

Ovoca Bio Public Limited Company

Interim Unaudited Consolidated Financial Statements
for the six months ended 30 June 2022

Ovoca Bio plc
Interim results for the six months ended 30 June 2022

CONDENSED CONSOLIDATED INCOME STATEMENT	Unaudited 6 Months ended 30/06/2022 €'000	Unaudited 6 Months ended 30/06/2021 €'000	Unaudited 6 Months ended 30/06/2022 \$'000	Unaudited 6 Months ended 30/06/2021 \$'000
Continuing Operations				
Administration expenses	(2,965)	(3,123)	(3,132)	(3,763)
Other (losses)/gains	(2,682)	(14)	(2,834)	(17)
Operating loss	(5,647)	(3,137)	(5,966)	(3,780)
Finance costs	(7)	(8)	(7)	(10)
Finance income	2	67	2	81
Loss for the period before tax	(5,652)	(3,078)	(5,971)	(3,709)
Income tax	-	-	-	-
Loss for the period from continuing operations	(5,652)	(3,078)	(5,971)	(3,709)
Discontinued operations				
(Loss)/profit from discontinued operations net of tax	-	(30-)	-	(36-)
Loss for the period	(5,652)	(3,108)	(5,971)	(3,745)
Loss for the period attributable to:				
Owners of the parent	(5,652)	(3,106)	(5,971)	(3,745)
Non-controlling interest	0	-	0	0
	(5,652)	(3,108)	(5,971)	(3,745)
(Loss)/earnings per share				
Basic (loss)/earnings per share from continuing operations	(6.93)	(3.77)	(7.32)	(4.59)
Basic (loss)/earnings per share from discontinued operations	(0.04)	(0.04)	(0.04)	(0.04)
Fully diluted (loss)/earnings per share from continuing operations	(6.93)	(3.77)	(7.32)	(4.59)
Fully diluted (loss)/earnings per share from discontinued operations	(0.04)	(0.04)	(0.04)	(0.04)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME	Unaudited 6 Months ended 30/06/2022 €'000	Unaudited 6 Months ended 30/06/2021 €'000	Unaudited 6 Months ended 30/06/2022 \$'000	Unaudited 6 Months ended 30/06/2021 \$'000
Loss for the period	(5,652)	(3,108)	(5,971)	(3,745)
Other comprehensive income/(expense):				
<i>Items that may not be reclassified subsequently to profit or loss</i>				
Fair value movement on equity securities designated as at FVOCI	(2,120)	(213)	(2,240)	(257)
Exchange movement on equity securities designated as at FVOCI	286	75	302	90
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange gain/(loss) arising from translation of financial statements of a foreign operation	2,725	980	(1,915)	462
Total comprehensive (loss)/income for the period	(4,761)	(2,266)	(9,827)	(3,450)
Total comprehensive (loss)/income for the period attributable to:				
Owners of the parent	(4,761)	(2,266)	(9,827)	(3,450)
Non-controlling interest	-	-	-	-
	(4,761)	(2,266)	(9,827)	(3,450)

