analytics. Further with our expertise in cell line development, the group can work with partners at the earliest stage of development, providing a fully integrated service partnership.

### FUTURE OUTLOOK

The strategy of management continues to be the investment in its talent, expanding capacity and capabilities in Developability and Cell Line Development and building a strong sales pipeline. Significant progress has been made in these areas and remains the focus for the year ahead. The start to 2021 has been extremely positive. In the first six months revenues are over 55% ahead of 2020 with a strong flow through to EBITDA and cashflow.

### GOING CONCERN

At 31 December 2020, the Group had £6.5m of cash balances (31 December 2019: £0.9m).

During the first part of 2020, the Group received additional equity funding of $1.5m on 27 February 2020 and $1.5m on 17 April 2020 from Abzena Holdings (US) LLC, its immediate parent undertaking, to support its growth strategy and planned investments in capacity and provide working capital. In 2020, and to date, the Group has benefited from significant growth in revenues and EBITDA and generated £5.8m in operating cash flows in 2020.

The Board believes that the Group is well placed to manage its business risks. After making enquiries including a review of forecasts and predictions, taking account of reasonably possible changes in trading performances, existing banking facilities, including the available liquidity, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months following the date of approval of the financial statements.

The Group has been swift and proactive in its response to COVID-19. The Group's immediate concern was to prioritise the health and safety of the workforce and the immediate needs of customers, implementing comprehensive site pandemic response measures, keeping them fluid to reflect changing developments and ensuring they followed or exceeded local government policies at all times. These measures have helped ensure operations continue safely, as has ensuring technology is available to staff working from home. At this time COVID-19 remains an evolving situation with new variants of the virus, but with hope for a return to a less constrained environment as vaccination levels reduce the impact of COVID-19 viruses globally. The Group thus recognises the importance of continuing to be agile in managing the risk but takes comfort from its successful management through the crisis and the resilience of its business.

The Board has considered a number of downside scenarios that reflect the remaining uncertainty in the global economy. The results of these scenarios show that there is sufficient liquidity in the business for a period of at least 12 months from the date of approval of these financial statements. As the Group is part of a collateral package of $130m debt facility provided to the Abzena Holdings (US) LLC ("the US Group"), the Board consider the severe but plausible downside case of the US Group being group revenue 11%-14% below planned 2021 and 2022 levels for the period to 30 September 2022 to be an appropriate downside case for scenario planning. Set against this are mitigating actions including management of headcount and related costs, reduced capital expenditure and reduced SG&A expenditure. The Board is comfortable with the Going Concern assessment as the US Group has adequate cash resources to meet liabilities as they fall due.

After due consideration of the range and likelihood of potential outcomes, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

## PRINCIPAL RISKS AND UNCERTAINTIES

*The Group positions itself as a leading provider of outsourced and integrated services in the biologics early development space*

This is reliant on the Group delivering high quality scientific expertise within compressed timelines. Failure to deliver could potentially damage the Group's reputation. The Group has an excellent reputation with current and former clients, as well as competitors. Further, the Group has a very high satisfaction rating with an NPS Score superior to its peers driven by its technical capabilities, customer service and responsiveness.

## KEY PERFORMANCE INDICATORS

The key performance metrics of the Group are Proposals, Sales, Order Backlog, Revenues, EBITDA and Quality Compliance. Metrics are reviewed on a monthly basis. During the year, the Company performed ahead of expectation in all key metrics

On behalf of the Board

R MILBANK

Director

# ASTRO BIDCO LIMITED

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the audited consolidated financial statements for the year 1 January 2020 to 31 December 2020.

*Astro Bidco Limited is a private limited company, incorporated England and Wales. The company's registered office is* detailed under Company Information on page 1.

Please refer to the Strategic Report for the review of the business and future developments of the Group.

### FINANCIAL RISK MANAGEMENT

The Group's financial risk management policies are detailed in note 25 in the accompanying financial statements.

### RESULTS AND DIVIDENDS

The Group profit for the year ended 31 December 2020, after taxation was £604,000 (9 months period ended 31 December 2019: £1,248,000).

No dividend has been recommended for the period.

### GOING CONCERN

See Strategic Report on page 2.

### POST BALANCE SHEET EVENTS

The potential on-going impact of COVID-19 is addressed in the Going Concern review (page 2).

On 7 May 2021, the Oxford Finance LLC facility with Abzena Holdings (US) LLC was extinguished and a new $130m facility with Ares Capital Corporation was completed. A security interest in the Group has been provided as part of that facility.

### RESEARCH AND DEVELOPMENT

The Group invests in R&D activities to drive short and long-term revenue growth, developing the Group's existing services and technological offerings.

### DIRECTORS

The Directors who were in office during the year ended 31 December 2020 and up to the date of signing the financial *statements, unless otherwise stated, were:*

J Goldman
R Milbank
M Neaves

### DIRECTORS' INSURANCE AND INDEMNITIES

The Group has maintained, throughout the year ended 31 December 2020 and to the date of the Board approval of the financial statements, Directors' liability insurance, a qualifying third party indemnity provision, for the benefit of the Group, Company and its Directors.

# ASTRO BIDCO LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Under company law, 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as issued by the International Accounting Standards Board (IASB) have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**
In the case of each director in office at the date the directors' report is approved:

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

## INDEPENDENT AUDITORS

Under section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP have been appointed as auditors and will have been deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

On behalf of the Board

R MILBANK
Director

# ASTRO BIDCO LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTRO BIDCO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion, Astro Bidco Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2020 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Statements of Financial Position as at 31 December 2020; Consolidated Statement of Comprehensive Income, Consolidated and Company Cash Flow Statements and Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### CONCLUSIONS RELATING TO GOING CONCERN

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

### REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### 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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK Companies Act and tax law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to increasing reported revenue or property, plant and equipment through the posting of inappropriate journal entries, misappropriation of cash and management bias in accounting estimates and judgemental areas of financial statements such as goodwill, intangible assets and share based payments. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries posted with unusual account combinations to overstate revenue, property, plant and equipment and unusual account combinations involving cash payments;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- reviewing meeting minutes, including those of the board of directors;
- assessing assumptions and judgements made by management in their significant accounting estimates, in particular in relation to impairment of goodwill, impairment of intangible assets and share based payments; and
- reviewing key correspondence between the company and HMRC.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## OTHER REQUIRED REPORTING

### COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Simon Ormiston

Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
25 August 2021

# ASTRO BIDCO LIMITED

## Consolidated Statement of Comprehensive Income

## For the year ended 31 December 2020

| | Note | | Year ended 31 December 2020 £'000 | | 9 months ended 31 December 2019 £'000 |
|---|---|---|---|---|---|
| **Operations** | | | | | |
| Revenue | 3 | | 17,043 | | 8,728 |
| Cost of sales | | | (5,864) | | (3,607) |
| **Gross profit** | | | **11,179** | | **5,121** |
| Other operating income | 7 | | 553 | | 972 |
| Research and development | | | (703) | | (644) |
| Laboratory operating expenses | | | (2,285) | | (1,625) |
| Sales and marketing | | | (1,449) | | (1,306) |
| Administrative expenses (non-exceptional) | 4 | (5,877) | | (4,253) | |
| Write back of intangible assets | | - | | 2,900 | |
| Total administrative expenses | | | (5,877) | | (1,353) |
| **Operating profit** | | | **1,418** | | **1,165** |
| Finance income | 5 | | 218 | | 71 |
| Finance expense | 5 | | (927) | | (716) |
| **Profit before income tax** | | | **709** | | **520** |
| Income tax | 7 | | (105) | | 728 |
| **Profit for the year/period from operations** | | | **604** | | **1,248** |
| **Profit and total comprehensive income for the year/period ended 31 December** | | | **604** | | **1,248** |

The accompanying notes are an integral part of these consolidated financial statements.

