

Registered number: 10117262

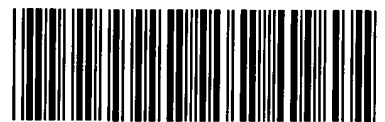
ENVISION PHARMA GROUP LIMITED

AMENDED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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ENVISION PHARMA GROUP LIMITED

COMPANY INFORMATION

Directors	G S Caswill B A Hepburn M Mortimer A Ponti J Korth
Registered number	10117262
Registered office	Envision House 5 North Street Horsham West Sussex RH12 1XQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants and Statutory auditors 2nd Floor St John's House Haslett Avenue West Crawley West Sussex RH10 1HS
Bankers	Barclays Bank plc 90-92 High Street Crawley West Sussex RH10 1BP
Solicitors	Irwin Mitchell LLP Station Way Crawley West Sussex RH10 1JA

ENVISION PHARMA GROUP LIMITED

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ENVISION PHARMA GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

Envision Pharma Group Limited and its subsidiaries ("EPG") is a full service, global technology and scientific communications organisation focused on partnering with the Medical Affairs departments of the pharmaceutical, biotechnology and medical device industries. EPG is headquartered in the United Kingdom and has offices in USA, Mainland Europe and Asia.

During the year EPG completed two acquisitions that added core skills with commercial PR communications, launch readiness, regulatory approval and market intelligence.

The Group currently employs approximately 1,000 team members, including over 300 highly qualified and experienced in house medical writers, over 200 technology solutions professionals providing platform development and customer support and 250 experts focused on commercial launch activities. EPG provides service and product solutions to more than 250 unique client companies, including 29 of the top 30 global pharmaceutical companies.

Business review

Core business activities showed modest growth during 2020 due to the impact of SARS-CoV-2 (Covid-19) which resulted in a number of live events being cancelled, client budget spend being paused or reduced and the lack of face to face time with clients to facilitate business development opportunities. That said, headcount grew during the period of the prior year and no clients or contracts were lost. The Group's result show a loss before taxation for the financial year of \$75,413,000 (2019 as restated: \$39,417,000), which has been charged against reserves. The increase in year on year loss is mainly due to an exceptional administrative expense of \$38,609,000. This is further detailed in note 12.

On 31 March 2020, EPG acquired global healthcare communications consultancy 90TEN Group Limited ("90TEN"). Based in the United Kingdom, 90TEN employs around 70 members of staff, and works with over half of the top 20 pharmaceutical companies in the world serving clients across Europe and North America. Please refer to note 26 for further details on this acquisition.

On 4 November 2020, EPG and its subsidiaries were sold to a new private equity investor consortium led by GHO Capital Partners LLP (GHO), to drive a new phase of growth.

On 10 November 2020, EPG acquired TL Life Science Solutions Inc ("Two Labs"), an industry-leading provider of integrated and customized commercial solutions to the pharmaceutical and biotechnology sector. Two Labs brings market-leading commercialization, strategic consulting, market access, and market intelligence solutions that span the full product life cycle. This acquisition builds on EPG's established leadership position as the preferred tech-enabled scientific communications company for medical affairs, while deepening its presence in the critical United States domestic market, and with small and midsize biopharma clients.

Two Labs, founded in 2003 and headquartered in Ohio, United States, has offices and operations across the United States and United Kingdom; and is an established strategic consulting and commercialization provider to the biopharma industry. Two Labs helps pharmaceutical companies develop and execute customized launch strategies for products.

The combined group will bring together complementary clients, services, and technologies, extending EPG's scientific footprint to new clients in the "product pre-launch setting" – while opening up new business avenues and geographies for Two Labs' best-in-class launch planning services. Please refer to note 26 for further details on this acquisition.

ENVISION PHARMA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could impact the Group's performance and these are considered by the board on a regular basis. The board and regional management teams consider the risks of all significant business decisions and changes in the external environment and in the Group's operations.

The key risks affecting the business are as follows:

Operating risk

The Group's reputation and continued success depend on its ability to provide services, which are valued by its clients. The Group regularly reviews the quality of its services both internally and through formalised client feedback and evaluation.

Market risk

The Group operates in a specialised market and seeks to maintain a competitive advantage by offering an appropriate and relevant service range and providing a high level of customer service from professional and dedicated staff. The Group keeps abreast of developments in the market through maintaining strong relationships with its clients.

Financial risk

The Group is principally funded from operating cash flows and bank debt, and is reliant on converting its client service contracts into cash. Financial monitoring, forecasting and planning are continuous processes and emphasis is placed on balancing maintenance or growth of profit margin against investment in resources to maintain delivery of high quality of service to customers.

Financial key performance indicators

	Year ended 31 December 2020	Year ended 31 December 2019 (as restated)
	\$000	\$000
Turnover	153,165	136,031
Gross profit	65,256	53,879
Loss before taxation	(75,413)	(39,417)

ENVISION PHARMA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern

The Group's forecasts and projections for the foreseeable future, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities and meet the loan covenant requirements as set out in its bank loan agreement.

The loss for the year, after taxation amounted to \$72,512,000. The directors recognise that the profit and loss account shows a deficit of \$238,600,000, however the cumulative retained earnings are significantly impacted by non-cash items associated with the amortisation charge on acquisition goodwill and intangibles.

For the reasons noted above, the directors have adopted the going concern basis when preparing these financial statements, which assumes the settlement of assets and liabilities in the normal course of business.

Future developments and post balance sheet events

The Group continues to see its clients evolve to drive efficiency and accommodate changes in both regulation and industry practice. The Group believes that it is well positioned to continue to support its clients into the future.

In late January, 2021, the Group experienced a cyber security breach whereby certain Group file storage servers were compromised. After a thorough review and intervention from internal and third party service providers, access to the impacted data was restored and the Group's client service operations continued. While this incident had a temporary impact on the timing of Group operations, the financial impact, net of insurance recoveries, was immaterial to the Group's operating results and financial condition.

On 10 February 2021, Alligent Biopharm Consulting (Europe) Ltd, a subsidiary of Envision Pharma Group Ltd, acquired 100% of the ordinary share capital of doDoc Corp and its subsidiary undertaking doDoc Unipessoal Lda for the total consideration of \$23,429,008 which included deferred consideration of \$8,000,000.

On 29 June 2021, TL Life Science Solutions Inc, a subsidiary of Envision Pharma Group Ltd, acquired 100% of the ordinary share capital of Riparian LLC for the total consideration of \$40,000,000 which included contingent consideration based on earnout of \$13,000,000.

ENVISION PHARMA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Research and development

The Group has historically reinvested significantly into Research and Development activities. This is primarily focused on internally developed software that is licensed by international pharmaceutical and medical devices clients. The three primary drivers for investment are changes to regulation, taking advantage of advances in technology and building net new functionality and solutions.

Assessment of the effects of Brexit

The United Kingdom left the European Union on the 31 January 2020 and was in a transition process until 31 December 2020.

The Group has undertaken numerous assessments regarding the impact of Brexit. The sole major impact to date has been the ability to attract and retain highly skilled EU nationals within the UK operating business which is resulting in a greater reliance on both freelance staff and the utilisation of other overseas Group companies. In conclusion, the overall impact of Brexit is not expected to present material significant risk to the Group.

Section 172(1) Statement and engagement with stakeholders

EPG is a full service, global technology and scientific communications organisation which depends on the trust and confidence of its stakeholders to operate sustainably in the long term. It seeks to put its clients' best interests first, invests in its employees, has regard for the communities and regions in which it operates and strives to generate sustainable profits for shareholders.

The Directors of the Group have acted in accordance with their duties codified in law, in particular their duty to act in a manner in which they consider, in good faith, would be the most likely to promote the success of the Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The Directors of the Group support the Group's Chief Executive Officer in managing the Group's operations and implementing the Group's strategy.

The Directors consider the likely consequences of any decision in the long-term. Each company within the Group is bound by Group policies consistent with the Group's culture, which is built around the following values:

- Together
- Courage
- Create Value
- Respect
- Humility
- Trust

The Group culture extends to all key areas including suppliers, customer conduct, employees and the environment.

The Directors and management operate the business in a responsible manner with the aim of ensuring that the Group maintains a reputation for high standards of business conduct and good governance, and consistently reviews its core values.

ENVISION PHARMA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Streamlined Energy and Carbon Reporting

The following summary has been prepared as a statement of carbon emissions, in compliance with the UK Government's Streamlined Energy and Carbon Reporting (SECR). This is the Group's first time adoption of disclosures on energy and carbon.

The table below represents EPG's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 31 December, for UK operations.