There is no income tax impact in respect of components recognised within the consolidated statement of comprehensive income.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	Share capital €'000	Treasury Shares €'000	Share based payment reserve €'000	Other reserves €'000	Foreign Currency translation reserve €'000	Retained earnings €'000	Total (attributable to owners of the parent) €'000	Non-controlling interest €'000
Unaudited								
At 1 January 2022	11,057	(547)	42	1,478	3,840	(2,440)	13,430	0
Comprehensive (loss)/income								
Loss for the period	-	-	-	-	-	(5,652)	(5,652)	-
Other comprehensive (loss)/ income								
Transfer to Retained Earnings from sales of equity securities designated as at FVOCI	-	-	-	-	-	-	-	-
Movement on equity securities designated as at FVOCI	-	-	-	(2,120)	-	-	(2,120)	-
Exchange movement on equity securities designated as at FVOCI	-	-	-	286	-	-	286	-
Foreign exchange gain arising from translation of financial statements of a foreign operation	-	-	-	-	2,725	-	2,725	-
Total comprehensive (loss)/income for the period	-	-	-	(1,834)	2,725	(5,652)	(4,761)	-
Transactions with owners of the Company								
Share based payments	-	-	4	-	-	-	4	-
Changes in ownership interest								
Purchase of the remaining interest in a subsidiary	-	-	-	-	-	-	-	-
Balance at 30 June 2022	11,057	(547)	46	(356)	6,566	(8,092)	8,673	-
Unaudited								
At 1 January 2021	11,057	(547)	30	2,026	2,951	3,035	18,552	# #####
Comprehensive (loss)/income								
Loss for the period	-	-	-	-	-	(3,108)	(3,108)	-
Other comprehensive (loss)/ income								
Movement on equity securities designated as at FVOCI	-	-	-	(213)	-	-	(213)	-
Exchange movement on equity securities designated as at FVOCI	-	-	-	75	-	-	75	-
Foreign exchange gain arising from translation of financial statements of a foreign operation	-	-	-	-	980	-	980	-
Total comprehensive (loss)/income for the period	-	-	-	(138)	980	-	(2,266)	-
Transactions with owners of the Company								
Share based payments	-	-	8	-	-	-	8	-
Changes in ownership interest								
Balance at 30 June 2021	11,057	(547)	38	1,888	3,931	(73)	16,294	-

Ovoca Bio plc
as at 30 June 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30/06/2022	Audited 31/12/2021	Unaudited 30/06/2022	Audited 31/12/2021
	€'000	€'000	\$'000	\$'000
Assets				
Non current assets				
Goodwill	3,994	3,994	4,575	4,575
Other intangible assets	2,170	1,783	2,275	2,019
Property, plant and equipment	21	18	25	20
Equity investments at fair value through other comprehensive income	262	1,954	275	2,213
Other assets	1	-	1	-
	6,448	7,749	7,151	8,827
Current assets				
Inventories	132	94	138	106
Trade and other receivables	447	334	469	378
Cash and cash equivalents	4,379	6,594	4,593	7,468
	4,958	7,022	5,200	7,952
Assets included in disposal group classified as held for sale	1	-	1	0
Total assets	11,407	14,771	12,353	16,779
Equity and liabilities				
Equity				
Ordinary shares	11,057	11,057	15,586	15,586
Treasury shares	(547)	(547)	(607)	(607)
Other reserves	(356)	1,478	(110)	1,828
Foreign currency translation reserve	6,566	3,840	2,085	(46)
Share based payment reserve	46	42	52	48
Retained earnings	(8,092)	(2,440)	(7,520)	(1,548)
	8,674	13,430	9,466	15,261
Non controlling interest	-	-	-	-
	8,674	13,430	9,466	15,261
Current liabilities				
Trade and other payables	1,263	562	1,246	636
Provisions	1,158	779	1,215	882
Borrowings	-	-	-	-
	2,441	1,341	2,561	1,518
Liabilities included in the disposal group classified as held for sale	293	-	307	-
Total equity and liabilities	11,407	14,771	12,353	16,779

Ovoca Bio plc
as at 30 June 2022

COMPANY STATEMENT OF FINANCIAL POSITION

	31/12/2009	31/12/2009
	€'000	\$'000
Assets		
Current assets		
Trade and other receivables	12,637	18,122
Cash and cash equivalents	1,266	1,814
	13,903	19,936
Non current assets		
Intangible assets	0	0
Tangible assets	-	-
Financial assets	47,071	66,655
	47,071	66,655
Total assets	60,974	86,591
Liabilities		
Current liabilities		
Trade and other payables	2,803	4,016
	2,803	4,016
Total liabilities	2,803	4,016
Net assets	58,171	82,575
Equity		
Ordinary shares	11,057	15,587
Share premium accounts	48,108	67,809
Other reserves	11	16
Share based payment reserve	520	734
Exchange movement	-	529
Profit and loss account	(-1,525)	(-2,100)
	58,171	82,575