## ASTRO BIDCO LIMITED

Consolidated Statement of Financial Position
As at 31 December 2020

| | Note | At 31 December 2020 £'000 | At 31 December 2019 £'000 |
|---|---|---|---|
| **Assets** | | | |
| Non–Current Assets | | | |
| Goodwill | 9 | - | - |
| Intangible assets | 9 | 5,446 | 5,677 |
| Property, plant and equipment | 10a | 3,661 | 3,396 |
| Right-of-use assets | 10b | 7,915 | 8,381 |
| Trade and other receivables | 13 | 413 | 646 |
| **Total Non–Current Assets** | | **17,435** | **18,100** |
| **Current Assets** | | | |
| Inventories | 12 | 458 | 627 |
| Trade and other receivables | 13 | 8,138 | 8,643 |
| Current income tax assets | | 450 | 768 |
| Cash and cash equivalents | 15 | 6,509 | 912 |
| **Total Current Assets** | | **15,555** | **10,950** |
| **Total Assets** | | **32,990** | **29,050** |
| | | | |
| **Equity and Liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Ordinary shares | 16 | - | - |
| Share premium | | 12,947 | 10,530 |
| Share based payments | | 103 | - |
| Accumulated losses | | (43,476) | (44,080) |
| Capital reduction reserve | | 46,717 | 46,717 |
| **Total Equity** | | **16,291** | **13,167** |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 18 | 7,203 | 7,554 |
| **Total Non-Current Liabilities** | | **7,203** | **7,554** |
| **Current liabilities** | | | |
| Trade and other payables | 17 | 8,447 | 7,250 |
| Lease liabilities | 18 | 1,049 | 1,079 |
| **Total Current Liabilities** | | **9,496** | **8,329** |
| **Total Liabilities** | | **16,699** | **15,883** |
| **Total Equity and Liabilities** | | **32,990** | **29,050** |

Company Registered Number: 11514538

The financial statements on pages 9 to 44 were approved by the Board of Directors on 25 August 2021 and signed on its behalf by R Milbank:

# ASTRO BIDCO LIMITED

## Consolidated Cash Flow Statement

## For the year ended 31 December 2020

| | Note | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|---|
| **Cash flows from continuing operating activities** | | | |
| Profit before income tax | | 709 | 520 |
| | | | |
| **Adjustments to reconcile profit before income tax to net cash flows generated from/(used in) operating activities:** | | | |
| **Share based payments** | 26 | 103 | - |
| Depreciation of property, plant and equipment | 10a | 1,383 | 955 |
| Loss on disposal of fixed assets | | - | 5 |
| Reversal of impairment provision | 9 | - | (2,900) |
| Amortisation of intangible assets | 9 | 573 | 207 |
| Decrease in provisions | 20 | - | (102) |
| Net finance expense | 5 | 709 | 645 |
| | | **3,477** | **(670)** |
| Working Capital Adjustments | | | |
| Decrease/(increase) in trade and other receivables | | 279 | (4,265) |
| Decrease in inventories | | 169 | 141 |
| Increase in trade and other payables | | 1,023 | 462 |
| **Net working capital movements** | | **1,471** | **(3,662)** |
| | | | |
| **Cash generated from/(used in) operating activities** | | **4,948** | **(4,332)** |
| Taxation received | | 767 | - |
| **Net cash inflow/(outflow) from operating activities** | | **5,715** | **(4,332)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | 9 | (319) | - |
| Purchase of property, plant and equipment | 10a | (1,102) | (843) |
| Proceeds from the sales of fixed assets | | - | 47 |
| Interest received | 5 | - | 71 |
| **Net cash outflow from investing activities** | | **(1,421)** | **(725)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Cash proceeds from share issues | 16 | 2,417 | 6,694 |
| Capital and interest repayment of property lease liabilities | 19 | (925) | (714) |
| Capital element of equipment lease repayments | 19 | (154) | (140) |
| Interest paid | 5 | (35) | (192) |
| **Net cash inflow from financing activities** | | **1,303** | **5,648** |
| | | | |
| **Net increase in cash and cash equivalents** | | **5,597** | **591** |
| Cash and cash equivalents at beginning of the year/period | | **912** | **321** |
| **Cash and cash equivalents at end of the year/period** | 15 | **6,509** | **912** |

# ASTRO BIDCO LIMITED

## Consolidated Statement of Changes in Equity

## For the year ended 31 December 2020

| Attributable to owners of the parent | Note | Issued Share Capital | Share based payment reserve | Share Premium | Accumulated losses | Capital Reduction reserve | Other Distributable reserve | Total |
|---|---|---|---|---|---|---|---|---|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 January 2020 | | - | - | 10,530 | (3,211) | 46,717 | (40,869) | 13,167 |
| Comprehensive Profit for the year ended 31 December 2020 | | - | - | - | 604 | - | - | **604** |
| **Total comprehensive profit for the period** | | - | - | - | **604** | - | - | **604** |
| Transactions with Owners | | | | | | | | |
| Ordinary shares of £1 share capital issued | 22 | | - | 2,417 | - | - | - | 2,417 |
| Share based payments | | | 103 | - | - | - | - | 103 |
| **Total transactions with owners, recognised directly in equity** | | - | 103 | 2,417 | - | - | - | 2,520 |
| *Balance at 31 December 2020* | | - | 103 | 12,947 | (2,607) | 46,717 | (40,869) | 16,291 |

# ASTRO BIDCO LIMITED

Consolidated Statement of Changes in Equity

For 9 months ended 31 December 2019

| Attributable to owners of the parent | Note | Issued Share Capital | Issued Share Capital | Share Premium | Accumulated losses | Capital Reduction reserve | Other Distributable reserve | Total |
|---|---|---|---|---|---|---|---|---|
| | | £'000 | $'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance at 1 April 2019** | | - | - | **3,836** | **(4,459)** | **46,717** | **(40,869)** | 5,225 |
| Comprehensive | | | | | | | | |
| Profit for the period ended 31 December 2019 | | - | - | - | 1,248 | - | - | **1,248** |
| **Total comprehensive profit for the period** | | - | - | - | **1,248** | - | - | **1,248** |
| **Transactions with Owners** | | | | | | | | |
| Ordinary shares of £1 share capital issued | 22 | - | - | 6,694 | - | - | - | 6,694 |
| **Total transactions with owners, recognised directly in equity** | | - | - | **6,694** | - | - | - | **6,694** |
| **Balance at 31 December 2019** | | - | - | **10,530** | **(3,211)** | 46,717 | (40,869) | 13,167 |

On 29 March 2019, Astro Bidco Limited distributed 100% of its holding in Abzena Holdings Inc. to Abzena Holdings (US) LLC. by means of a dividend in specie and resulting in the formation of the other distributable reserve.

# ASTRO BIDCO LIMITED

## Company Financial Statements

### Company Statement of Financial Position

| | Note | At 31 December 2020 £'000 | At 31 December 2019 £'000 |
|---|---|---|---|
| **Assets** | | | |
| Non–Current Assets | | | |
| Investments | 11 | 17,675 | 15,258 |
| **Total Non–Current Assets** | | **17,675** | **15,258** |
| Current Assets | | | |
| Cash and cash equivalents | 15 | - | - |
| **Total Current Assets** | | **-** | **-** |
| **Total Assets** | | **17,675** | **15,258** |
| **Equity and Liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Ordinary shares | 16 | - | - |
| Share premium | | 12,947 | 10,530 |
| Retained earnings | | (40,869) | (40,869) |
| Accumulated losses | | (1,629) | (1,643) |
| Capital reduction reserve | | 46,717 | 46,717 |
| **Total Equity** | | **17,166** | **14,735** |
| **Liabilities** | | | |
| Non-current liabilities | | - | - |
| **Total Non-Current Liabilities** | | **-** | - |
| **Current liabilities** | | | |
| Trade and other payables | 17 | 509 | 523 |
| **Total Current Liabilities** | | **509** | **523** |
| **Total Liabilities** | | **509** | **523** |
| **Total Equity and Liabilities** | | **17,675** | **15,258** |

The Company's result for the year ended 31 December 2020 was a profit of £14,000 (9 months ended 31 December 2019: £2,702,000).

Company Registered Number: 11514538

The financial statements were approved by the Board 25 August 2021 and are signed on its behalf by R Milbank, Director:

# ASTRO BIDCO LIMITED

## Company Cash Flow Statement

## For the year ended 31 December 2020

| | Note | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before income tax | 8 | 14 | 2,702 |
| Reversal of impairment provision | | - | (2,900) |
| **Net cash inflow/(outflow) from operating activities** | | **14** | **(198)** |
| Working Capital Adjustments | | | |
| (Decrease)/increase in trade and other payables | | (14) | 198 |
| **Net working capital movements** | | **(14)** | **198** |
| **Net cash used in operating activities** | | - | - |
| **Cash flows from investing activities** | | | |
| Payment for increased investment in subsidiary | 22 | (2,417) | (6,694) |
| **Net cash used in investing activities** | | **(2,417)** | **(6,694)** |
| **Cash flows from financing activities** | | | |
| Cash proceeds from share issues | 11 | 2,417 | 6,694 |
| **Net cash generated from financing activities** | | **2,417** | **6,694** |
| **Net increase in cash and cash equivalents** | | - | - |
| Cash and cash equivalents at beginning of the year/period | | - | - |
| **Cash and cash equivalents at end of the year/period** | 15 | - | - |

# ASTRO BIDCO LIMITED

## Company Statement of Changes in Equity

### For the year ended 31 December 2020

| | Note | Issued Share Capital £'000 | Share Premium £'000 | Retained Earnings £'000 | Capital Reduction reserve £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Balance at 1 January 2020 | | - | 10,530 | (42,512) | 46,717 | 14,735 |
| Profit for the financial year | | - | - | 14 | - | 14 |
| Total comprehensive income for the period | | - | - | 14 | - | 14 |
| Transactions with owners | | | | | | |
| Ordinary shares of £1 share capital issued | 22 | - | 2,417 | - | - | 2,417 |
| Total transactions with owners, recognised directly in equity | | - | 2,417 | - | - | 2,417 |
| *Balance at 31 December 2020* | | - | 12,947 | (42,498) | 46,717 | 17,166 |

## Company Statement of Changes in Equity

### For the 9 months ended 31 December 2019

| | Note | Issued Share Capital £'000 | Share Premium £'000 | Retained Earnings £'000 | Capital Reduction reserve £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Balance at 1 April 2019 | | - | 3,836 | (45,214) | 46,717 | 5,339 |
| Comprehensive income | | - | - | 2,702 | - | 2,702 |
| Total comprehensive income for the period | | - | - | 2,702 | - | 2,702 |
| Transactions with owners | | | | | | |
| Ordinary shares of £1 share capital issued | 22 | - | 6,694 | - | - | 6,694 |
| Total transactions with owners, recognised directly in equity | | - | 6,694 | - | - | 6,694 |
| Balance at 31 December 2019 | | - | 10,530 | (42,512) | 46,717 | 14,735 |

# ASTRO BIDCO LIMITED

## Notes to the consolidated financial statements

### 1. Summary of significant accounting policies

#### General information

Astro Bidco Limited is a private limited company incorporated on 13 August 2018 and domiciled in the United Kingdom with registered number 11514538.

