

# Ovoca Bio Public Limited Company

Interim Unaudited Consolidated Financial Statements  
for the six months ended 30 June 2021

**Ovoca Bio plc**  
**Interim results for the six months ended 30 June 2021**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Unaudited 6 Months ended 30/06/2021 €'000	Unaudited 6 Months ended 30/06/2020 €'000	Unaudited 6 Months ended 30/06/2021 \$'000	Unaudited 6 Months ended 30/06/2020 \$'000
<b>Continuing Operations</b>				
Administration expenses	(3,123)	(1,103)	(3,763)	(1,216)
Other losses	(14)	(1,091)	(17)	(1,202)
<b>Operating loss</b>	<b>(3,137)</b>	<b>(2,194)</b>	<b>(3,780)</b>	<b>(2,418)</b>
Finance costs	(8)	(8)	(10)	(9)
Finance income	67	195	81	215
<b>Loss for the period before tax</b>	<b>(3,078)</b>	<b>(2,007)</b>	<b>(3,709)</b>	<b>(2,212)</b>
Income tax	-	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(3,078)</b>	<b>(2,007)</b>	<b>(3,709)</b>	<b>(2,212)</b>
<b>Discontinued operations</b>				
<b>Loss from discontinued operations net of tax</b>	<b>(30)</b>	<b>(32)</b>	<b>(36)</b>	<b>(35)</b>
<b>Loss for the period</b>	<b>(3,108)</b>	<b>(2,039)</b>	<b>(3,745)</b>	<b>(2,247)</b>
<b>Loss for the period attributable to:</b>				
Owners of the parent	(3,108)	(2,003)	(3,745)	(2,208)
Non-controlling interest	-	(36)	-	(39)
	<b>(3,108)</b>	<b>(2,039)</b>	<b>(3,745)</b>	<b>(2,247)</b>
<b>Loss per share</b>				
Basic loss per share from continuing operations	<b>(3.77)</b>	<b>(2.46)</b>	<b>(4.59)</b>	<b>(2.71)</b>
Basic loss per share from discontinued operations	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.04)</b>
Fully diluted loss per share from continuing operations	<b>(3.77)</b>	<b>(2.46)</b>	<b>(4.59)</b>	<b>(2.71)</b>
Fully diluted loss per share from discontinued operations	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.04)</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME**

	Unaudited 6 Months ended 30/06/2021 €'000	Unaudited 6 Months ended 30/06/2020 €'000	Unaudited 6 Months ended 30/06/2021 \$'000	Unaudited 6 Months ended 30/06/2020 \$'000
<b>Loss for the period</b>	<b>(3,108)</b>	<b>(2,039)</b>	<b>(3,745)</b>	<b>(2,247)</b>
<b>Other comprehensive income/(expense):</b>				
<i>Items that may not be reclassified subsequently to profit or loss</i>				
Fair value movement on equity securities designated as at FVOCI	(213)	2,557	(257)	2,819
Exchange movement on equity securities designated as at FVOCI	75	(277)	90	(305)
<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	980	(256)	462	(198)
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,266)</b>	<b>(15)</b>	<b>(3,450)</b>	<b>69</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>				
Owners of the parent	(2,266)	83	(3,450)	176
Non-controlling interest	-	(98)	-	(107)
	<b>(2,266)</b>	<b>(15)</b>	<b>(3,450)</b>	<b>69</b>

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

**Ovoca Bio plc**  
**Interim results for the six months ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<b>Unaudited</b>	<b>Share capital</b> €'000	<b>Treasury Shares</b> €'000	<b>Share based payment reserve</b> €'000	<b>Other reserves</b> €'000	<b>Foreign Currency translation reserve</b> €'000	<b>Retained earnings</b> €'000	<b>Total (attributable to owners of the parent)</b> €'000	<b>Non- controlling interest</b> €'000
<b>At 1 January 2021</b>	11,057	(547)	30	2,026	2,951	3,035	18,552	-
<b>Comprehensive (loss)/income</b>								
Loss for the period	-	-	-	-	-	(3,108)	(3,108)	-
<b>Other comprehensive (loss)/ income</b>								
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	-
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	(138)	980	(3,108)	(2,266)	-
<b>Transactions with owners of the Company</b>								
Share based payments	-	-	8	-	-	-	8	-
<b>Changes in ownership interest</b>								
<b>Balance at 30 June 2021</b>	11,057	(547)	38	1,888	3,931	(73)	16,294	-