	2020	2019
Energy consumption used to calculate emissions (kWh)	kWh	kWh
Total Energy Consumption (kWh)	206,395	286,277
Office energy: electricity and gas	186,723	236,695
Business travel - vehicles	19,672	49,582

Total associated GHG emissions (eCO ₂ e)	tCO ₂ e	tCO ₂ e
Scope 1: office gas	3.72	5.54
Scope 2: location based electricity	38.82	52.79
Scope 3: Business travel in employee owned vehicles	4.88	12.70
	47.42	71.03

GHG emissions intensity (tCO ₂ e/Full time equivalent employees)	0.11	0.27
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Emissions have been grouped according to the GHG Protocol Corporate Standard.

We have used the following data sources for the report:

- * Office energy - supplier billing data
- * Business travel - expense mileage records

CO₂ emissions have been calculated using the 2020 UK Government Conversion Factors for Company Reporting (and prior year comparatives as necessary).

ENVISION PHARMA GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Assessment of risks and other reporting consequences arising from the emergence and spread of COVID-19

This is an ongoing situation which is having a global impact. The health of all our employees and other stakeholders remains of paramount importance to the directors and Group.

EPG identified the potential risks associated with the outbreak of the Coronavirus (Covid-19) at an early stage which provided the Group adequate time to implement its Disaster Recovery and Business Continuity Plan with minimal disruption and risk to our staff and client service levels.

In line with the Disaster Recovery and Business Continuity Plan a formal Envision Emergency Committee (EEC) was formed to meet on a regular basis with input from all functions and countries. The function of the EEC is to review the latest situation by Country and ensure the Group's policies are amended to stay current. Regular communication is made to staff both by email and the Group's intranet site.

As part of the overall assessment a separate team is evaluating the commercial risks to the business. These include:

Impact to income from existing business

The Group partners with its clients across a diverse set of services and products and is satisfied that while there will be exposure to Congress support and other 'live event' type activities in backlog the overall impact would not be material. In part this is due to the appetite of our clients to move to on-line and other digital delivery mechanisms. The impact to our Technology is expected to be minimal.

Impact to income from new business activities

We have seen new business opportunities reduce since the health crisis gained 'Pandemic' status. That said, we are still invited to submit requests for proposals, and we have undertaken some virtual/online presentations to prospective clients. We see a greater risk associated with growth associated with new business activities.

Staffing levels

We have minimised the risk of widespread infection to our staff by the early action undertaken to close all of our sites. While we do have individual employees, who have tested positive to Covid-19 infection we have had no large groups or teams impacted at the same time. The Group is satisfied that while growth in 2020 over 2019 was impacted by the Global Health Crisis we will continue to manage our costs base accordingly moving forward to ensure we are profitable, cash generative and remain compliant with the requirements of our debt covenants.

The effects of Covid-19 have continued into 2021 and the Group has actioned a number of return to office pilot initiatives, which are ongoing.

In addition, the Group also assessed the impact to future trading periods that will arise by delays in patient recruitment to current Clinical Trials and the impact of existing trials being put on hold.

This report was approved by the board on 14 February 2022 and signed on its behalf.

Josluua Korth

J Korth
Director

ENVISION PHARMA GROUP LIMITED

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

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to \$72,512,000 (2019 restated - loss \$39,869,000).

The directors do not recommend payment of a dividend for the year (2019 - \$nil).

Group's controlling party

Information on the Group's controlling party is detailed in note 34.

Going concern assessment

A summary of the directors' considerations in respect of going concern is set out in Note 2.2, and in the Strategic Report.

Directors

The directors who served prior to authorisation of the financial statements were:

G S Caswill
J D Gillie (resigned 10 August 2021)
B A Hepburn
B S L Ladriere (resigned 4 November 2020)
M Mortimer
D J J A Setton (resigned 4 November 2020)
J C Brown (resigned 23 June 2021)
B M F Witcher (resigned 4 November 2020)
A Ponti (appointed 4 November 2020)
J Korth (appointed 10 August 2021)

Revision of the subsidiary undertakings in Note 15

The revised annual report and financial statements for the year ended 31 December 2020 are now the statutory accounts of the company for that financial year.

The Directors have revised note 15 because of the correction of the name of one of the Group's subsidiaries, Pennside Partners UK Limited, which was disclosed incorrectly in the financial statements originally approved by the directors.

All reports and notes to the accounts with the exception of note 15 have been prepared as at the date of the original accounts, and not as at the date of the revision, and accordingly do not deal with events between those dates.

ENVISION PHARMA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent Company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

Disabled employees

It is Group policy to give full and fair consideration to suitable applications for employment from disable persons, having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions within the Group.

ENVISION PHARMA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Employee interaction

Employees are regularly provided with information on matters of concern to them as employees of the Group. There are a number of internal initiatives and meetings which further encourage employees to be involved in the Group's performance.

The Group is dedicated to maintaining a fair and ethical workplace for all team members. We ensure compliance with all applicable employment legislation relating to employee recruitment and employment terms, including "right to work" evidence and our offering of competitive compensation and benefits which are reviewed annually.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 February 2022 and signed on its behalf.

Joshua Korth

J Korth
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION PHARMA GROUP LIMITED

Opinion

We have audited the financial statements of Envision Pharma Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated statement of total comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statements of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. These revised financial statements replace the original financial statements approved by the directors on 22 December 2021. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

In our opinion, the revised financial statements:

- give a true and fair view, seen as the date of the original financial statements were approved, of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - revision of the subsidiary undertakings in note 15

We draw attention to the Directors' Report of these revised financial statements which describes the need for revision of note 15 because of the correction of the name of one of the group's subsidiaries, Pennside Partners UK Limited, which was disclosed incorrectly in the financial statements originally approved by the directors. The original financial statements were approved on 22 December 2021 and our previous audit report was signed 22 December 2021. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION PHARMA GROUP LIMITED
(CONTINUED)**

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 parent 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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION PHARMA GROUP LIMITED
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

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

In our opinion, the original financial statements for the year ended 31 December 2020 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in note 15 to the revised financial statements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 parent Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION PHARMA GROUP LIMITED
(CONTINUED)**

Auditor's 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 Auditor's 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.

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

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors. The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the parent Company and the Group and industry in which they operate through our general commercial and sector experience, and discussions with management. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to distributable profits legislation, health and safety, data protection, consumer credit licensing, anti-bribery legislation and employment law.
- We understood how the parent Company and the Group is complying with those legal and regulatory frameworks by making inquiries to the management and those responsible for legal and compliance. We corroborated our inquiries through our review of board minutes.
- We assessed the susceptibility of the parent Company's and Group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the Group engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries to revenue; and



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION PHARMA GROUP LIMITED
(CONTINUED)**

- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue deferrals and management override of controls.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the parent Company's and the Group's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions; and
 - the parent Company's and the Group's control environment, including:
 - management knowledge of relevant laws and regulations and how the parent Company and the Group is complying with those laws and regulations;
 - the adequacy of procedures for authorisation of transactions, internal review procedures over the parent Company's and the Group's compliance with regulatory requirements; and
 - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION PHARMA GROUP LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Nick Jones
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

Date: 14 February 2022

ENVISION PHARMA GROUP LIMITED

**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$000	<i>As restated</i> 2019 \$000
Turnover	4	153,165	136,031
Cost of sales		(87,909)	(82,152)
Gross profit		<u>65,256</u>	<u>53,879</u>
Administrative expenses		(65,670)	(58,345)
Exceptional administrative expenses	12	(38,609)	-
Operating loss	5	<u>(39,023)</u>	<u>(4,466)</u>
Interest receivable and similar income	9	22	1,226
Interest payable and similar expenses	10	(36,412)	(36,177)
Loss before taxation		<u>(75,413)</u>	<u>(39,417)</u>
Tax on loss	11	2,901	(452)
Loss for the financial year		<u>(72,512)</u>	<u>(39,869)</u>
Loss for the year attributable to:			
Owners of the parent Company		(72,512)	(39,869)
		<u>(72,512)</u>	<u>(39,869)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of total comprehensive income.

There was no other comprehensive income for 2020 (2019: \$NIL).

All Group operations are continuing.

The notes on pages 24 to 65 form part of these financial statements.

ENVISION PHARMA GROUP LIMITED
REGISTERED NUMBER:10117262

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$000	As restated 2019 \$000
Fixed assets			
Intangible assets	13	552,113	290,185
Tangible assets	14	6,053	5,869
		<u>558,166</u>	<u>296,054</u>
Current assets			
Debtors: amounts falling due within one year	17	74,381	52,222
Cash and cash equivalents	16	41,820	8,573
		<u>116,201</u>	<u>60,795</u>
Creditors: amounts falling due within one year	18	(68,921)	(34,449)
Net current assets		<u>47,280</u>	<u>26,346</u>
Total assets less current liabilities		<u>605,446</u>	<u>322,400</u>
Creditors: amounts falling due after more than one year	19	(512,782)	(437,615)
Provisions for liabilities			
Deferred taxation	22	(16,131)	(17,217)
		<u>(16,131)</u>	<u>(17,217)</u>
Net assets/(liabilities)		<u>76,533</u>	<u>(132,432)</u>
Capital and reserves			
Called up share capital	23	1,354	1,306
Share premium account	23	275,521	258
Capital redemption reserve	24	38,258	38,258
Other reserves	24	-	568
Profit and loss account	24	(238,600)	(172,822)
Shareholders' funds		<u>76,533</u>	<u>(132,432)</u>

ENVISION PHARMA GROUP LIMITED
REGISTERED NUMBER:10117262

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2022

Joshua Korth

J Korth
Director

The notes on pages 24 to 65 form part of these financial statements.