The Company's registered office is Babraham Research Campus, Babraham, Cambridge, United Kingdom CB22 3AT.

The principal activity of the Group is that of life science technological services to the biopharmaceutical industry. The consolidated financial statements comprise a consolidation of the Company and the following subsidiary companies;

| Company | | Country of Incorporation |
|---|---|---|
| Abzena Limited | | England & Wales |
| Abzena (Cambridge) Limited | | England & Wales |
| Abzena (UK) Limited | | England & Wales |
| Abzena Holdings Limited | Dissolved 25 February 2020 | England & Wales |
| Warwick Effect Polymers Limited | Dissolved 25 February 2020 | England & Wales |
| Denceptor Therapeutics Limited | Dissolved 25 February 2020 | England & Wales |

All the subsidiaries of the Group, with the exception, prior to its dissolution, of Denceptor Therapeutics Limited, are 100% owned by the Group and have been included in the consolidated financial statements from the date of acquisition.

The Group owned 3,750 ordinary shares (88.2%) in Denceptor Therapeutics Limited, a non-trading company. The financial impact of the non-controlling interest is not material to the Group consolidated financial statements. Denceptor Therapeutics Limited has been included in the consolidated financial statements from date of acquisition.

The Group's financial statements presented are as at 31 December 2020 and for the year then ended. The comparatives are as at 31 December 2019 and for the 9 months then ended.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

#### Basis of preparation

The consolidated Financial Statements and the Financial Statements of the parent company have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS"). The Financial Statements have been prepared on a going concern basis and under the historical cost convention.

The preparation of the Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Financial Statements are rounded to the nearest thousand pounds sterling.

## Recent accounting developments

### *New standards, amendments and interpretations*

### (a) Standards, amendments and interpretations effective from 1 January 2020 and applied by the Group:

The Company has adopted the following revisions and amendments to IFRS , which are relevant to and effective for the Group's financial statements for the period beginning 1 January 2020.

- Definition of Material – Amendments to IAS 1 and IAS 8;
- Definition of a Business – Amendments to IFRS 3;
- Revised Conceptual Framework for Financial Reporting;
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7.

The Directors have assessed that the adoption of these revisions and amendments did not have a material impact on the financial position or performance of the Company.

### (b) Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

### Revenue recognition over time

Revenue, which excludes value added tax, represents the income generated by the Group from services provided to external parties, licensing activities and grants.

In respect of service contracts, the Group's contractual obligations are performed over time and this is supported by contractual termination clauses that the Group has right to payment for work performed and non-cancellable costs incurred to date to deliver services that do not have an alternative use to the Group. In line with IFRS 15, revenue is recognized upon satisfaction of performance obligations and the transfer of control over time.

The stage of completion is determined by utilizing the input method which requires a degree of estimation and judgement by management. The extent of progress towards completion is based on the expected duration and completion date of contract stages. Usually obligations are discharged evenly over individual contract stages and revenue is recognized on a straight-line basis over the estimated duration of the project. A groupwide monthly project update detailing estimated completion dates for project stages is prepared by technical leads, detailing progress and completion of performance obligations. As part of this process, weekly operational meetings review information including but not limited to; any outstanding contractual matters, operational progress, risks and opportunities, including management's judgement regarding the ability to meet the project time scales and the related impact to revenue. The stage of completion and the apportioned transaction price, may not be in line with the stage payments specified within contractual agreements, resulting in contract assets (accrued income) and contract liabilities (deferred revenue). Where there are options for further work, management evaluates whether such options constitute a material right. The Group's contracts are such that further work performed under such options is priced at stand-alone selling price, such that no material right in respect of such options arises.

Revenue in respect of licensing activities typically comprises an initial up–front fee receivable on signature of the agreement, followed by subsequent payments when certain milestone conditions are met. In addition, future sales royalties arising on sales of products based on the licensed intellectual property may also be due. The initial up–front fee receivable on the signature of a licence agreement is generally recognised in full on the date the agreement is executed, if all the Group's obligations required to enter into the right-to-use licence have been completed and at the point that the up-front fee becomes non-refundable. Milestone payments are recognised as revenue when it is deemed highly probable that such revenue will not be reversed. Sales-based royalties are recognised when the customer makes the related sale.

## Other income

Grant income is typically claimed quarterly in arrears and is recognised when received. Grant income is disclosed as Other Operating Income on the face of the Consolidated Statement of Comprehensive Income.

## Business combinations

IFRS 3 (revised) "Business Combinations" requires that goodwill arising on the acquisition of subsidiaries is capitalised and included in intangible assets. IFRS 3 (revised) also requires the identification of other intangible assets at acquisition. The assumptions involved in valuing these intangible assets requires the use of estimates and judgements which may differ from the actual outcome. These estimates and judgements cover future growth rates, expected inflation rates and the discount rate used. Changing the assumptions selected by management could significantly affect the allocation of the purchase price paid between goodwill and other acquired intangibles.

## Basis of consolidation

The Group's consolidated Financial Statements consists of Astro Bidco Limited and all its subsidiaries.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The Group controls an entity when the Group is expected to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of acquisition is measured at fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are initially measured at their fair values at acquisition date, irrespective of the extent of any non–controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill.

Inter–company transactions, balances and unrealised gains / losses on transactions between Group companies are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Foreign currency translation

The consolidated Financial Statements are presented in pounds sterling, which is the Group's presentational currency. The Group determines the functional currency of each entity. Transactions undertaken in foreign currencies are translated into the functional currency of the subsidiary at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated into the functional currency at the rates of exchange ruling at the period-end date. Any exchange differences arising are included within 'Administrative expenses' in the Consolidated Statement of Comprehensive Income, except for foreign exchange gains and losses that relate to borrowings and cash and cash equivalents which are presented in the Consolidated Statement of Comprehensive Income within 'Finance income' or 'Finance expenses'.

## Financial instruments

The Group uses financial instruments comprising cash and cash equivalents and various other short–term instruments such as trade receivables and trade payables which arise from its operations. The main purpose of these financial instruments is to fund the Group's business strategy and the short–term working capital requirements of the Group.

## Trade and other receivables

Trade receivables are recognised initially at fair value. The Group applies the IFRS 9 simplified approach to measure the expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. The amount of the total life expected credit loss is recognized in the Consolidated Statement of Comprehensive Income within administrative expenses.

## Trade payables

Trade payables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method.

## Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, bank overdrafts and other short-term highly liquid investments with original maturities of less than 3 months. Short term liquid investments with a maturity of over three months would be included in a separate category, 'Short term liquidity investments'.

## Research and development

Research costs are written off to the Consolidated Statement of Comprehensive Income in the period in which they are incurred. All research costs, whether funded by grant or not, are included within R&D costs on the face of the income statement.

All ongoing development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory and other uncertainties inherent in the development of the Group's programmes, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38, "Intangible assets", are not met until the product has been submitted for regulatory approval, such approval has been received and it is probable that future economic benefits will flow to the Group. The Group does not currently have any such internal development costs that qualify for capitalisation as intangible assets.

The Group is entitled to claim tax credits in the United Kingdom for certain R&D expenditure and these are recognised in the financial statements on an accrual basis.

## Pensions

The Group makes payments to defined contribution schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. *Contributions made by the Group are charged to the Consolidated* Statement of Comprehensive Income in the period to which they relate

## Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure directly attributable to bringing each product to its present location and condition on a first in first out basis, unless separately identified. Net realisable value is based on estimated selling price, or value in use less further costs expected to be incurred to completion and disposal Where necessary, provision is made for obsolete, slow moving and defective inventories.

## Current and deferred income tax

Income tax on the result for the period comprises current and deferred tax. Income tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

*Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against* current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets are only recognised in the Statement of

Financial Position to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

### IFRS 16 Leases

The Group leases various premises, including office, warehouse, laboratory space and equipment leases. The Group has elected not to separate lease, buildings, and non-lease, land, components, accounting for these as a single lease component. The lease terms are negotiated on an individual basis and are not deemed to be onerous.

IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. Assets and liabilities arising from the lease are measured on a present value basis. The remaining lease payments at the date of adoption of IFRS 16 Leases are discounted using the Group's incremental borrowing rate, being the rate that the Group would pay to borrow funds. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease. The finance cost and depreciation are charged to the Consolidated Statement of Comprehensive Income. Exemptions for low value assets or short-term leases have not been applied.

### Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate potential impairment. The carrying value of goodwill is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense, separately disclosed in the intangible fixed asset note to the financial statements and is not subsequently reversed.

### Impairment

The carrying value of non-current assets is reviewed whenever events or changes in circumstances indicate that the carrying value may not be recoverable to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Intangible assets initially recognised during the current annual period which are not yet available for use are also tested for impairment by reference to the asset's recoverable amount at the Statement of Financial Position date.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows over the remaining useful economic life of the asset in question are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Directors' annual review previously impaired assets, excluding goodwill, and to the extent that the impairment is no longer appropriate, the previous impairment is adjusted.

### Exceptional Items

The Group discloses separately items of income or expenditure which are by nature not expected to recur as part of the normal operational activity of the business. Such items are shown separately on the face of the Consolidated Statement of Comprehensive Income.

### Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation, together with any incidental costs of acquisition. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all property, plant and equipment at rates calculated to write each asset down to its estimated residual value on a straight-line basis over its expected useful life, as follows:

- Leasehold property improvements: over the life of the lease
- Fixtures, fittings and equipment: 4 years - 7 years straight-line

The assets' residual lives are reviewed annually and at any given time where there is an event which may indicate potential impairment and are adjusted as appropriate.

### Acquired intangible assets

Acquired intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the entity, and are amortised as follows:

| | |
|---|---|
| Existing customer relationships | Straight line over expected useful economic life estimated to be 7-10 years |
| Order backlog | Straight line over expected useful economic life estimated to be 2 years |
| Current technology | Straight line over expected useful economic life estimated to be 15 years |

They are subsequently measured at cost less accumulated amortisation and impairment. At each Statement of Financial Position date, these assets are assessed for indicators of impairment and, in the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately through the Consolidated Statement of Comprehensive Income.

### Other intangibles

Development costs that are directly attributable to the development and implementation of identifiable software products and development costs controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the project so that it will be available for use;
- management intends to complete the project and use or sell it;
- it can be demonstrated how the project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development; and
- the expenditure attributable to the project during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the project include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

### Equity and Reserves

Ordinary shares are classified as equity and issued share capital represents the nominal value of shares that have been issued.

The share premium account represents premiums received on the issuance of share capital. No incremental costs directly attributable to the issue of new share capital were incurred.

Retained earnings include all current results as disclosed in the Consolidated Statement of Comprehensive Income.

### Share-based payment arrangements

Astro Group Holdings Limited (Cayman), an intermediate holding company, set up an equity incentive programme to allow certain individuals in the Abzena Group the opportunity to participate in the future appreciation of the Abzena Holdings (US) LLC Group's equity value by being granted Incentive Shares. The incentive shares have been accounted for as equity-settled awards under IFRS 2.

Equity-settled awards are measured at fair value at the date of grant. The fair value is calculated using an appropriate option pricing model and is expensed to the Statement of Total Comprehensive Income on a straight-line basis over the vesting period after allowing for an estimate of shares that will eventually vest. The level of vesting is reviewed annually and the charge adjusted to reflect actual and estimated levels of vesting.

Abzena (Cambridge) Limited is required to recognize share-based payment arrangements involving equity instruments where the company has remunerated those individuals providing services to the entity in this way. Astro Group Holdings Limited (Cayman) makes contributions to the employing entities equal to the charge for the share-based payment arrangement which is reflected as an increase in Astro Group Holdings Limited (Cayman)'s investment in each of these companies.

### Impairment of investments

Investments are measured at cost less any impairment. At each Statement of Financial Position date, the carrying value of investments are assessed for indicators of impairment and, in the event that the carrying value is determined to be greater than the recoverable amount, the investment is immediately written down through the Consolidated Statement of Comprehensive Income and through the parent company's Income Statement.

### Finance cost

Finance costs of debt are recognized in the Consolidated Statement of Comprehensive Income over the term of the agreement on an effective interest rate on the carrying amount.

**Significant accounting estimates**

The preparation of Financial Statements requires management to make judgments, estimations, and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. The process of making accounting estimates involves selecting and applying a method using assumptions and data, which requires judgment by management and can give rise to complexity in measurement. There are not considered to be any significant estimates which might result in a material change in the carrying amounts of assets or liabilities in the coming year. Information about critical judgements and other areas in which estimates are made are contained in the accounting policies and the notes to the Financial Statements.

**Significant accounting judgements**

The following area involves a higher degree of judgement and is significant to the Consolidated Financial Statements:

### Deferred taxation

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that management believe it is not yet probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Directors do not recognise cumulative losses as an asset where they are not sufficiently certain of its recoverability. The Directors have considered the requirement of IAS 12 and determined that the Group has not yet demonstrated a sustained track record of taxable profit generation to provide sufficient evidence that future taxable profits will be available. This judgement will be re-assessed at each balance sheet date.

## 2. Going concern

At 31 December 2020, the Group had £6.5m of cash balances (31 December 2019: £0.9m).

During the first part of 2020, the Group received additional equity funding of $1.5m on 27 February 2020 and $1.5m on 17 April 2020 from Abzena Holdings (US) LLC, its immediate parent undertaking, to support its growth strategy and planned investments in capacity and provide working capital. In 2020, and to date, the Group has benefited from significant growth in revenues and EBITDA and generated £5.8m in operating cash flows in 2020.

The Board believes that the Group is well placed to manage its business risks. After making enquiries including a review of forecasts and predictions, taking account of reasonably possible changes in trading performances, existing banking facilities, including the available liquidity, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months following the date of approval of the financial statements.

The Group has been swift and proactive in its response to COVID-19. The Group's immediate concern was to prioritise the health and safety of the workforce and the immediate needs of customers, implementing comprehensive site pandemic response measures, keeping them fluid to reflect changing developments and ensuring they followed or exceeded local government policies at all times. These measures have helped ensure operations continue safely, as has ensuring technology is available to staff working from home. At this time COVID-19 remains an evolving situation with new variants of the virus, but with hope for a return to a less constrained environment as vaccination levels reduce the impact of COVID-

19 viruses globally. The Group thus recognises the importance of continuing to be agile in managing the risk but takes comfort from its successful management through the crisis and the resilience of its business.

The Board has considered a number of downside scenarios that reflect the remaining uncertainty in the global economy. The results of these scenarios show that there is sufficient liquidity in the business for a period of at least 12 months from the date of approval of these financial statements. As the Group is part of a collateral package of $130m debt facility provided to the Abzena Holdings (US) LLC ("the US Group"), the Board evaluate going concern of the company in the context of the US Group, as the financing arrangements are inextricably link. The Directors consider the severe but plausible downside case of the US Group being group revenue 11%-14% below planned 2021 and 2022 levels for the period to 30 September 2022 to be an appropriate downside case for scenario planning. Set against this are mitigating actions including management of headcount and related costs, reduced capital expenditure and reduced SG&A expenditure. The Board is comfortable with the Going Concern assessment as the US Group has adequate cash resources to meet liabilities as they fall due.

After due consideration of the range and likelihood of potential outcomes, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

## 3. Revenue

Analysis of revenue by location of customer:

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| North America | 9,462 | 4,570 |
| Europe | 3,734 | 1,539 |
| United Kingdom | 1,664 | 669 |
| Other | 2,183 | 1,950 |
| **Total** | **17,043** | **8,728** |

Analysis of revenue:

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2020 £'000 |
|---|---|---|
| Service revenue | 15,054 | 8,651 |
| Licence income | 1,989 | 77 |
| **Total** | **17,043** | **8,728** |

**Expected profile of revenue recognition from signed contracts:**

The table below shows the expected profile of revenue recognition from contracts signed as at 31 December 2020:

| | 6 months ended 30 June 2021 £'000 | 6 months ended 31 December 2021 £'000 | 6 months ended 30 June 2022 £'000 | 6 months ended 31 December 2022 £'000 | 36 months ended 30 June 2025 £'000 |
|---|---|---|---|---|---|
| Total as at 31 December 2020 | 12,802 | 7,623 | 2,356 | 1,884 | 906 |

| | 6 months ended 30 June 2020 £'000 | 6 months ended 31 December 2020 £'000 | 6 months ended 30 June 2021 £'000 | 6 months ended 31 December 2021 £'000 |
|---|---|---|---|---|
| Total as at 31 December 2019 | 8,165 | 5,270 | 4,633 | 1,171 |

There were two customers who individually generated revenue greater than 10% of the total revenue of continuing operations. In the period ended 31 December 2019, there were no customers who generated revenue greater than 10% of the total revenue.