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 30/06/2022 €'000	Unaudited 30/06/2021 €'000	Unaudited 30/06/2022 \$'000	Unaudited 30/06/2021 \$'000
Cash flows from operating activities				
Loss for the period before tax	(6,652)	(3,108)	(5,971)	(3,745)
Depreciation and amortisation	219	41	232	49
Share options expense	4	8	4	10
Finance income	-	(67)	-	(74)
Decrease/(Increase) in inventories	(38)	170	(32)	212
Decrease/(Increase) in trade and other receivables	(115)	(47)	(105)	(53)
(Decrease)/increase in trade and other payables	1,100	831	1,045	935
Net decrease in assets & liabilities included in the disposal group	293	12	83	14
Gain on disposal of assets	-	-	-	0
Finance costs	-	8	-	10
Net cash used in operating activities	(4,189)	(2,152)	(4,744)	(2,642)
Cash flow from financing activities				
Loan repayment	-	-	-	-
Finance costs	(5)	(8)	(5)	(10)
Net cash generated from financing activities	(5)	(8)	(5)	(10)
Cash flows from investing activities				
Dividends received	-	67	-	74
Additions of research and development costs internally developed	(20)	(64)	(21)	(72)
Additions of patents acquired	-	(28)	-	(32)
Acquisition of additional interest in subsidiary	-	-	-	-
Net proceeds from sale of equity securities at FVOCI	-	-	-	-
Additions to property, plant and equipment	(3)	(2)	(3)	(2)
Proceeds from disposal of assets	-	298	-	335
Unrealised gain/loss of equity securities at FVOCI	-	-	-	-
Net cash generated from investing activities	(23)	271	(24)	303
Effects of foreign exchange	2,001	707	2,589	588
Net decrease in cash and cash equivalents	(2,215)	(3,260)	(2,214)	(1,791)
Cash and cash equivalents at the beginning of period	6,594	10,075	7,468	13,199
Cash and cash equivalents at the end of the period	4,379	6,815	5,254	11,408
Cash and Cash equivalents included in the disposal group	-	71	-	375
Cash and Cash Equivalents for Continuing operations	4,379	6,744	5,254	11,033

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1 Basis of Preparation

The interim consolidated financial statements for the six months ended 30 June 2022 are presented in €'000, which is the functional currency of the Group. The US\$'000 are shown for information purposes only. The Financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board as adopted by European Union.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the financial year ended 31 December 2021.

2 Accounting Policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the financial year ended 31 December 2021.

Other pronouncements

Some accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

3 Going concern

The directors have reviewed the current state of the Group's finances, taking into account resources currently available. The directors are satisfied that sufficient funding will be available to the Group to enable it to trade for the foreseeable future. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis. The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available.

4 Estimates

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual Financial Statements for the financial year ended 31 December 2021.

5 Segmental reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker and used to allocate resources to the segments and to assess their performance.

At 30 June 2022 and 2021, the Group had two business segments, Bio-pharmaceutical and Investment segments. Bio-pharmaceutical activities are exclusively carried out in Australia. Investing activities are carried out by another subsidiary, Silver Star Ltd., company located in Bermuda. Administrative costs represent group administration costs, incurred in Ireland and the Russian Federation.

The Exploration segment is presented as being discontinued as reported in the 31 December 2021 Annual Report.

Period ended 30 June 2022	Bio-pharmaceutical	Investment	Administrative	Total
	€'000	€'000	€'000	€'000
Depreciation & amortisation	(92)	-	-	(92)
Administration expenses	(2,030)	(100)	(743)	(2,873)
Other gains/(losses)	(1,045)	(2,167)	530	(2,682)
Operating loss	(3,167)	(2,267)	(213)	(5,647)
Finance costs	-	(1)	(6)	(7)
Finance income	2	-	-	2
Loss before tax	(3,165)	(2,268)	(219)	(5,652)
Income Tax	-	-	-	-
Loss after tax	(3,165)	(2,268)	(219)	(5,652)
Segment assets	6,517	5,008	(118)	11,407
Segment liabilities	(1,189)	(47)	(1,205)	(2,441)
Net assets	5,328	4,961	(1,323)	8,966
Period ended 30 June 2021				
	Bio-pharmaceutical	Investment	Administrative	Total
	€'000	€'000	€'000	€'000
Depreciation & amortisation	(33)	-	(6)	(41)
Administration expenses	(2,431)	(106)	(545)	(3,082)
Other gains/(losses)	621	85	(920)	(14)
Operating loss	(1,843)	(21)	(1,473)	(3,137)
Finance costs	-	(1)	(7)	(8)
Finance income	-	67	-	67
	(1,843)	45	(1,480)	(3,078)
Loss before tax	(1,843)	45	(1,480)	(3,078)
Income Tax	-	-	-	-
Loss after tax	(1,843)	45	(1,480)	(3,078)
Segment assets	6,426	9,755	1,073	17,254
Segment liabilities	(1,103)	-	(177)	(1,280)
Net assets	5,323	9,755	896	15,974