ENVISION PHARMA GROUP LIMITED
REGISTERED NUMBER:10117262

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$000	2019 \$000
Fixed assets			
Investments	15	446,131	172,032
Current assets/(liabilities)			
Debtors: amounts falling due within one year	17	23,242	22,134
Creditors: amounts falling due within one year	18	(79,021)	(12)
Net current (liabilities)/assets		<u>(55,779)</u>	<u>22,122</u>
Total assets less current liabilities		<u>390,352</u>	<u>194,154</u>
Creditors: amounts falling due after more than one year	19	(156,698)	(215,214)
Net assets/(liabilities)		<u><u>233,654</u></u>	<u><u>(21,060)</u></u>
Capital and reserves			
Called up share capital	23	1,354	1,306
Share premium account	23	275,521	258
Capital redemption reserve	24	38,258	38,258
Other reserves	24	-	886
Profit and loss account brought forward		(61,768)	(41,874)
Loss for the year		(26,763)	(19,894)
Transfer between reserves		7,052	-
Profit and loss account carried forward		<u>(81,479)</u>	<u>(61,768)</u>
Shareholders' funds		<u><u>233,654</u></u>	<u><u>(21,060)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2022

Josluua Korth

J Korth
Director

The notes on pages 24 to 65 form part of these financial statements.

ENVISION PHARMA GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital \$000	Share premium account \$000	Capital redemption reserve \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2019 (as previously stated)	1,306	258	38,258	543	(130,205)	(89,840)
Prior year adjustment	-	-	-	-	(2,748)	(2,748)
At 1 January 2019 (as restated)	<u>1,306</u>	<u>258</u>	<u>38,258</u>	<u>543</u>	<u>(132,953)</u>	<u>(92,588)</u>
Comprehensive income for the year						
Loss for the year (as restated)	-	-	-	-	(39,869)	(39,869)
Purchase of own shares	-	-	-	(318)	-	(318)
Share based payment charge	-	-	-	343	-	343
At 1 January 2020 (as restated)	<u>1,306</u>	<u>258</u>	<u>38,258</u>	<u>568</u>	<u>(172,822)</u>	<u>(132,432)</u>
Comprehensive income for the year						
Loss for the year	-	-	-	-	(72,512)	(72,512)
Shares issued during the year (note 23)	48	275,263	-	-	-	275,311
Share based payment charge	-	-	-	17,046	-	17,046
Share options exercised/cancelled	-	-	-	(17,614)	6,734	(10,880)
EBT gain on shares	-	-	-	-	11,965	11,965
Distributions	-	-	-	-	(11,965)	(11,965)
At 31 December 2020	<u><u>1,354</u></u>	<u><u>275,521</u></u>	<u><u>38,258</u></u>	<u><u>-</u></u>	<u><u>(238,600)</u></u>	<u><u>76,533</u></u>

The notes on pages 24 to 65 form part of these financial statements.

The net movement in equity of \$10,880k above relates to share options that were cancelled in the year with employees receiving cash in return.

The distributions of \$11,965k above relates to the net assets of the EBT transferred when its sponsoring entity changed as a result of the evidence transaction.

ENVISION PHARMA GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital \$000	Share premium account \$000	Capital redemption reserve \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2019	1,306	258	38,258	543	(41,874)	(1,509)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(19,894)	(19,894)
Contributions by and distributions to owners						
Share based payment charge	-	-	-	343	-	343
At 1 January 2020	1,306	258	38,258	886	(61,768)	(21,060)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(26,763)	(26,763)
Contributions by and distributions to owners						
Shares issued during the year (note 23)	48	275,263	-	-	-	275,311
Share based payment charge	-	-	-	17,046	-	17,046
Share options exercised/cancelled	-	-	-	(17,932)	7,052	(10,880)
At 31 December 2020	1,354	275,521	38,258	-	(81,479)	233,654

The notes on pages 24 to 65 form part of these financial statements.

ENVISION PHARMA GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	<i>As restated</i>
	\$000	<i>2019</i>
		<i>\$000</i>
Cash flows from operating activities		
Loss for the financial year	(72,512)	<i>(39,869)</i>
Adjustments for:		
Amortisation of intangible assets	44,007	<i>36,105</i>
Loss on disposal of intangible assets	-	<i>1,198</i>
Depreciation of tangible assets	1,646	<i>1,505</i>
Loss on disposal of tangible assets	96	<i>215</i>
Interest received	(22)	<i>-</i>
Fair value adjustment	-	<i>(1,289)</i>
Interest payable	36,412	<i>33,555</i>
Taxation (credit)/charge	(2,901)	<i>452</i>
Increase in debtors	(1,320)	<i>(5,520)</i>
Increase in creditors	9,920	<i>2,353</i>
Non-cash share based payment charge	6,166	<i>343</i>
Corporation tax paid	(4,919)	<i>(4,452)</i>
Net cash generated from operating activities	16,573	<i>24,596</i>
Cash flows from investing activities		
Acquisition of subsidiaries	(27,641)	<i>-</i>
Cash acquired from subsidiary	13,975	<i>-</i>
Purchase of intangible fixed assets	(4,343)	<i>(4,429)</i>
Purchase of tangible fixed assets	(1,272)	<i>(3,377)</i>
Interest received	22	<i>-</i>
Net cash from investing activities	(19,259)	<i>(7,806)</i>

ENVISION PHARMA GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	<i>As restated</i>
	\$000	2019
		\$000
Cash flows from financing activities		
Repurchase of ordinary shares	-	(318)
Repurchase of preference shares	-	(1,119)
New bank loans	365,000	-
Repayment of loans	(231,932)	(4,068)
Interest paid	(13,023)	(13,898)
Arrangement fees paid	(14,447)	-
Repayment of preference share interest	(79,021)	-
Intercompany refinancing	9,356	-
Net cash generated from/(used in) financing activities	35,933	(19,403)
Net increase/(decrease) in cash and cash equivalents	33,247	(2,613)
Cash and cash equivalents at beginning of year	8,573	11,186
Cash and cash equivalents at the end of year	41,820	8,573
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	41,820	8,573
	41,820	8,573

The notes on pages 24 to 65 form part of these financial statements.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Envision Pharma Group Limited is a private company limited by shares and incorporated in England and Wales. The registered office address is Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ.

The principal activity of Envision Pharma Group Limited is to act as a parent company to its trading subsidiaries. The details of the subsidiaries are disclosed in note 15.

2. Accounting policies

2.1 Basis of preparation of financial statements

These consolidated financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements have been prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards. The principal accounting policies are set out below and have been consistently applied in the current and preceding period.

The consolidated financial statements are presented in thousands of US Dollars (\$'000) as the Group's earnings are primarily in US Dollars and this is considered its functional currency. The Group financial statements consolidate the financial statements of Envision Pharma Group Limited and all its subsidiary undertakings for the year 1 January to 31 December 2020.

The consolidated financial statements incorporate the results of business combinations using the purchase method accounting (see note 26). In the Consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of the acquired operations are included in the Consolidated statement of total comprehensive income from the date on which control is obtained.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of total comprehensive income in these financial statements.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.2 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, including any current risks, are set out in the Strategic Report on pages 1 to 6. The Group has assessed the impact of Covid-19 on the Group within the Strategic Report on page 6. The financial position of the Group, its cash flows and its liquidity position are set out in the financial statements.

The Group meets its day to day working capital requirements through a positive cash balance and has undrawn borrowing facilities. The current economic conditions create uncertainty particularly over (a) the level of demand for the Group's services and (b) the exchange rate between sterling and the euro/dollar and thus the consequence for the costs incurred by the Group.

The Group's forecasts and projections for the foreseeable future, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities and meet the loan covenant requirements as set out in its bank loan agreement.

The loss for the year, after taxation amounted to \$72,512,000. The directors recognise that the profit and loss account shows a deficit of \$238,600,000, however the cumulative retained earnings are significantly impacted by non-cash items associated with the amortisation charge on acquisition goodwill and intangibles.

For the reasons noted above, the directors have adopted the going concern basis when preparing these financial statements, which assumes the settlement of assets and liabilities in the normal course of business.