## 4. Administrative expenses

Included in administrative expenses are:

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Services provided by Group's auditors | | |
| - Fees payable to the company's auditors and its associates for the audit of parent company and consolidated financial statements | 67 | 73 |
| - Fees payable for tax compliance | 37 | - |

## 5. Finance income and expense

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Interest receivable from associated undertakings | 218 | 71 |
| **Finance Income** | **218** | **71** |
| Interest paid | (19) | (16) |
| Interest expense on equipment lease liabilities | (16) | (19) |
| Interest expense on property leased liabilities | (698) | (524) |
| Interest payable to associated undertakings | (194) | (157) |
| **Finance Expense** | **(927)** | **(716)** |

## 6. Employees and Directors

| **Analysis of payroll costs by category:** | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Wages and salaries | 5,075 | 3,789 |
| Social security costs | 534 | 403 |
| Management incentive plan | 103 | - |
| Other pension costs | 508 | 339 |
| **Total** | **6,220** | **4,531** |

# ASTRO BIDCO LIMITED

Average monthly number of persons (including Executive Directors but excluding non-executive Directors) employed:

| By activity | Year ended 31 December 2020 Headcount | 9 months ended 31 December 2019 Headcount |
|---|---|---|
| Laboratory staff | 65 | 57 |
| Sales, marketing, business development, administration and management | 27 | 25 |
| **Total** | **92** | **82** |

The average full time equivalent (FTE) over the year ended 31 December 2020 is 89 (9 months ended 31 December 2019: 79 FTE). There are no employees of the Company.

### Directors' emoluments are as follows:

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Aggregate emoluments | 693 | 296 |
| Company contributions to defined contribution pension schemes | 30 | 8 |
| **Total** | **723** | **304** |

Prior to 1 January 2020, remuneration for J Goldman was paid by Welsh, Carson, Anderson & Stowe and as such, is not included in the wages and salaries note for the period 1 April 2019 to 31 December 2019. From 1 January 2020, the remuneration of J Goldman was paid by a US affiliated company. During the year, Abzena (San Diego) Inc. re-charged the Group a total of £160,000 (9 months ended 31 December 2019: £65,000) for services provided by J Goldman.

From 1 July 2019, P Gray (former director) was paid by a US affiliated company and as such, from this date, his remuneration is not included in the wages and salaries note above and no recharge was made for his services. Included in the Directors' emoluments note is remuneration paid to the date of resignation, 29 October 2019.

### The allocated amounts that relate to the highest paid Director:

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Aggregate emoluments | 371 | 121 |
| Company contributions to defined contribution pension schemes | 5 | 3 |
| **Total** | **376** | **124** |

## 7. Income Tax

### Analysis of taxation charge / (credit) in the year/period

The Group is entitled to claim tax credits in the United Kingdom for certain R&D expenditure, which are recorded as other operating income. The amount included in the Statement of Comprehensive Income represents the charge / (credit) payable by the Group for the year/period.

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Current tax: | | |
| United Kingdom corporation tax | 105 | 180 |
| **Total current tax charge** | **105** | **180** |
| **Deferred tax:** | | |
| Short term timing differences | - | - |
| Origination and reversal or temporary differences | - | (908) |
| **Total deferred tax** | **-** | **(908)** |
| **Total tax charge / (credit) in the Statement of Comprehensive Income** | **105** | **(728)** |

Included within other operating income is £553,000 (9 months ended 31 December 2019: £928,000) in respect of R&D expenditure credit. The 31 December 2020 computations have not been submitted to the tax authorities. The tax charge for the year/period is lower than the charge that would be payable at the standard rate of corporation tax in the UK of 19%. The differences are explained in the following table:

### Tax reconciliation

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Profit before income tax | 709 | 520 |
| **Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (9 months ended 31 December 2019: 19%)** | 135 | 99 |
| Tax effect of: | | |
| Non-taxable and non-deductible items | 217 | (249) |
| Additional deduction for R&D expenditure | (34) | - |
| Adjustments to deferred tax | - | (731) |
| Current year/period losses for which no deferred tax asset has been recognised | (213) | 153 |
| **Total tax charge / (credit)** | **105** | **(728)** |

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements

Deferred tax liability

| | Year ended 31 December 2020 £'000 | 9 months ended 31 December 2019 £'000 |
|---|---|---|
| Balance at 1 January 2020 and 1 April 2019 | - | 908 |
| Release associated with intangible assets on historical business combination | - | (835) |
| Fixed asset timing differences arising in year | 107 | - |
| DTAs on losses recognised to the extent of DTLs | (107) | (73) |
| **Total deferred tax liability** | - | - |

| | *Year ended* 31 December 2020 *£'000* | *9 months ended* 31 December 2019 £'000 |
|---|---|---|
| Fixed asset temporary differences | 990 | 974 |
| Recognition of deferred tax asset | (966) | (948) |
| Short term temporary differences | (24) | (26) |
| **Total deferred tax liability** | - | - |

Deferred tax assets for brought forward losses have been recognised to the extent of deferred tax liabilities arising in the same jurisdiction and capable of being settled net. As at 31 December 2020, the unrecognised deferred tax asset amounted to £2,300,000 (31 December 2019: £2,576,000). This deferred tax asset is in respect of cumulative losses incurred to date. The Directors have considered the requirement of IAS 12 and determined that the Group has not yet demonstrated a sustained track record of taxable profit generation to provide sufficient evidence that future taxable profits will be available.

The Company has unprovided deferred tax assets arising from unutilised tax losses of £13,800 (31 December 2019: £16,600)

## 8. Profit of Parent Company

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not included as part of these financial statements. The Parent Company's result for the year ended 31 December 2020 was a profit of £14,000 (period ended 31 December 2019: £2,702,000).

## 9. Intangible Assets

For the year ended 31 December 2020 – Goodwill and Intangibles resulting from Business Combinations

| | Existing Customer Relationships | Order Backlog | Current Technology | [1] Goodwill | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 January 2020 | 3,068 | 58 | 3,013 | 5,036 | 11,175 |
| **At 31 December 2020** | **3,068** | **58** | **3,013** | **5,036** | **11,175** |
| Accumulated amortisation | | | | | |
| At 1 January 2020 | (277) | (18) | (167) | (5,036) | (5,498) |
| Amortisation in the year | (342) | (29) | (202) | - | (573) |
| **At 31 December 2020** | **(619)** | **(47)** | **(369)** | **(5,036)** | **(6,071)** |
| Net book value: | | | | | |
| **At 31 December 2020** | **2,449** | **11** | **2,644** | **-** | **5,104** |
| At 31 December 2019 | 2,791 | 40 | 2,846 | - | 5,677 |

For the 9 months ended 31 December 2019 – Goodwill and Intangibles resulting from Business Combinations

| | Existing Customer Relationships | Order Backlog | Current Technology | [1] Goodwill | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 April 2019 | 3,068 | 58 | 3,013 | 5,036 | 11,175 |
| **At 31 December 2019** | **3,068** | **58** | **3,013** | **5,036** | **11,175** |
| Accumulated amortisation | | | | | |
| At 1 April 2019 | (1,604) | (39) | (1,516) | (5,036) | (8,195) |
| Amortisation in the period | (122) | (6) | (75) | - | (203) |
| Impairment reversal | 1,449 | 27 | 1,424 | - | 2,900 |
| **At 31 December 2019** | **(277)** | **(18)** | **(167)** | **(5,036)** | **(5,498)** |
| Net book value: | | | | | |
| **At 31 December 2019** | **2,791** | **40** | **2,846** | **-** | **5,677** |
| At 31 March 2019 | 1,464 | 19 | 1,497 | - | 2,980 |

(1) In line with the requirements of IAS 38, the fair value of goodwill is measured as the purchase consideration paid in excess of an acquired business' tangible and separately identifiable intangible assets, less liabilities. Goodwill is not amortised but is assessed for impairment at the end of each accounting period.

The amortisation charge for the respective periods has been included in Administrative expenses in the Consolidated Statement of Comprehensive Income.

The goodwill arose on the purchase of 100% of the share capital of Abzena plc on 12 October 2018. The goodwill represents the excess of the fair value of the consideration over the fair value of assets acquired.