Unaudited	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
<b>At 1 January 2020</b>	<b>11,057</b>	<b>(547)</b>	<b>21</b>	<b>681</b>	<b>4,730</b>	<b>6,402</b>	<b>22,344</b>	<b>1,492</b>
<b>Comprehensive (loss)/income</b>								
Loss for the period	-	-	-	-	-	(2,003)	(2,003)	(36)
<b>Other comprehensive (loss)/ income</b>								
Transfer to retained earnings from sales of equity securities designated as at FVOCI	-	-	-	(571)	-	571	-	-
Movement on equity securities designated as at FVOCI	-	-	-	2,557	-	-	2,557	-
Exchange movement on equity securities designated as at FVOCI	-	-	-	(277)	-	-	(277)	-
Foreign exchange gain arising from translation of financial statements of a foreign operation	-	-	-	-	(194)	-	(194)	-
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,709</b>	<b>(194)</b>	<b>(1,432)</b>	<b>83</b>	<b>(36)</b>
<b>Transactions with owners of the Company</b>								
Share based payments	-	-	15	-	-	-	15	-
<b>Changes in ownership interest</b>								
Purchase of the remaining interest in a subsidiary	-	-	-	-	(62)	(2,649)	(2,711)	(1,456)
<b>Balance at 30 June 2020</b>	<b>11,057</b>	<b>(547)</b>	<b>36</b>	<b>2,390</b>	<b>4,474</b>	<b>2,321</b>	<b>19,731</b>	<b>-</b>

**Ovoca Bio plc**  
**as at 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited 30/06/2021 €'000	Audited 31/12/2020 €'000	Unaudited 30/06/2021 \$'000	Audited 31/12/2020 \$'000
<b>Assets</b>				
<b>Non current assets</b>				
Goodwill	3,843	3,683	4,575	4,575
Other intangible assets	1,686	1,594	2,006	1,958
Property, plant and equipment	7	7	8	9
Equity investments at fair value through other comprehensive income	2,261	2,328	2,692	2,859
	<b>7,797</b>	<b>7,612</b>	<b>9,281</b>	<b>9,401</b>
<b>Current assets</b>				
Inventories	99	269	118	330
Trade and other receivables	90	43	108	53
Cash and cash equivalents	9,268	10,746	11,033	13,199
	<b>9,457</b>	<b>11,058</b>	<b>11,259</b>	<b>13,582</b>
Assets included in disposal group classified as held for sale	324	368	386	452
<b>Total assets</b>	<b>17,578</b>	<b>19,038</b>	<b>20,926</b>	<b>23,435</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Ordinary shares	11,057	11,057	15,586	15,586
Treasury shares	(547)	(547)	(607)	(607)
Other reserves	1,888	2,026	2,309	2,476
Foreign currency translation reserve	3,931	2,951	887	425
Share based payment reserve	38	30	44	34
Retained earnings	(73)	3,035	1,180	4,925
	<b>16,294</b>	<b>18,552</b>	<b>19,399</b>	<b>22,839</b>
<b>Current liabilities</b>				
Trade and other payables	1,271	449	1,511	551
Contingent provisions	9	-	11	-
	<b>1,280</b>	<b>449</b>	<b>1,522</b>	<b>551</b>
Liabilities included in the disposal group classified as held for sale	4	37	5	45
<b>Total equity and liabilities</b>	<b>17,578</b>	<b>19,038</b>	<b>20,926</b>	<b>23,435</b>