2.3 Turnover

Turnover comprises revenue recognised by the Group in respect of services supplied during the year, exclusive of Value Added Tax. The Group provides industry standard software and medical consulting and writing services specifically customised to each customer. These contracts specify a price for all the services and consumables for such work to be performed. Revenue is measured at the fair value of consideration received or receivable, including recoverable expenses defined as reimbursed costs.

Turnover related to software is recognised straight line over the length of the agreement. Any ad hoc deliverables within contracts related to standard software, such as training, data migrations and implementations, are recognised at the point at which the economic benefits flowing to the entity can be reliably measured.

Turnover related to medical consulting and writing services is recognised based on the percentage completion of contracts at the statement of financial position date. Projects are invoiced at set points throughout their lifetime based on pre-agreed billing schedules.

Amounts that are billed ahead of the percentage completion are included in deferred income, while the opposite is true for amounts not yet invoiced for work already performed which is recognised in accrued income.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Intangible assets**

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

Intangible assets under development are capitalised at cost and not amortised until such time as the asset is ready for commercial use.

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

The estimated useful lives range as follows:

Goodwill	8 years or 15 years on a straight line basis
Customer relationships	4 years or 15 years on a straight line basis
Trade names	15 years on a straight line basis
Computer software (purchased and internally developed)	4 years on a straight line basis
Order backlog	1 year on a straight line basis
Intellectual property	4 years on a straight line basis
Technology under development	is not depreciated until such time as the asset is brought into commercial use

2.5 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

2.6 Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the parent Company and entities (including special purpose entities) controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.7 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Short term leasehold improvements	- life of lease
Fixtures and fittings	- 5 years
Office equipment	- 3 years
Computer hardware	- 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of total comprehensive income.

2.8 Impairment of assets

Individual freehold and leasehold properties are carried at current year value less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

2.9 Exceptional items

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

2.10 Debtors

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

2.11 Cash and cash equivalents

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

The Group records cash held in trust as restricted cash. Please see note 16 for details of cash and cash equivalent.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.12 Financial instruments**

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

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

For financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of total comprehensive income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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

As part of the change of control transaction in November 2020, the Group negotiated a new debt package. The original loan has been fully derecognised, including any unamortised transaction costs, and the new loan arising from the amendments has been initially recognised at the transaction price. The new transaction costs incurred as part of the renegotiation are considered to relate to the issuance of the new financial liability, and have been offset against the liability. As the liability is subsequently measured at amortised cost, the transaction costs will be amortised to profit or loss as part of the effective interest rate method.

2.13 Derivative financial instruments

The Group uses variable to fixed interest rate swaps as well as entering into forward exchange currency hedge contracts to manage its exposure to fair value risk on its borrowing and foreign currency transactions. These derivatives are measured at fair value using a valuation technique at each statement of financial position date.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Creditors

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

2.15 Foreign currency translation

Functional and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in US Dollars (\$).

Transactions and balances

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

Foreign exchange gains and losses are credited or charged to the profit and loss account as they arise.

Translation of Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to US Dollars (\$) using the closing exchange rate. Income and expenses are translated using the appropriate monthly exchange rates at the dates of which the transactions are made.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.16 Research and development

Intangible assets are recognised if and only if the following criteria are met:

- a. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- b. Its intention to complete the intangible asset use or sell it
- c. Its ability to use or sell the intangible asset
- d. How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- e. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- f. Its ability to measure reliably the expenditure attributable to the intangible asset during its development

Technology under development is not depreciated until such time as the asset is brought into commercial use. The capitalised development costs when they are transferred to computer software and amortised on a straight line basis over their useful economic lives of 4 years. If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.17 Preference shares

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the profit or loss. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

In accordance with FRS102, the preference shares are treated as a debt instrument. The interest accrued against the debt instrument does not become payable until there is a change of ownership.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2.18 Finance costs

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

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.20 Share based payments

The Group has share based payments whose charge is recognised in the profit or loss for all applicable share based payments including share options.

The Group has equity settled share based payments in respect of employees but no cash-settled share based payments. All share based payment awards are recognised in the financial statements at their fair value at the date of the grant.

All services received in exchange of the grant of any equity settled and share based payment are measured at their fair values. Where employees are rewarded using share based payments, the fair values of the employees' services are determined indirectly by reference to the fair value of the instruments granted to the employee. This fair value is appraised at the grant date and excludes the impact of nonmarket vesting conditions (for example, profitability and sale growth targets).

All equity settled and share based payments are ultimately recognised as an expense in the profit or loss with a corresponding credit to other reserves. The options granted are settled in equity of Envision Pharma Group Limited. Any adjustment for options which lapse prior to vesting is recognised in the current year.

If vesting years or non-market based vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current year.

On the change of ownership during the year, an accelerated vesting charge was recognised as an expense in the profit or loss with a corresponding credit to other reserves. For any share options which were exercised during the year, the cumulative share based payment expense based on the weighted price is transferred from other reserves to the profit & loss account.

For any equity settled share based payments that were cancelled during the year and cash was received by employees instead, the difference in the fair value based on the weighted price from grant date and the fair value of the cash received is recognised as an expense in the profit or loss.

For note 25, it should be total of \$31,255,000. Of which \$17,046,000 related to share options granted in the year, the current year expense of share options granted in prior years and the accelerated vesting charge as a result of the Evidence transaction. In addition, there was a charge of \$14,209,000 which related to a fair value uplift where equity share options were cancelled and employees were paid cash consideration instead.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.21 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

2.22 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of total comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.23 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Consolidated statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Consolidated statement of financial position date.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.24 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.25 Employee benefit trust

Where the Group has established an employee benefit trust ("EBT") and is the sponsoring entity, notwithstanding the legal duties of the trustees, the Group considers it has "de facto" control of such an entity. Such arrangements are accounted for as assets and liabilities of the sponsoring company and included in the consolidated financial statements as appropriate. The Company's equity instruments held by the EBT are accounted for as if they were the Company's own equity and treated as treasury shares. No gain or loss is recognised in profit or loss or other comprehensive income on the purchase, sale or cancellation of the Company's own equity held by the EBT.

2.26 Prior period adjustments

Certain errors in the prior year financial statements were identified in the year.

These errors pertained to prepaid bank fees, part of which, should have been expensed in the previous periods, following a change in the debt arrangements of the Group. In the prior period financial statements these prepaid fees were themselves set off against bank loan balances and net amount disclosed within creditors.

The correction of these amounts have been processed as prior year adjustments to adjust the balances accordingly, along with any related tax impact. In addition, the amortisation expense relating to the prepaid bank fees has been corrected by reclassifying from administrative expenses to interest payables and similar expenses.

The overall impact of the changes are shown in note 27.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas of judgement, estimation and assumption which are considered to be significant in the preparation of the financial statements are as follows:

Judgement

- Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. The Group's research and development policy is detailed in note 2.16.

Estimation

- Valuation of intangible assets acquired in business combinations. These assets are amortised over their useful lives and there is estimation relating to the remaining useful life. Management assesses the actual lives annually and is dependent on several factors. In reassessing asset lives, factors such as technological innovation and life cycles are considered.

Judgement and estimates:

- The Group's turnover recognition policy is central to how the Group values the turnover earned from contract activity. Turnover policies require forecasts to be made of the outcomes, which require both estimates and judgements for incomplete contracts at year end based on percentage completion of contracts. Estimates and judgements are also reviewed regularly throughout the contract life based on latest available and adjustments are made where necessary. The Group has processes and controls to monitor performance and review these judgements. The Group's turnover policy is disclosed within Note 2.3.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies (continued)

- Determining whether there are indicators of impairment of the Group's intangible assets, including goodwill, and investments. Factors taken into consideration include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit. Determining cash-generating unit also involves key judgement by the management. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. The recoverable amount of the CGU is a source of significant estimation uncertainty and determining this involved the use of significant assumptions.
- Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities, judgement is applied and re-evaluated at each reporting date. Group has considered the nature of these estimates and concluded that it is possible, on the basis of existing knowledge, that outcomes within the next financial year may be different from the Group's assumptions and judgements applied as at 31 December 2020 and could require material adjustments to the carrying amounts of assets and liabilities in the next financial year.

4. Turnover

Turnover attributable to geographical markets outside the United Kingdom has not been disclosed as in the opinion of the directors, it would be seriously prejudicial to the interests of the Group.