# ASTRO BIDCO LIMITED

Other Intangibles

For the year ended 31 December 2020

| | ERP costs £'000 | Internal R&D £'000 | Website £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2020 | - | - | 9 | 9 |
| Additions | 123 | 219 | - | 342 |
| **At 31 December 2020** | **123** | **219** | **9** | **351** |
| **Accumulated amortisation** | | | | |
| At 31 December 2019 and at 1 January 2020 | - | - | (9) | (9) |
| **Net book value:** | | | | |
| **At 31 December 2020** | **123** | **219** | - | **342** |
| At 31 December 2019 | - | - | - | - |

Other Intangibles

For the 9 months ended 31 December 2019

| | Website £'000 | Total £'000 |
|---|---|---|
| **Cost** | | |
| **At 1 April 2019 & 31 December 2019** | **9** | **9** |
| **Accumulated amortisation** | | |
| At 1 April 2019 | (5) | (5) |
| Amortisation in the period | (4) | (4) |
| ***At 31 December 2019*** | ***(9)*** | ***(9)*** |
| **Net book value:** | | |
| ***At 31 December 2019*** | - | - |
| At 31 March 2019 | 4 | 4 |

# ASTRO BIDCO LIMITED

## 10(a). Property, plant and equipment

Property, plant and equipment for the year ended 31 December 2020

| | Leasehold Property Improvements | Fixtures, Fittings and Equipment | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Cost** | | | |
| At 1 January 2020 | 477 | 3,729 | 4,206 |
| Additions | 57 | 1,125 | 1,182 |
| Disposals | - | (213) | (213) |
| **At 31 December 2020** | **534** | **4,641** | **5,175** |
| **Accumulated depreciation** | | | |
| At 1 January 2020 | (17) | (793) | (810) |
| Depreciation charge for the year | (29) | (888) | (917) |
| Disposals | - | 213 | 213 |
| **At 31 December 2020** | **(46)** | **(1,468)** | **(1,514)** |
| **Net book value:** | | | |
| At 31 December 2020 | **488** | **3,173** | **3,661** |
| At 31 December 2019 | 460 | 2,936 | 3,396 |

**Right-of-use assets**

The net book value of fixtures, fittings and equipment includes £379,000 (31 December 2019: £509,000) in relation to right-of-use assets. Depreciation charged and interest paid in the year ended 31 December 2020 amounted to £130,000 (9 months ended 31 December 2019: £98,000) and £16,000 (9 months ended 31 December 2019: £19,000) respectively.

The Parent Company has no property, plant and equipment.

## ASTRO BIDCO LIMITED

Property, plant and equipment for the 9 months ended 31 December 2019

| | Leasehold Property Improvements | Fixtures, Fittings and Equipment | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Cost** | | | |
| At 1 April 2019 | 228 | 3,332 | 3,560 |
| Additions | 249 | 594 | 843 |
| Disposals | - | (197) | (197) |
| **At 31 December 2019** | **477** | **3,729** | **4,206** |
| **Accumulated depreciation** | | | |
| At 1 April 2019 | (5) | (343) | (348) |
| Depreciation charge for the period | (12) | (593) | (605) |
| Disposals | - | 143 | 143 |
| **At 31 December 2019** | **(17)** | **(793)** | **(810)** |
| Net book value: | | | |
| At 31 December 2019 | **460** | **2,936** | **3,396** |
| At 31 March 2019 | 223 | 2,989 | 3,212 |

## 10(b). Right-of-use assets

The Group leases various premises, including office, warehouse and laboratory space and also leases equipment.

The Group adopted IFRS 16 Leases on 1 April 2019, utilising the simplified transition approach, and as such leases are recognised as a right-of-use asset and a corresponding liability. The Group has elected not to separate lease, buildings, and non-lease, land, components, accounting for these as a single lease component. The lease terms are negotiated on an individual basis and are not deemed to be onerous.

Assets and liabilities arising from the lease are measured on a present value basis. The remaining lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would pay to borrow funds. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease. The finance cost and depreciation are charged to the Consolidated Statement of Comprehensive Income.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### Amounts recognised in the Consolidated Statement of Financial Position

| | As at 31 December 2020 | As at 31 December 2019 |
|---|---|---|
| | £'000 | £'000 |
| **Right-of-use assets** | | |
| Buildings | 7,915 | 8,381 |
| Equipment (included in PPE) | 379 | 509 |
| | 8,294 | 8,890 |

The Group recognises lease assets and lease liabilities in relation to equipment leases that were previously classified as finance leases under IAS 17 Leases. The assets were and continue to be presented in property, plant and equipment and the liabilities included within borrowings.

## Amounts recognised in the Consolidated Statement of Comprehensive Income

| | Year ended 31 December 2020 | 9 months ended 31 December 2019 |
|---|---|---|
| | £'000 | £'000 |
| **Depreciation charge on right-of-use assets** | | |
| Buildings | 466 | 350 |
| Equipment | 130 | 98 |
| | 596 | 448 |
| **Interest expense** | | |
| Buildings | 698 | 524 |
| Equipment | 16 | 19 |
| | 714 | 543 |

## Adjustments recognised in the Consolidated Statement of Financial Position

| | As at 31 December 2020 | On 01 April 2019 |
|---|---|---|
| | £'000 | £'000 |
| (Decrease)/increase Right-of-use assets | (596) | 8,731 |
| (Decrease)/increase Lease liabilities | (381) | 8,731 |

Total cash outflows associated with lease liabilities for the year ended 31 December 2020 amounted to £1,095,000 (period ended 31 December 2019: £854,000).

## 11. Investments

### Group

The full list of subsidiary companies is shown in note 1.

### Company

| **Investments in subsidiary undertakings** | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|---|---|
| **Abzena Limited** | | |
| Balance as at 1 January 2020 and 1 April 2019 | 15,258 | 5,664 |
| Additions | 2,417 | 6,694 |
| Impairment | - | 2,900 |
| **Balance as at 31 December 2020 and 31 December 2019** | **17,675** | **15,258** |

The Company has, by virtue of its investment and ownership of Abzena Limited, indirect holdings in the following entities:

| | | Ownership |
|---|---|---|
| Abzena (Cambridge) Limited,<br>Services to the biopharmaceutical industry<br>Babraham Research Campus, Babraham, Cambridge CB22 3AT | | 100% |
| Abzena (UK) Limited<br>Services to the biopharmaceutical industry<br>Babraham Research Campus, Babraham, Cambridge CB22 3AT | | 100% |
| Abzena Holdings Limited<br>Holding company<br>Babraham Research Campus, Babraham, Cambridge CB22 3AT | Dissolved 25 February 2020 | 100% |
| Warwick Effect Polymers Limited<br>Dormant<br>Babraham Research Campus, Babraham, Cambridge CB22 3AT | Dissolved 25 February 2020 | 100% |
| Denceptor Therapeutics Limited<br>Dormant<br>Babraham Research Campus, Babraham, Cambridge CB22 3AT | Dissolved 25 February 2020 | 88.2% |

**Dissolution of Abzena Holdings Limited:**

On 31 October 2019, Abzena Limited and Abzena (UK) Limited waived loans of £9,038,000 and £3,937,000 respectively to enable the subsequent dissolution of Abzena (Holdings) Limited. The resulting profit and losses in the individual companies eliminate on consolidation and had no impact in the Consolidated Statement of Comprehensive Income for the period ended 31 December 2019.

## 12. Inventories

| Group | 31 December 2020<br>£'000 | 31 December 2019<br>£'000 |
|---|---|---|
| Raw materials and consumables | 652 | 999 |
| Total inventories | 652 | 999 |
| Provision for impairment of inventories | (194) | (372) |
| Total inventories – net | **458** | **627** |

Inventory recognised as an expense in the year ended 31 December 2020 was £3,414,000 (9 months ended 31 December 2019: £2,186,000).

The Company has no inventories as at 31 December 2020 (31 December 2019: £nil).

## ASTRO BIDCO LIMITED

### 13. Trade and other receivables

| Group | | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|---|---|---|
| **Current:** | | | |
| Trade receivables | | 1,487 | 2,409 |
| Provision for impairment of trade receivables | | (3) | (104) |
| Trade receivables – net | | 1,484 | 2,305 |
| Amounts owed by fellow subsidiary undertakings | 22 | 1,402 | 3,266 |
| Other receivables | | 8 | - |
| Value Added Tax | | 209 | 304 |
| Prepayments | | 545 | 1,281 |
| Contract assets | 14 | 4,490 | 1,487 |
| **Total current receivables** | | **8,138** | **8,643** |
| **Non-current** | | | |
| **Prepayments** | | 413 | 646 |
| **Total non-current receivables** | | **413** | **646** |
| **Total receivables** | | **8,551** | **9,289** |

The Company has no trade receivables as at 31 December 2020 (31 December 2019: £nil). The amounts owned by fellow subsidiary undertakings are interest bearing at a rate of 6.63% and are repayable on demand.

Trade receivables by currency at the reporting date were as follows:

| Group | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|---|---|
| US Dollars | 1,095 | 1,953 |
| Provision for impairment of trade receivables | (3) | (35) |
| | 1,092 | 1,918 |
| Pounds Sterling | 350 | 395 |
| Provision for impairment of trade receivables | - | (69) |
| | 350 | 326 |
| Euros | 42 | 61 |
| **Total** | **1,484** | **2,305** |

Trade receivables past due are as follows:

| Group | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|---|---|
| Not yet due | 1,273 | 1,635 |
| Past due: 0–30 days | 173 | 87 |
| Provision for impairment of trade receivables | - | (16) |
| | 173 | 71 |
| Past due: 31–60 days | 22 | 137 |
| Past due: 61–90 days | 4 | 291 |
| Past due: More than 91 days | 15 | 259 |
| Provision for impairment of trade receivables | (3) | (88) |
| | 12 | 171 |
| **Total** | **1,484** | **2,305** |

## 14. Contract Assets and Liabilities

Contract assets consist of unbilled amounts resulting from sales contracts where the input method of revenue recognition results in revenue recognized exceeding the amounts invoiced to customers. Contract liabilities consist of billings in excess of the revenue recognized. No contract liabilities are expected to be recognized in revenue after 12 months and are all treated as current liabilities in the Consolidated Statement of Financial Position.