**Ovoca Bio plc**  
**Interim results for the six months ended 30 June 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 30/06/2021 €'000	Unaudited 30/06/2020 €'000	Unaudited 30/06/2021 \$'000	Unaudited 30/06/2020 \$'000
<b>Cash flows from operating activities</b>				
Loss for the period before tax	(3,108)	(2,039)	(3,745)	(2,247)
Depreciation and amortisation	41	35	49	38
Share options expense	8	15	10	17
Finance income	(67)	(195)	(74)	(214)
Decrease in inventories	170	32	212	36
Decrease/(increase) in trade and other receivables	(47)	171	(53)	193
Increase/(decrease) in trade and other payables	831	(134)	935	(150)
Net increase/(decrease) in assets & liabilities included in the disposal group	12	(26)	14	(29)
Gain on disposal of assets	-	(4)	-	(4)
Finance costs	8	8	10	9
<b>Net cash used in operating activities</b>	<b>(2,152)</b>	<b>(2,137)</b>	<b>(2,642)</b>	<b>(2,351)</b>
<b>Cash flow from financing activities</b>				
Finance costs	(8)	(8)	(10)	(9)
<b>Net cash used in financing activities</b>	<b>(8)</b>	<b>(8)</b>	<b>(10)</b>	<b>(9)</b>
<b>Cash flows from investing activities</b>				
Dividends received	67	195	74	214
Additions of research and development costs internally developed	(64)	(117)	(72)	(132)
Additions of patents acquired	(28)	(21)	(32)	(24)
Acquisition of additional interest in subsidiary	-	(4,106)	-	(4,377)
Net proceeds from sale of equity securities at FVOCI	-	2,203	-	2,423
Additions to property, plant and equipment	(2)	-	(2)	-
Proceeds from disposal of assets	298	24	335	26
<b>Net cash generated from/(used in) investing activities</b>	<b>271</b>	<b>(1,822)</b>	<b>303</b>	<b>(1,870)</b>
<b>Effects of foreign exchange</b>	<b>726</b>	<b>707</b>	<b>558</b>	<b>613</b>
Net decrease in cash and cash equivalents	(1,163)	(3,260)	(1,791)	(3,617)
Cash and cash equivalents at the beginning of period	10,746	10,075	13,199	11,283
<b>Cash and cash equivalents at the end of the period</b>	<b>9,583</b>	<b>6,815</b>	<b>11,408</b>	<b>7,666</b>
Cash and cash equivalents included in the disposal group	315	71	375	80
<b>Cash and cash equivalents for continuing operations</b>	<b>9,268</b>	<b>6,744</b>	<b>11,033</b>	<b>7,586</b>

# **Ovoca Bio plc**

## **Interim results for the six months ended 30 June 2021**

### **1 Basis of Preparation**

The interim consolidated financial statements for the six months ended 30 June 2021 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 2020.

### **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 2020.

#### **Other pronouncements**

Some accounting pronouncements which have become effective from 1 January 2020 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. During the first half of 2021, the spread of Covid-19 continued to impact the economies worldwide. Businesses have been obliged to cease or limit operations. The main risk posed to the Group by the pandemic is the potential to slow manufacturing and Research & Development activities including possible delays in delivering product batches and the data from pre-clinical and clinical studies. While significant delays are not presently expected due to key activities being conducted or planned in countries where restrictions have been reduced further restrictions cannot be predicted with any certainty, and any delay would require a lengthening of the Group's cash runway in the medium term. The Group has determined that these events caused by the COVID-19 pandemic are non-adjusting subsequent events. Accordingly, the financial position and results of operations as at and for the period ended 30 June 2021 have not been adjusted. The Directors will continue to actively monitor the pandemic situation and may take further actions adjusting our Group's operations as may be recommended or required by government authorities, or that we determine are necessary actions and in the best interests of our employees, partners, suppliers, shareholders and other stakeholders for future periods.

#### 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 2020.

#### 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 2021 and 2020, the Group had two business segments, Bio-pharmaceutical and Investment segments. Bio-pharmaceutical activities are exclusively carried out by the Group's subsidiaries, IVIX LLC in Russia and OVB (Australia) Pty Ltd. 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 in the Russian Federation.

The Exploration segment is presented as being discontinued as reported in the 31 December 2020 Annual Report.

Period ended 30 June 2021	Bio-	Investment	Administrative	Total	Bio-	Investment	Administrative	Total
	pharmaceutical				pharmaceutical			
	€'000	€'000	€'000	€'000	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation & amortisation	(33)	-	(8)	(41)	(40)	-	(9)	(49)
Administration expenses	(2,431)	(106)	(545)	(3,082)	(2,970)	(121)	(624)	(3,715)
Other gains/(losses)	821	85	(920)	(14)	938	97	(1,051)	(16)
Operating loss	(1,643)	(21)	(1,473)	(3,137)	(2,072)	(24)	(1,684)	(3,780)
Finance costs	-	(1)	(7)	(8)	-	(2)	(8)	(10)
Finance income	-	67	-	67	-	81	-	81
Loss before tax	(1,643)	45	(1,480)	(3,078)	(2,072)	55	(1,692)	(3,709)
Income Tax	-	-	-	-	-	-	-	-
Loss after tax	(1,643)	45	(1,480)	(3,078)	(2,072)	55	(1,692)	(3,709)
Segment assets	6,426	9,755	1,073	17,254	7,242	11,981	1,317	20,540
Segment liabilities	(1,103)	-	(177)	(1,280)	(1,308)	-	(214)	(1,522)
Net assets	5,323	9,755	896	15,974	5,934	11,981	1,103	19,018