5. Operating loss

The operating loss is stated after charging/(crediting):

	2020	2019
	\$000	\$000
Depreciation of tangible fixed assets	1,646	1,505
Loss on disposal of tangible fixed assets	-	215
Amortisation of intangible assets, including goodwill	44,007	36,105
Loss on disposal of intangible assets	-	1,198
Share based payments - cash settled	25,090	-
Share based payments - equity settled	6,166	-
Preference share options	2,688	-
Employer's national insurance and related costs	12 4,666	-
Operating lease rentals - land and buildings	3,044	3,002
Exchange differences	(2,371)	189
Other operating lease rentals	126	110
	=====	=====

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Auditor's remuneration

	2020	2019
	\$000	\$000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	260	134
Fees payable to the Group's auditor and its associates in respect of:		
Group accounts production	7	7
Taxation compliance services	189	72
Taxation advisory services	462	162
Corporate finance services	353	-
Overseas tax compliance	314	202
Overseas tax advisory	516	253
Overseas other non-audit fees	81	50
	1,922	746

7. Employees

	2020	2019
	\$000	\$000
Wages and salaries	72,693	66,893
Social security costs	8,423	5,464
Share based payments	33,944	343
Other pension costs	2,946	2,454
	118,006	75,154

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

	2020	2019
Operations	876	640
Other	91	66
	967	706

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Directors' remuneration

Emoluments (including pension contributions) during the year were \$1,420,510 (2019: \$1,672,000). The value of pension contributions in respect of the two directors who received such contributions was \$23,000 (2019: \$25,000).

The highest paid director received remuneration of \$435,841 (2019: \$536,000). The value of the company's contributions paid to a defined contribution pension scheme in respect of the higher paid director amounted to \$nil (2019: \$nil).

9. Interest receivable and similar income

	2020	<i>2019</i>
	\$000	<i>\$000</i>
Bank interest receivable	22	134
Other interest receivable	-	1,092
	<u>22</u>	<u>1,226</u>

10. Interest payable and similar expenses

	2020	<i>As restated</i> <i>2019</i>
	\$000	<i>\$000</i>
On bank loans and overdrafts	14,802	15,991
Interest payable on shares classed as debt	20,131	18,790
Amortisation of finance costs	1,479	1,396
	<u>36,412</u>	<u>36,177</u>

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Tax on loss

	2020	<i>As restated</i> 2019
	\$000	\$000
Corporation tax		
Current tax on losses for the year	1,224	430
Adjustments in respect of previous periods	(2,654)	(1,282)
	<u>(1,430)</u>	<u>(852)</u>
Foreign tax		
Foreign tax on income for the year	527	3,539
Total current tax	<u>(903)</u>	<u>2,687</u>
Deferred tax		
Origination and reversal of timing differences	(5,071)	(2,355)
Adjustments in respect of prior periods	747	120
Effect of rate change on opening balance	2,326	-
Total deferred tax	<u>(1,998)</u>	<u>(2,235)</u>
Tax on loss	<u>(2,901)</u>	<u>452</u>

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Tax on loss (continued)**Factors affecting tax charge for the year**

The tax assessed is different to the standard rate of corporation tax in the UK of 19% (2019: 19%) as set out below:

	2020	<i>As restated</i>
	\$000	<i>2019</i>
		<i>\$000</i>
Loss before tax	(75,413)	<i>(39,417)</i>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(14,328)	<i>(7,489)</i>
Effects of:		
Fixed asset differences	112	<i>39</i>
Expenses not deductible for tax purposes	12,983	<i>10,121</i>
Differences arising on intangibles	148	<i>148</i>
Utilisation of tax losses	1,162	<i>-</i>
Adjustments to tax charge in respect of prior periods	(2,654)	<i>(1,282)</i>
Adjustment in respect of prior periods - deferred tax	747	<i>120</i>
Adjustment to deferred tax rate	2,326	<i>(28)</i>
R&D tax credit	(13)	<i>(103)</i>
State and per capita taxation	527	<i>-</i>
Movement in unrecognised deferred tax	127	<i>14</i>
Adjustment for difference in overseas taxes	-	<i>1,138</i>
Difference in tax rates	(275)	<i>446</i>
Movement in deferred tax on business combinations	(3,336)	<i>(2,672)</i>
Other differences leading to a decrease in the tax charge	(427)	<i>-</i>
Total tax charge/(credit) for the year	(2,901)	<i>452</i>

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Exceptional items

	2020	<i>2019</i>
	\$000	<i>\$000</i>
Share based payments - cash and equity settled	31,255	-
Employer's national insurance and related costs on share based payments	4,666	-
Preference share options	2,688	-
	38,609	-

During the year, as part of the change in ownership, the share options awarded and held by qualifying employees vested, and were sold for a cash value.

ENVISION PHARMA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Intangible assets

Group

	Goodwill \$000	Computer software \$000	Technology under development \$000	Customer relationships \$000	Trade names \$000	Order backlog \$000	Intellectual property \$000	Total \$000
Cost								
At 1 January 2020	237,695	46,882	282	93,255	28,310	-	-	406,424
Additions	-	190	4,153	-	-	-	-	4,343
Acquisition of subsidiary	293,048	638	-	-	-	7,500	406	301,592
Reclassification	-	3,774	(3,774)	-	-	-	-	-
At 31 December 2020	530,743	51,484	661	93,255	28,310	7,500	406	712,359
Accumulated amortisation								
At 1 January 2020	56,013	30,955	-	22,698	6,573	-	-	116,239
Charge for the year	23,840	10,524	-	6,649	1,903	1,066	25	44,007
At 31 December 2020	79,853	41,479	-	29,347	8,476	1,066	25	160,246
Net book value								
At 31 December 2020	450,890	10,005	661	63,908	19,834	6,434	381	552,113
At 31 December 2019	181,682	15,927	282	70,557	21,737	-	-	290,185

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible assets**Group**

	Short term leasehold improvements \$000	Fixtures, fittings and office equipment \$000	Computer hardware \$000	Total \$000
Cost				
At 1 January 2020	3,726	1,114	3,129	7,969
Additions	73	8	1,191	1,272
Disposals	(34)	(7)	(96)	(137)
On acquisition of subsidiaries	275	100	279	654
Reclassification	159	(163)	4	-
At 31 December 2020	<u>4,199</u>	<u>1,052</u>	<u>4,507</u>	<u>9,758</u>
Accumulated depreciation				
At 1 January 2020	1,140	46	914	2,100
Charge for the year	558	167	921	1,646
On disposals	(12)	(2)	(27)	(41)
Reclassification	-	(1)	1	-
At 31 December 2020	<u>1,686</u>	<u>210</u>	<u>1,809</u>	<u>3,705</u>
Net book value				
At 31 December 2020	<u>2,513</u>	<u>842</u>	<u>2,698</u>	<u>6,053</u>
At 31 December 2019	<u>2,586</u>	<u>1,068</u>	<u>2,215</u>	<u>5,869</u>

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments**Company**

	Investments in subsidiary companies \$000
Cost and net book value	
At 1 January 2020	172,032
Addition	274,099
At 31 December 2020	<u>446,131</u>

The company's wholly owned subsidiary, Envision Pharma FinGo Limited, allocated additional shares in the year. All shares were acquired by the company.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Country of incorporation or registration	Holding
Envision Pharma FinCo Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Evidence Newco Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Envision Pharma MidCo Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Envision Pharma BidCo Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Envision Pharma US HoldCo Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Alligent Biopharm Consulting (Europe) Ltd	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Envision Pharma Holdco Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Envision Market Access Solutions Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Touch Creative Design Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
90TEN Group Ltd	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
90TEN Ltd	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
20SENSES Ltd	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Curo Consulting Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Curo Consulting Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Curo Doo Subotica	Celovecka 5, 24000 Subotica, Republic of Serbia	Serbia	100%

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Country of incorporation or registration	Holding
Envision Pharma Acquisition Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Envision Pharma Kft	6721 Szegeed, Zárda u. 11. 1. a, Hungary	Hungary	100%
Eloquent Scientific Solutions LLC	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Eloquent Scientific Solutions Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Elevate Scientific Solutions LLC	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Elevate Scientific Solutions Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Alligent Biopharm Consulting LLC	Princeton South Corporate Ctr, Suite 160 100 Charles Ewing Blvd Ewing NJ 08628 Mercer County, USA	USA	100%
Proscribe (US) LLC	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Touch Solutions LLC	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Envision Pharma Inc	50 Weston Street Hartford CT 06120-1537	USA	100%
Envision Pharma Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Evidence Scientific Solutions Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Evidence Scientific Solutions Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Engage Scientific Solutions Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Engage Scientific Solutions Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
Excel Scientific Solutions Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Country of incorporation or registration	Holding
Excel Scientific Solutions Limited	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%
ProScribe Pty Limited	c/o Grant Thornton Australia, Level 17, 383 Kent Street, Sydney, NSW 2000	Australia	100%
ProScribe KK	c/o TA Lawyers GKJ, Shiroyama Trust Tower 9th Floor, 4-3-1 Toranomom, Minato-ku, Tokyo 105-6009, Japan	Japan	100%
Barnaby Topco Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Barnaby Midco Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
Barnaby Buyer Inc	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, USA	USA	100%
TL Life Science Solutions Inc	3411 Silverside Road Tatnall Building #104, Wilmington, DE 19810	USA	100%
Two Labs Holdings LLC	119 E. Court Street Cincinnati, OH 45202	USA	100%
MKO Global Partners LLC	3260 N Hayden Road #210, Scottsdale, AZ 85251	USA	100%
eRx Solutions LLC	119 E. Court Street Cincinnati, OH 45202	USA	100%
PharmaLicense LLC	119 E. Court Street Cincinnati, OH 45202	USA	100%
CEEK Enterprises Inc	3411 Silverside Road Tatnall Building #104, Wilmington, DE 19810	USA	100%
Two Labs LLC	119 E. Court Street Cincinnati, OH 45202	USA	100%
Pennside Partners LLC	1001 State Street #1400, Erie, PA 16501	USA	100%
PenResearch Group LLC	1001 State Street #1400, Erie, PA 16501	USA	100%
Penn Technology Partners LLC	1001 State Street #1400, Erie, PA 16501	USA	100%
Pennside Partners UK Limited*	Envision House, 5 North Street, Horsham, West Sussex, RH12 1XQ	England and Wales	100%

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Country of incorporation or registration	Holding
Pennside Partners GmbH	Max-Högger-Strasse 6, CH-8048 Zürich, Switzerland	Switzerland	100%

*The name of this subsidiary undertaking has been amended from Penn Technology Partners UK Limited to Pennside Partners UK Limited.