**Reconciliation of movement in contract asset and liabilities as at 31 December 2020:**

| Group | Contract Assets £'000 | Contract Liabilities £'000 |
|---|---|---|
| **Balance at 1 January 2020** | **1,487** | **(1,224)** |
| Performance obligations satisfied in previous period | (1,321) | - |
| Performance obligations satisfied in current year | - | 1,042 |
| Billings in excess of recognised revenue in current year | - | (797) |
| Revenue recognised in excess of billings in current year | 4,324 | - |
| **Balance at 31 December 2020** | **4,490** | **(979)** |

The Company has no contract assets and contract liabilities as at 31 December 2020 (31 December 2019: £nil).

**Reconciliation of movement in contract asset and liabilities as at 31 December 2019:**

| Group | Contract Assets £'000 | Contract Liabilities £'000 |
|---|---|---|
| **Balance at 1 April 2019** | **892** | **(1,101)** |
| Performance obligations satisfied in previous period | (726) | - |
| Performance obligations satisfied in current period | - | 948 |
| Billings in excess of recognised revenue in current period | - | (1,071) |
| Revenue recognised in excess of billings in current period | 1,321 | - |
| **Balance at 31 December 2019** | **1,487** | **(1,224)** |

## 15. Cash and cash equivalents

The Group retains cash and cash equivalents on instant access current and deposit accounts in the following currencies:

| Group | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|---|---|
| Sterling | 488 | 527 |
| US Dollars | 5,809 | 350 |
| Euro | 207 | 30 |
| Other | 5 | 5 |
| **Total** | **6,509** | **912** |

The Company has not retained cash and cash equivalents as at 31 December 2020 (31 December 2019: £nil).

## 16. Ordinary shares

A schedule of the issued share capital of the Company at the year/period end was as follows.

| | 31 December 2020 Number | 31 December 2019 Number | 31 December 2020 £ | 31 December 2019 £ |
|---|---|---|---|---|
| Ordinary shares of £1 each | 6 | 4 | 6 | 4 |
| **Total** | **6** | **4** | **6** | **4** |

On each of 27 February 2020 and 17 April 2020, Astro Bidco Limited issued 1 ordinary share, nominal value £1, to Abzena Holdings (US) LLC and received $1,500,000.

## 17. Trade and other payables

| | Note | Group 31 December 2020 £'000 | Group 31 December 2019 £'000 | Company 31 December 2020 £'000 | Company 31 December 2019 £'000 |
|---|---|---|---|---|---|
| **Current:** | | | | | |
| Trade payables | | 1,034 | 1,939 | – | – |
| Amounts owed to Group undertakings | | – | – | 509 | 523 |
| Amounts owed to fellow subsidiary undertakings | 22 | 4,607 | 2,807 | – | – |
| Tax and social security | | 176 | 140 | – | – |
| Other payables | | 56 | 35 | – | – |
| Accruals | | 1,595 | 1,105 | – | – |
| Contract liabilities | 14 | 979 | 1,224 | – | – |
| **Total** | | **8,447** | **7,250** | **509** | **523** |

The amounts owed to fellow subsidiary undertakings do not include any balances owed to dissolved entities, are interest bearing at a rate of 6.63% and are payable on demand.

The amounts owed to Group undertakings are interest bearing at a rate of 6.63% and are payable on demand.

## 18. Lease liabilities

| Group | As at 31 December 2020 £'000 | As at 31 December 2019 £'000 |
|---|---|---|
| **Lease liabilities** | | |
| **Current** | | |
| Buildings | 925 | 925 |
| Equipment | 124 | 154 |
| | **1,049** | **1,079** |
| **Non-current** | | |
| Buildings | 7,173 | 7,400 |
| Equipment | 30 | 154 |
| | **7,203** | **7,554** |
| **Total lease liabilities** | **8,252** | **8,633** |

The Company has no lease liabilities as at 31 December 2020 (31 December 2019: £nil).

## 19. Net debt and reconciliation of movement in net debt

Net debt:

| | note | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|---|---|---|
| Cash and cash equivalents | 15 | 6,509 | 912 |
| Lease liabilities on equipment | | (154) | (308) |
| Lease liabilities on property | | (8,098) | (8,325) |
| **Net debt** | | **(1,743)** | **(7,721)** |
| Cash and cash equivalents | | 6,509 | 912 |
| Gross debt – fixed interest rates | 18 | (8,252) | (8,633) |
| **Net debt** | | **(1,743)** | **(7,721)** |

Reconciliation of movements in net debt during year:

| | note | Borrowings £'000 | Leases £'000 | Sub-total £'000 | Cash £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Net debt as at 1 January 2020 | | (308) | (8,325) | (8,633) | 912 | (7,721) |
| Interest arising in year | 5 | (16) | (698) | (714) | - | (714) |
| Other interest | 5 | (19) | - | (19) | - | (19) |
| Cash flows | | 189 | 925 | 1,114 | 5,597 | 6,711 |
| **Balance as at 31 December 2020** | | **(154)** | **(8,098)** | **(8,252)** | **6,509** | **(1,743)** |

Reconciliation of movements in net debt during the 9 months ended 31 December 2019:

| | note | Borrowings £'000 | Leases £'000 | Sub-total £'000 | Cash £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Net debt as at 1 April 2019 | | (448) | - | (448) | 321 | (127) |
| Recognised on the adoption of IFRS 16 | | - | (8,515) | (8,515) | - | (8,515) |
| Interest arising in period | | - | (524) | (524) | - | (524) |
| Cash flows | | 140 | 714 | 854 | 591 | 1,445 |
| **Balance as at 31 December 2019** | | **(308)** | **(8,325)** | **(8,633)** | **912** | **(7,721)** |

## 20. Provisions

The Group and Company have no provisions as at 31 December 2020 (31 December 2019: £nil).

## 21. Ultimate parent undertaking

Abzena Holdings (US) LLC is the direct parent. WCAS XII-Astro L.P is the ultimate parent, a fund managed by Welsh, Carson, Anderson & Stowe.

The largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Abzena Holdings (US) LLC, which are not publicly available. The smallest group of undertakings for which group financial statements are drawn up and which the company is a member is Astro Bidco Limited. Copies can be obtained from Companies House.

## 22. Related party disclosures

### Group

Abzena Holdings (US) LLC is the immediate parent undertaking.

Balances with fellow subsidiaries of the Abzena Holdings (US) LLC group were as follows:

| | Receivable 31 December 2020 £'000 | Receivable 31 December 2019 £'000 |
|---|---|---|
| Management re-charges | 2,157 | 1,824 |
| Short-term cash advances / receipts | 3,966 | 1,545 |
| Revenue reallocation | (4,208) | (48) |
| Costs recharged | (545) | (123) |
| Interest | 32 | 68 |
| Amounts owed by fellow subsidiary undertakings | **1,402** | **3,266** |

| | Payable 31 December 2020 £'000 | Payable 31 December 2019 £'000 |
|---|---|---|
| Short-term cash advances / receipts | (4,620) | (1,836) |
| Revenue reallocation | 6 | 174 |
| Management re-charges | 23 | (922) |
| Costs recharged | 113 | (33) |
| Interest | (129) | (190) |
| Amounts owed to fellow subsidiary undertakings | **(4,607)** | **(2,807)** |

### Company

Astro Bidco Limited received $1,500,000 on each of 27 February 2020 and 17 April 2020 for the issue of 1 ordinary share, nominal value £1, on each occasion to Abzena Holdings (US) LLC.

## 23. Transactions involving Directors

Disclosure of compensation provided to Directors is given in note 6 Employees and Directors.

The Board of Directors is considered to be key management personnel.

## 24. Capital and other commitments

The Group has £158,000 future capital commitments contracted as at 31 December 2020 (31 December 2019: £nil) that are not provided in the financial statements. There are no other future commitments that the Group has contracted for at 31 December 2020 that are not provided in the financial statements.

A security interest was granted to Oxford Finance LLC in the shares and assets of the Company and its subsidiaries by virtue of a loan agreement with Abzena Holdings (US) LLC. The Financial covenants have been complied with in the year. On 7 May 2021, this facility was extinguished and a new $130m facility with Ares Capital Corporation was completed and a security interest in the Group has been provided as part of that facility.

## 25. Financial risk management

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this Financial Information. The significant accounting policies regarding financial instruments are disclosed in note 1.