**5 Segmental reporting  
(continued)**

Period ended 30 June 2020	Bio-	Investment	Administrative	Total	Bio-	Investment	Administrative	Total
	pharmaceutical €'000	€'000	€'000	€'000	pharmaceutical US\$'000	US\$'000	US\$'000	US\$'000
Depreciation & amortisation	(35)	-	-	(35)	(39)	-	-	(39)
Administration expenses	(245)	(164)	(659)	(1,068)	(270)	(181)	(726)	(1,177)
Other gains/(losses)	86	(1,184)	7	(1,091)	95	(1,305)	8	(1,202)
<b>Operating loss</b>	<b>(194)</b>	<b>(1,348)</b>	<b>(652)</b>	<b>(2,194)</b>	<b>(214)</b>	<b>(1,486)</b>	<b>(718)</b>	<b>(2,418)</b>
Finance costs	(1)	(2)	(5)	(8)	(1)	(2)	(6)	(9)
Finance income	2	193	-	195	2	213	-	215
<b>Loss before tax</b>	<b>(193)</b>	<b>(1,157)</b>	<b>(657)</b>	<b>(2,007)</b>	<b>(213)</b>	<b>(1,275)</b>	<b>(724)</b>	<b>(2,212)</b>
Income Tax	-	-	-	-	-	-	-	-
<b>Loss after tax</b>	<b>(193)</b>	<b>(1,157)</b>	<b>(657)</b>	<b>(2,007)</b>	<b>(213)</b>	<b>(1,275)</b>	<b>(724)</b>	<b>(2,212)</b>
Segment assets	2,358	13,728	3,452	19,538	2,652	15,440	3,883	21,974
Segment liabilities	(221)	-	(5)	(216)	(249)	-	(6)	(243)
<b>Net assets</b>	<b>2,137</b>	<b>13,728</b>	<b>3,457</b>	<b>19,322</b>	<b>2,404</b>	<b>15,440</b>	<b>3,888</b>	<b>21,731</b>

## 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 2021 amounted to €0.64 million (US\$0.77 million).

	Patents & Licenses	Development costs	Total	Patents & Licenses	Development costs	Total
	€'000	€'000	€'000	US\$'000	US\$'000	US\$'000
<b>Cost</b>						
1 January 2020	1,209	545	1,754	1,354	611	1,965
Additions	236	179	415	269	205	474
Disposals	(31)	-	(31)	(35)	-	(35)
Translation adjustments	(373)	(147)	(520)	(274)	(106)	(380)
31 December 2020	1,041	577	1,618	1,314	710	2,024
Additions	28	64	92	34	77	111
Disposal	-	-	-	-	-	-
Reclassifications	-	(24)	(24)	-	(29)	(29)
Translation adjustments	394	33	427	244	15	259
30 June 2021	<b>1,463</b>	<b>650</b>	<b>2,113</b>	<b>1,592</b>	<b>773</b>	<b>2,365</b>
<b>Amortisation</b>						
<b>€'000</b>						
1 January 2020	(72)	-	(72)	(81)	-	(81)
Amortisation	(69)	-	(69)	(79)	-	(79)
Disposal	13	-	13	15	-	15
Translation adjustments	104	-	104	79	-	79
31 December 2020	(24)	-	(24)	(66)	-	(66)
Amortisation	(39)	-	(39)	(33)	-	(33)
Disposal	-	-	-	-	-	-
Translation adjustments	(364)	-	(364)	(260)	-	(260)
30 June 2021	<b>(427)</b>	<b>-</b>	<b>(427)</b>	<b>(359)</b>	<b>-</b>	<b>(359)</b>
<b>Balance at June 30, 2021</b>	<b>1,036</b>	<b>650</b>	<b>1,686</b>	<b>1,233</b>	<b>773</b>	<b>2,006</b>
Balance at December 31, 2020	1,017	577	1,594	1,248	710	1,958

## 8 Equity securities designated at FVOCI

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 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 risk, liquidity risk and market risk as reported in the 31 December 2020 annual report.

	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>30/06/2021</b>	<b>31/12/2020</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
	<b>€'000</b>	<b>€'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	9,268	10,746	11,033	13,199
Other debtors	90	30	108	37
	<b>9,358</b>	<b>10,776</b>	<b>11,141</b>	<b>13,236</b>
<b>Financial assets measured at fair value</b>				
Equity securities designated at FVOCI	2,261	2,328	2,692	2,859
	<b>2,261</b>	<b>2,328</b>	<b>2,692</b>	<b>2,859</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	1,280	449	1,522	551
	<b>1,280</b>	<b>449</b>	<b>1,522</b>	<b>551</b>

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 The interim report was approved by the Board of Directors on 13 Sept. 2021 and is included on the Company's website, [www.ovocabio.com](http://www.ovocabio.com).**