Principal activities for Envision Pharma FinCo Limited, Evidence Newco Inc, Envision Pharma MidCo Limited, Envision Pharma BidCo Limited, Envision Pharma US HoldCo Inc, Alligent Biopharm Consulting (Europe) Ltd, Envision Pharma Holdco Limited, 90TEN Group Ltd, Barnaby Topco Inc, Barnaby Midco Inc, Barnaby Buyer Inc are Holding companies. Envision Market Access Solutions Limited is dormant, all other subsidiaries are service providers to pharmaceutical, biotechnology and medical device industries.

All the above companies have been included in the consolidation. Envision Pharma FinCo Limited is directly owned, all others are indirectly owned.

Envision Pharma Group acquired 90Ten Group Limited and its subsidiaries on 31 March 2020; and Barnaby Topco Inc. and its subsidiaries on 10 November 2020. Details of acquisitions are provided in note 26.

Parental guarantees to subsidiary undertakings

For the year ended 31 December 2020, Envision Pharma Group Limited has provided a guarantee in respect of all liabilities due by its United Kingdom incorporated subsidiary companies thus entitling them to exemption from audit under section 479A of Companies Act 2006 relating to subsidiary companies.

16. Cash and cash equivalents

	Group 2020 \$000	<i>Group 2019 \$000</i>
Cash at bank and in hand	39,910	8,573
Restricted cash	1,910	-
	41,820	8,573

The Group records cash held in trust as restricted cash. The Group files state licenses on behalf of its customers and in most instances the filing require a cash payment. The Group requires its customers to advance funds for these filing fees. The Group maintains this cash in a separate account.

ENVISION PHARMA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Debtors

	Group	<i>Group</i> <i>As restated</i>	Company	<i>Company</i>
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Due within one year				
Trade debtors	50,020	37,844	-	-
Amounts owed by group undertakings	-	-	23,220	22,134
Corporation tax	9,012	2,875	-	-
Prepayments and accrued income	15,349	11,503	22	-
	<u>74,381</u>	<u>52,222</u>	<u>23,242</u>	<u>22,134</u>

Amounts owed by group undertakings are interest free and receivable within one year.

18. Creditors: Amounts falling due within one year

	Group	<i>Group</i> <i>As restated</i>	Company	<i>Company</i>
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Bank loans	-	3,881	-	-
Trade creditors	3,546	1,888	-	-
Amounts owed to group undertakings	1,269	-	79,021	-
Amounts owed to ultimate parent undertaking	9,356	-	-	-
Other taxation and social security	1,583	1,149	-	-
Other creditors	8,908	278	-	12
Accruals and deferred income	44,259	27,253	-	-
	<u>68,921</u>	<u>34,449</u>	<u>79,021</u>	<u>12</u>

Amounts owed to group and related undertakings are interest free, non-secured with no agreed repayment date.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Group	<i>Group</i> <i>As restated</i>	Company	<i>Company</i>
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Bank loans*	351,701	227,720	-	-
Other creditors	4,383	4,077	-	-
Interest accrued on preference shares	2,363	58,478	2,363	60,879
Share capital treated as debt	154,335	147,340	154,335	154,335
	512,782	437,615	156,698	215,214

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

*Bank loans are disclosed net of unamortised prepaid bank fees incurred of \$13,299,000 (2019: \$331,000), of which \$nil (2019: \$331,000) is against bank loans due within one year of \$nil (2019: \$4,212,000) and \$13,299,000 (2019: \$nil) is against bank loans due between 2-5 years of \$86,750,000 (2019: \$227,720,000). Refer also to note 20.

The share capital treated as debt and interest payable on preference shares has no fixed repayment date and only becomes payable upon a change of ownership or liquidation.

On 4 November 2020, as part of the change in ownership, all EPG preference shares were sold to its immediate parent company and total interest accrued to this date was paid out.

ENVISION PHARMA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Loans

	Group 2020 \$000	<i>Group As restated 2019 \$000</i>
Amounts falling due within one year		
Bank loans	-	4,212
Prepaid Bank Expenses	-	(331)
	<hr/>	<hr/>
	-	3,881
Amounts falling due 2-5 years		
Bank loans	87,908	227,720
Prepaid Bank Expenses	(1,158)	-
	<hr/>	<hr/>
	86,750	227,720
Amounts falling due after more than 5 years		
Bank loans	277,092	-
Prepaid Bank Expenses	(12,141)	-
	<hr/>	<hr/>
	264,951	-

During the year, as part of the November 2020 change in ownership, overall bank loans increased from \$236,000,000 to \$365,000,000. As of 31 December 2020, included within bank loans due after more than one year are unamortised prepaid bank fees of \$13,299,000 (refer to note 19).

Total prepaid bank fees amounted to \$13,299,000 which is amortised to income statement over the life of the loans, resulting in \$386,000 being expensed during the year.

The Group's bank borrowings include a 7 year \$277,092,000 facility loan and also a 5 year \$87,908,000 facility loan which bear interest at a rate of 5.15% over LIBOR. Both loans are denominated in US Dollars. Security is held by the bank over all the assets of and shares in Group entities.

The repayment of the loan capital is dependent on excess cashflow multiplied by an applicable percentage which is determined by the Group's leverage ratio.

21. Financial risk management

The Group has exposures to four main areas of risk, foreign exchange currency exposure, liquidity risk, customer credit exposure and interest rate risk.

Foreign exchange transactional currency exposure

The Group is exposed to currency exchange rate risk due to a significant proportion of its operating expenses being denominated in non Dollar currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts when necessary.

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Financial risk management (continued)
Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available. Given the maturity of the bank borrowings the group is in position to meet its commitments and obligations as they come due.

The Group is obliged to complete a loan covenant regarding its debt, which is a function of cash held and EBITDA. The Group monitors its performance and sets objectives to ensure compliance with these covenants.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on going customer relationships and by credit checks and limits.

Interest rate risk

The group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate. The net exposure is monitored and when appropriate, it is managed by the use of interest rate swaps to fix the interest rate paid on a portion of the loan.

No interest rate swaps were in place at 31 December 2020 (2019: nil).

22. Deferred taxation
Group

	2020 \$000
At beginning of year (as restated)	(17,217)
Credit to profit or loss	1,998
Arising on acquisition	(1,204)
Reclassification	292
At end of year	(16,131)

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22. Deferred taxation (continued)

	Group 2020 \$000	<i>Group As restated 2019 \$000</i>
Fixed asset differences	(20,736)	(18,559)
Short term timing differences	4,278	1,342
Tax losses carried forward and other deductions	327	-
	<u>(16,131)</u>	<u>(17,217)</u>

23. Share capital**Group and Company**

	2020 \$000	2019 \$000
Shares classified as equity		
Allotted, called up and fully paid		
91,288,417 (2019: 90,062,124) A Ordinary Shares of \$0.01000 each	913	901
23,798,512 (2019: 23,465,180) B Ordinary Shares of \$0.01000 each	238	235
19,400,802 (2019: 16,138,051) C1 Ordinary Shares of \$0.01000 each	194	161
4,990,466 (2019: 4,990,466) C2 Ordinary Shares of \$0.00063 each	3	3
10,416,664 (2019: 10,416,664) C3 Ordinary Shares of \$0.00060 each	6	6
	<u>1,354</u>	<u>1,306</u>

During the year the following shares were issued:

A Ordinary shares of \$0.01 each

On 31 March 2020, 1,178,293 shares were issued at \$0.78 per share. Share premium of \$907,286 (\$0.77 per share) was recognised. On 4 November 2020, 48,000 bonus shares were issued. On 10 November 2020, 10 shares were issued at \$17,872,931 per share. Share premium of \$257,006,592 was recognised.