### Principal financial instruments

*The principal financial instruments used by the Group, from which financial risk arises, are as follows:*

| | Group Assets /(Liabilities) at amortised cost 31 December 2020 £'000 | Group Assets/(Liabilities) at FVPL 31 December 2020 £'000 | Group Assets /(Liabilities) at amortised cost 31 December 2019 £'000 | Group Assets/(Liabilities) at FVPL 31 December 2019 £'000 |
|---|---|---|---|---|
| Trade and other receivables (excluding prepayments) | 7,593 | - | 7,359 | - |
| Cash and cash equivalents | 6,509 | - | 912 | - |
| Trade and other payables (excluding non-financial liabilities) | (7,292) | - | (5,829) | - |
| Property lease liabilities | (8,098) | - | (8,325) | - |
| Equipment lease liabilities | (154) | - | (308) | - |
| **Total** | **(1,442)** | - | **(6,191)** | - |

The principal financial instruments used by the Company, from which financial risk arises, are as follows:

| | Company Liabilities at amortised cost 31 December 2020 £'000 | Company Liabilities at amortised cost 31 December 2019 £'000 |
|---|---|---|
| Trade and other payables (excluding non-financial liabilities) | (509) | (523) |
| **Total** | **(509)** | **(523)** |

The Directors believe there is no material difference between the fair value and book value of these assets and liabilities, given the short maturity periods of these financial instruments.

## Liquidity Risk

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on their contractual maturities:

| | Group 31 December 2020 £'000 | Group 31 December 2019 £'000 | Company 31 December 2020 £'000 | Company 31 December 2019 £'000 |
|---|---|---|---|---|
| **Trade and other payables** | | | | |
| Within 6 months | 8,271 | 7,110 | 509 | 523 |
| | **8,271** | **7,110** | **509** | **523** |
| **Property lease liabilities** | | | | |
| Within 6 months | 462 | 462 | - | - |
| Between 6 and 12 months | 463 | 463 | - | - |
| Between 1 and 2 years | 925 | 925 | - | - |
| Between 2 and 5 years | 2,728 | 2,743 | - | - |
| Over 5 years | 10,887 | 11,796 | - | - |
| | **15,465** | **16,389** | - | - |
| **Equipment lease liabilities** | | | | |
| Within 6 months | 76 | 76 | - | - |
| Between 6 and 12 months | 78 | 78 | - | - |
| Between 1 and 2 years | - | 154 | - | - |
| | **154** | **308** | - | - |
| **Total** | **23,890** | **23,807** | **509** | **523** |

Liquidity risk arises from the Group's management of working capital and the amount of funding required for operational expansion. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The principal liabilities of the Group are trade and other payables in respect of the operational expansion and the provision of biopharmaceutical technological services including purchase of laboratory supplies, consumables and related scientific services, as well as administrative costs associated with the Group's business. Trade and other payables are all payable primarily within one month. The Board and management team receives and reviews cash flow projections on a regular basis as well as information on cash balances.

## General objectives, policies and processes

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and interest rate cash flow risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. The Group does not use derivative financial instruments to hedge risk exposures.

The overall objective of the Board is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out herein:

## Credit risk

| | 31 December 2020 | 31 December 2019 |
|---|---|---|
| | £'000 | £'000 |
| Trade and other receivables (excluding prepayments) | 7,593 | 7,359 |
| Cash and cash equivalents | 6,509 | 912 |
| **Total** | **14,102** | **8,271** |

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The credit quality of the customer is assessed, taking into account the Group's understanding of its financial position, past experience and other factors. Individual risk limits are set in accordance with limits set by management.

The Group's principal trade and other receivables arose from sales to customers with two customers individually amounting to more than 10% of the total outstanding. For all periods, cash was held in current accounts with two institutions, rated between BBB+ and AA- by Standard & Poor's.

## Interest rate cash flow risk

The Group and Company are exposed to interest rate cash flow risk in respect of surplus funds held. The Directors do not consider this risk to be significant.

## Currency risk

The Group publishes its financial information in pounds sterling and conducts some of its business in US Dollars and Euros. As a result, it is subject to foreign currency exchange risk due to exchange movements, which will affect the Group's transaction costs and translation of the results. No financial instruments are utilized to manage risk, and currency gains / losses are credited / charged to the Consolidated Statement of Comprehensive Income as incurred. The Board considered that this exposure was not sufficiently material to warrant hedging. Note 15 Cash and cash equivalents itemises the Group's exposure to foreign currency balances.

For the year ended 31 December 2020, the majority of the Group's revenue is in foreign currencies, primarily US Dollars. A movement in the value of sterling during the course of the year ended 31 December 2020 of 10% would through the remeasurement of financial instruments have impacted on the Group's overall profit by £1,230,000 (9 months ended 31 December 2019: £340,000).

## Foreign exchange

Foreign currency balances that have been translated into sterling are detailed below:

| | 31 December 2020 | 31 December 2020 | 31 December 2020 | 31 December 2020 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| | US Dollars | Euro | Other | Total |
| Cash and cash equivalents | 5,809 | 207 | 5 | 6,021 |
| Trade and other receivables | 2,494 | 42 | - | 2,536 |
| Trade and other payables | (4,683) | 3 | - | (4,680) |
| **Total** | **3,620** | **252** | **5** | **3,877** |

| | 31 December 2019 £'000 US Dollars | 31 December 2019 £'000 Euro | 31 December 2019 £'000 Other | 31 December 2019 £'000 Total |
|---|---|---|---|---|
| Cash and cash equivalents | 350 | 30 | 5 | 385 |
| Trade and other receivables | 5,219 | 61 | - | 5,280 |
| Trade and other payables | (537) | (28) | - | (565) |
| **Total** | **5,032** | **63** | **5** | **5,100** |

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure.

The Group had no undrawn committed borrowing facilities available during the year ended 31 December 2020 (31 December 2019: £nil). The Group receives funding, in the form of equity investment (see note 22), from its direct parent, Abzena Holdings (US) LLC.

## 26. Share based payments

In July 2019, WCAS XII-Astro L.P, via Astro Group Holdings Limited (Cayman), an intermediate holding company, set up an equity incentive programme to allow certain individuals in the Abzena Group the opportunity to participate in the future appreciation of the Company's equity value by being granted Incentive Shares. The participants paid the nominal value per share upon award.

There are two types of award: Time-based Vesting and Performance-based Vesting. Certain employees of Abzena (Cambridge) Limited hold Time-based Vesting awards. There are no Performance-based vesting awards held by employees in the Astro Bidco Limited Group.

Time-based vesting awards vest annually over a 5-year period at 20% per annum and immediately upon a liquidity event provided the individual remains employed on the date of such event. A Distribution Threshold of greater than $1.50 is required to be met before a distribution of value would be made on a liquidity event.

Any value in the Incentive Shares is contingent on a liquidity event and only once a Distribution Threshold has been reached.

The Group has no legal or constructive obligation to repurchase or settle the awards in cash.

Movements in the number of awards outstanding and their related weighted average Distribution Threshold as applicable to employees of Abzena (Cambridge) Limited are as follows:

| | Year ended 31 December 2020 | | Period ended 31 December 2019 | |
|---|---|---|---|---|
| Time-based Vesting Awards | Weighted Average Distribution Threshold $ per award | Awards | Weighted Average Distribution Threshold $ per award | Awards |
| At start of period | 1.50 | 3,295,456 | - | - |
| Granted | - | - | 1.50 | 3,295,456 |
| **At 31 December** | **1.50** | **3,295,456** | **1.50** | **3,295,456** |

Out of the 3,495,456 (2019: 3,495,456) awards, 1,090,910 (2019: 431,818) awards had vested.

There is no expiry date of the awards. Awards outstanding at the end of the year have the following Distribution Thresholds:

| Grant Date | Vesting Start Date | Distribution Threshold (time-based vesting) | Time-based Vesting Awards | |
|---|---|---|---|---|
| | | | 2020 | 2019 |
| 02 July 2019 | 11 October 2018 | 1.50 | 2,159,092 | 2,159,092 |
| 15 July 2019 | 14 June 2019 | 1.50 | 1,136,364 | 1,136,364 |
| | | | **3,295,456** | **3,295,456** |

There were no time-based awards granted during the year. The weighted average fair value of time-based awards granted during the period ended 31 December 2019 determined using the Black-Scholes valuation model was $0.09 per award. *The significant inputs into the model were Distribution Threshold shown above, volatility of 30%, dividend yield of nil, a* weighted average expected award life of 3.3 years and a weighted average annual risk-free interest rate of 1.7%. The inputs did not include the share or exercise price as the exercise price is the average price attained by the shares during the restriction period and the model used incorporates a payoff function that includes the distribution for this average. The equity volatility was based on the historical weekly share price returns of comparable companies.

See note 6 for the total expense recognised in the income statement for share awards granted to directors and employees. No charge was recorded in the financial statements for the period ended 31 December 2019 on the basis that this was not considered material. The cumulative charge to 31 December 2020 has been recorded in these financial statements.

## 27. Post balance sheet events

The potential on-going impact of COVID-19 is addressed in the Going Concern review (page 2)

On 7 May 2021, the Oxford Finance LLC facility with Abzena Holdings (US) LLC was extinguished and a new $130m facility with Ares Capital Corporation was completed. A security interest in the Group has been provided as part of that facility.

## 28. Audit exemption – subsidiaries

The following subsidiaries, under S479A of the Companies Act 2006, are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual statutory financial statements:

| **Name** | **Registered Number** |
|---|---|
| Abzena Limited | 08957107 |
| Abzena (UK) Limited | 04295642 |
| Abzena (Cambridge) Limited | 05318448 |