7 Intangible assets

Licenses, Patents and Patent applications acquired by the Group's subsidiaries, IVIX LLC and Ovoca Bio (Ireland) Ltd, qualify for separate recognition and are recognised as Intangible assets. Based on the successful completion of the Clinical Trials in Russia and the stage of preparation of the files for the registration of the drug Ovoca Bio Plc has begun to capitalise development expenses as Intangible assets. The development costs not meeting the criteria for capitalisation are expensed as incurred. The total capitalised amount as at 30 June 2022 amounted to €1.134 million (US\$1,192 million).

Intangible Assets	Patents & Licenses €'000	Development costs €'000	Total €'000	Patents & Licenses US\$'000	Development costs US\$'000	Total US\$'000
Cost						
1 January 2021	1041	577	1618	1,314	710	2,024
Additions	35	122	157	42	145	187
Disposals	0	0	0	0	0	0
Translation adjustments	92	51	143	(2)	(4)	(6)
31 December 2021	1,168	750	1,918	1,354	851	2,205
Additions	0	20	20	-	21	21
Disposal	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Translation adjustments	586	(3)	583	429	(18)	411
30 June 2022	1,754	767	2,521	1,783	854	2,637
Amortisation €'000						
1 January 2021	(24)	-	(24)	(66)	-	(66)
Amortisation	(80)	-	(80)	(94)	-	(94)
Disposal	0	-	0	0	-	0
Translation adjustments	(31)	-	(31)	(26)	-	(26)
31 December 2021	(135)	-	(135)	(186)	-	(186)
Amortisation	(216)	-	(216)	(228)	-	(228)
Disposal	-	-	-	-	-	-
Translation adjustments	-	-	-	52	-	52
30 June 2022	(351)	0	(351)	(382)	0	(382)
Balance at June 30, 2022	1,403	767	2,170	1,421	854	2,275
Balance at December 31, 2021	1,033	750	1,783	1,168	851	2,019

8

The Group holds investments in equity securities at FVOCI because these represent investments held for long term strategic purposes. During the period, the Group made no disposals of shares in Polymetal. The Group is relying on its equity investments to raise the funds required to further develop its ambitious pharmaceutical program.

9 Financial Instruments

The Group monitors relevant aspects of financial instrument risk on an ongoing basis. Financial instrument risks primarily relates to foreign exchange risk, credit ri

	Unaudited 30/06/2022 €'000	Audited 31/12/2021 €'000	Unaudited 30/06/2022 US\$'000	Audited 31/12/2021 US\$'000
Financial assets not measured at fair value				
Cash and cash equivalents	4,379	6,594	4,593	7,468
Other debtors	448	394	470	378
	4,827	6,988	5,063	7,846
Financial assets measured at fair value				
Equity securities designated at FVOCI	262	1,954	275	2,213
	262	1,954	275	2,213
Financial liabilities not measured at fair value				
Trade and other payables	2,734	1341	2868	1518
	2734	1341	2868	1518

The carrying amount of the financial assets and liabilities is considered a reasonable approximation of fair value:

- Other debtors
- Cash and cash equivalents
- Trade and other payables.

10 Fair value measurement

Equity securities FVOCI are measured at level 1. These are the only financial assets of the Group measured at fair value on a recurring basis. Polymetal International plc (Polymetal) is listed on the London stock exchange. The asset managed fund represents investments in quoted investments in US listed entities.

11 Dividends

The company made no distributions during the period.

12 Events after the reporting period

There have been no significant events subsequent to the financial period end that would require adjustment or disclosure in the financial statements.

13 Approval of the financial statements

The interim report was approved by the Board of Directors on 29 Sept 2022 and is included on the Company's website, www.ovocabio.com.