B Ordinary shares of \$0.01 each

On 31 March 2020, 333,332 shares were issued at \$0.78 per share. Share premium of \$256,666 (\$0.77 per share) was recognised.

C1 Ordinary shares of \$0.01 each

On 4 November 2020, 3,262,751 bonus shares were issued.

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23. Share capital (continued)**Group and Company**

	2020	<i>2019</i>
	\$000	<i>\$000</i>
Shares classified as debt		
Allotted, called up and fully paid		
306,290,443 10% Preference Shares of \$0.50000 each	153,145	<i>153,145</i>
2,291,304 7.5% Preference shares of \$0.50000 each	1,146	<i>1,146</i>
	154,291	<i>154,291</i>

'As the result of the change in ownership on 4 November 2020, the new sponsoring entity of Employee Benefit Trust is Evidence Topco Limited.

Ordinary A and B shares

These shares are entitled to one vote each and a right to any dividend payment which may be recommended. These shares are non redeemable.

Ordinary C1, C2 and C3 shares

These shares are not entitled to any voting rights but have a right to any dividend payment which may be recommended. These shares are non redeemable.

Share premium account

The balance on the share premium account represents the amounts received in excess of the nominal value of the ordinary shares.

Increase in share premium of \$275,263,257 in the year relate to share premium on issue of A ordinary shares of \$275,006,592 and share premium on issue of B Ordinary shares of \$256,666.

Preference shares

These shares have no voting rights but carry a right to a preference dividend (treated as interest for accounting purpose) at a rate of 10% or 7.5% per annum on the issue value, which is cumulative and the interest compounds annually. The preference dividend (treated as interest for accounting purpose) only becomes payable upon a change of ownership. They have preferential rights to participate in the winding up of the company before any other shares. There is no fixed redemption date.

On 4 November 2020, as part of the change in ownership, all EPG preference shares were sold to its immediate parent company and total interest accrued to this date was paid out.

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24. Reserves**Capital redemption reserve**

This relates to preference shares redeemed during 2018.

Other reserves

Other reserves comprises the share based payment reserve which represents the cumulative charge for share based payments (see note 24) and repurchase of ordinary shares by the Employee Benefit Trust.

Profit and loss account

Includes all current year and prior period retained profits and losses.

25. Share based payments

The options are exercisable on a sale of the business or a public offering of the shares.

Share based payment expenses have been included in the consolidated statement of total comprehensive income for the year ended 31 December 2020 of \$31,255,000 (2019: \$343,000). Of which \$17,046,000 related to share options granted in the year, the current year expense of share options granted in prior years and the accelerated vesting charge as a result of the Evidence transaction. In addition, there was a charge of \$14,209,000 which related to a fair value uplift where equity share options were cancelled and employees were paid cash consideration instead. The 2020 options have been valued at \$1.3541 each.

The fair value of equity settled share options granted is estimated as at the date of grant using a Binomial model for those granted between January and February 2020, and a discounted strike price for those granted in March 2020 onwards, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 31 December 2020 (2019):

	2020	2019
Dividend yield (%)	0	0
Historical volatility (%)	100	100
Risk-free interest rate (%)	0.77	0.82
Expected life (years)	1	2
Weighted price (\$)	1.3541	0.1461
Strike price (\$)	0.01	0.01

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the volatility is in line with similar sector stocks, which may also not necessarily be the actual outcome.

The risk-free interest rate for years within the expected life of options granted is based on the United Kingdom 10 year government bond rate at the time of grant.

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25. Share based payments (continued)

A reconciliation of share option movements (ordinary shares) during the year to 31 December 2020 is shown below:

	2020	Weighted average exercise price \$	2019	Weighted average exercise price \$
	Number		Number	
Outstanding at start of year	10,661,216	0.1307	4,371,568	0.1058
Granted during the year	9,606,829	1.3540	7,049,464	0.1461
Forfeited during the year	(445,000)	1.3540	(759,816)	0.1461
Cancelled during the year	(16,560,294)	-	-	-
Exercised during the year	(3,262,751)	-	-	-
Outstanding at 31 December 2020	<u>-</u>	0.0000	<u>10,661,216</u>	0.1307

A reconciliation of share option movements (preference shares) during the year to 31 December 2020 is shown below:

	2020	Weighted average exercise price \$	2019	Weighted average exercise price \$
	Number		Number	
Outstanding at start of year	4,338,711	0.5000	2,078,285	0.5000
Granted during the year	1,948,187	0.7570	2,269,595	0.5000
Forfeited during the year	(70,189)	0.7570	(9,169)	0.5000
Cancelled during the year	(6,216,709)	0.7570	-	0.5000
Outstanding at 31 December 2020	<u>-</u>	0.7570	<u>4,338,711</u>	0.5000

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26. Business combinations

On 31 March 2020, the Group acquired all of the shares of 90TEN Group Limited and its subsidiaries for an aggregate consideration of \$33,678,000. The total consideration includes acquisition related costs of \$659,000.

The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book Value	Fair Value	Fair Value at
	\$000	Adjustment	Acquisition
	\$000	\$000	\$000
Fixed assets			
Tangible	205	-	205
Intangible - Goodwill	-	28,238	28,238
Intangible - Other intangibles	6	400	406
	<u>211</u>	<u>28,638</u>	<u>28,849</u>
Current assets			
Debtors	1,784	-	1,784
Tax recoverable	422	-	422
Cash at bank and in hand	5,587	-	5,587
	<u>7,793</u>	<u>-</u>	<u>7,793</u>
Creditors			
Other	(2,855)	-	(2,855)
	<u>(2,855)</u>	<u>-</u>	<u>(2,855)</u>
Net assets excluding deferred tax	<u>5,149</u>	<u>28,638</u>	<u>33,787</u>
Deferred tax on differences between fair value and tax bases	(33)	(76)	(109)
Fair value of net assets acquired	<u><u>5,116</u></u>	<u><u>28,562</u></u>	<u><u>33,678</u></u>

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26. Business combinations (continued)

	\$000
Aggregate purchase consideration including acquisition costs	33,678
Non-cash consideration - loan notes	(1,179)
Deferred cash consideration	(4,901)
Cash consideration	27,598
Cash and cash equivalents in subsidiaries acquired	(5,587)
Cash outflow on acquisition	22,011

The revenue from 90TEN Group Limited and its subsidiaries for the period since acquisition was \$7,720,000 and contribution to Group results before tax was a profit of \$1,808,000.

Management have estimated the useful life of the goodwill to be 8 years. Other intangibles consist of Intellectual property \$400,000, with a useful life of 4 years.

Immediately following the acquisition, to satisfy the loan notes 1,178,293 A ordinary share capital and 333,332 B ordinary share capital were issued to the loan notes holders.

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26. Business combinations (continued)

On 10 November 2020, the Group acquired all of the shares of Barnaby Topco Inc. and its subsidiaries (including Two Labs group of companies) for an aggregate consideration of \$274,142,000, at fair value, from a connected undertaking. The total consideration includes acquisition related costs of \$43,000, with remainder settled via an issuance of share capital in its immediate parent company.

The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book Value	Fair Value Adjustment	Fair Value at Acquisition
	\$000	\$000	\$000
Fixed assets			
Tangible	449	-	449
Intangible - Goodwill	-	264,810	264,810
Intangible - Other intangibles	238	7,900	8,138
	<u>687</u>	<u>272,710</u>	<u>273,397</u>
Current assets			
Debtors	12,918	-	12,918
Tax recoverable	185	-	185
Cash at bank and in hand	8,105	283	8,388
	<u>21,208</u>	<u>283</u>	<u>21,491</u>
Creditors			
Other	(19,515)	(136)	(19,651)
	<u>(19,515)</u>	<u>(136)</u>	<u>(19,651)</u>
Net assets excluding deferred tax	<u>2,380</u>	<u>272,857</u>	<u>275,237</u>
Deferred tax on differences between fair value and tax bases	880	(1,975)	(1,095)
Fair value of net assets acquired	<u><u>3,260</u></u>	<u><u>270,882</u></u>	<u><u>274,142</u></u>

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26. Business combinations (continued)

	\$000
Aggregate purchase consideration including acquisition costs	(274,142)
Non-cash consideration - shares issuance	274,099
Cash consideration	<u>(43)</u>
Cash and cash equivalents to subsidiaries	8,388
Cash inflow on acquisition	<u><u>8,345</u></u>

The revenue from Barnaby Topco Inc. and its subsidiaries for the period since acquisition was \$8,293,000 and contribution to Group results before tax was a profit of \$1,941,000.

Management have estimated the useful life of the goodwill to be 8 years. Other intangibles consist of Order backlog \$7,500,000 (with a useful life of 1 year) and Computer software \$400,000 (with a useful life of 4 years).

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27. Prior period adjustments

	As previously reported 31 Dec 18 \$'000	Adjustments 2018 \$'000	As restated 31 Dec 18 \$'000
Statement of Total Comprehensive Income:			
Turnover	131,110	-	131,110
Cost of sales	(80,549)	-	(80,549)
Gross profit	50,561	-	50,561
Administrative expenses	(58,039)	-	(58,039)
Operating loss	(7,478)	-	(7,478)
Interest receivable	94	-	94
Interest payable	(33,846)	(3,479)	(37,325)
Loss before tax	(41,230)	(3,479)	(44,709)
Tax	1,253	731	1,984
Loss after taxation	(39,977)	(2,748)	(42,725)

	As previously reported 31 Dec 19 \$'000	Adjustments 2019 \$'000	As restated 31 Dec 19 \$'000
Statement of Total Comprehensive Income:			
Turnover	136,031	-	136,031
Cost of sales	(82,152)	-	(82,152)
Gross profit	53,879	-	53,879
Administrative expenses	(60,512)	2,167	(58,345)
Operating loss	(6,633)	2,167	(4,466)
Interest receivable	1,226	-	1,226
Interest payable	(34,781)	(1,396)	(36,177)
Loss before tax	(40,188)	771	(39,417)
Tax	(290)	(162)	(452)
Loss after taxation	(40,478)	609	(39,869)

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27. Prior period adjustments (continued)

	As previously reported 31 Dec 18 \$'000	Adjustments 2018 \$'000	As restated 31 Dec 18 \$'000
Consolidated Statement of Financial Position			
Intangible assets	321,770	-	321,770
Tangible assets	4,212	-	4,212
Debtors	44,937	-	44,937
Cash and cash equivalents	11,186	-	11,186
Creditors: amounts falling due within one year	(31,804)	(771)	(35,283)
Creditors: amounts falling due after more than one year	(419,958)	(2,708)	(419,958)
Deferred taxation	(20,183)	731	(19,452)
Net liabilities	(89,840)	(2,748)	(92,588)
Called up share capital	1,306	-	1,306
Share premium account	258	-	258
Capital redemption reserve	38,258	-	38,258
Other reserves	543	-	543
Profit and loss account	(130,205)	(2,748)	(132,953)
Shareholders' funds	(89,840)	(2,748)	(92,588)

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27. Prior period adjustments (continued)

	As previously reported 31 Dec 19 \$'000	Adjustments 2018 \$'000	Adjustments 2019 \$'000	As restated 31 Dec 19 \$'000
Consolidated Statement of Financial Position				
Intangible assets	290,185	-	-	290,185
Tangible assets	5,869	-	-	5,869
Debtors	52,222	-	-	52,222
Cash and cash equivalents	8,573	-	-	8,573
Creditors: amounts falling due within one year	(33,912)	(771)	234	(34,449)
Creditors: amounts falling due after more than one year	(435,444)	(2,708)	537	(437,615)
Deferred taxation	(17,786)	731	(162)	(17,217)
Net liabilities	(130,293)	(2,748)	609	(132,432)
Called up share capital	1,306	-	-	1,306
Share premium account	258	-	-	258
Capital redemption reserve	38,258	-	-	38,258
Other reserves	568	-	-	568
Profit and loss account	(170,683)	(2,748)	609	(172,822)
Shareholders' funds	(130,293)	(2,748)	609	(132,432)

During the year it was identified that some errors had been processed in the financial statements to 31 December 2019 as described in note 2.26. The corrections of these errors have been processed by way of a prior year adjustment. The impact of the changes is shown in the table above.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

28. Consolidated analysis of net debt for the year ended 31 December 2020

	At 1 January 2020 \$000	Cash flows \$000	Non cash items \$000	At 31 December 2020 \$000
Bank loans	(231,932)	(133,068)	-	(365,000)
Loan costs	331	13,354	(386)	13,299
Interest accrued on preference shares	(58,478)	79,021	(22,906)	(2,363)
Intercompany financing	-	(9,356)	-	(9,356)
Share capital treated as debt	(147,340)	-	(6,995)	(154,335)
Cash at bank and in hand	8,573	33,247	-	41,820
	<u>(428,846)</u>	<u>(16,802)</u>	<u>(30,287)</u>	<u>(475,935)</u>

29. Capital commitments

There are no material capital commitments at the year end (2019 - \$nil).

30. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to \$2,946,000 during the year (2019: \$2,454,000). Outstanding pension contributions at the year end was \$198,610 (2019- \$152,328).

31. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 \$000	Group 2019 \$000
Not later than 1 year	3,452	2,518
Later than 1 year and not later than 5 years	8,784	7,510
Later than 5 years	5,773	4,575
	<u>18,009</u>	<u>14,603</u>

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32. Related party transactions

The parent Company has taken advantage of the exemption covered by paragraph 33.1A of FRS102 "Related party disclosures" not to disclose transactions with members of the Group headed by Envision Pharma Group Limited.

During the year, invoices totaling \$383,000 (2019 - \$378,000) were paid in respect of the premises from which EPG operates and which is owned by GDB Investments LLP, a limited liability partnership of which directors B A Hepburn and G S Caswill are members. Balance due to GDB Investments LLP at year end of \$98,122 (2019- nil) is included in trade creditors.

As part of the Group's change in ownership, 4 November 2020, the following transactions took place with the ultimate parent undertaking, Evidence Topco Limited:

Intercompany loan \$79,020,526 from Evidence Topco Limited, in respect of settlement of the Group's gross preference share coupon. This balance is due to Evidence Topco Limited.

Additional intercompany loan \$36,245,120 from Evidence Topco Limited, in respect of settlement of the Group's liabilities to other shareholders. This balance is due to Evidence Topco Limited.

Group settled Employee Benefit Trust payable balance of \$67,046. This balance is charged to balance due to Evidence Topco Limited.

Further to the above, 4 November 2020, the following transaction took place with connected undertaking Evidence Bidco Inc. which is an entity under common control of the Group's parent company Evidence Midco Limited:

Intercompany loan of \$1,269,625 from Evidence Bidco Inc. This balance is due to Evidence Bidco Inc.

As part of the acquisition of Barnaby Topco Inc and its subsidiaries, 10 November 2020, the following transactions took place with the ultimate parent undertaking, Evidence Topco Limited:

Intercompany loan \$93,199,565 to Evidence Topco Limited, this is charged to balance due from Evidence Topco Limited.

As of year end, the Group owed a balance to Evidence Topco Limited of \$9,355,761. Evidence Topco Limited was incorporated during the year so there were no transactions and balances were due with this entity in prior year. This balance is interest free with no fixed repayment dates.

On 4 November 2020, as part of the change in ownership, all Envision Pharma Group Limited preference shares were sold to Evidence Midco Limited, its immediate parent company and total interest accrued to this date was paid out. At the year end Evidence Midco Ltd owns 306,290,444 preference shares of \$0.50 each, total interest accrued at year end was \$2,362,808.

The Group has taken exemption under paragraph 33.7 from requirement to disclose transactions with key management personnel as the key management and directors are the same.

The following 10% and 7.5% preference shares together with the accrued interest (legally a preference dividend), were held by certain related parties at the year end.

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31. Related party transactions (continued)

	2020 No of shares of \$0.50 each	2020 Total interest accrued	2019 No of shares of \$0.50 each	2019 Total interest accrued
Controlling parties	306,290,444	\$2,362,808	211,174,726	\$41,878,215
Key management personnel	-	\$ -	28,757,915	\$ 5,703,003
	<u>306,290,444</u>	<u>\$2,362,808</u>	<u>239,932,641</u>	<u>\$47,581,218</u>

33. Post balance sheet events

In late January, 2021, the Group experienced a cyber security breach whereby certain of the Group's file storage servers were compromised. After a thorough review and intervention from internal and third party service providers, access to the impacted data was restored and the Group's client service operations continued. While this incident had a temporary impact on the timing of Group operations, the financial impact, net of insurance recoveries, was immaterial to the Group's operating results and financial condition.

On 10 February 2021, Alligent Biopharm Consulting (Europe) Ltd, a subsidiary of Envision Pharma Group Ltd, acquired 100% of the ordinary share capital of doDoc Corp and its subsidiary undertaking doDoc Unipessoal Lda for the total consideration of \$23,429,008 which included deferred consideration of \$8,000,000.

On 29 June 2021, TL Life Science Solutions Inc, a subsidiary of Envision Pharma Group Ltd, acquired 100% of the ordinary share capital of Riparian LLC for the total consideration of \$40,000,000 which included contingent consideration based on earnout of \$13,000,000.

34. Controlling party

Envision Pharma Group Limited was acquired by Evidence Midco Limited on 10 November 2020.

The ultimate parent company is Evidence Topco Limited incorporated in England and Wales. The ultimate controlling party is GHO Capital Partners LLP, a limited liability partnership established in England and Wales.