

Registered number: 03835617

Antenova Limited

Report and Financial Statements

31 March 2022



Antenova Limited

Contents

	Page(s)
Company information	1
Strategic report	2-4
Directors' report	5-6
Statement of Directors' responsibilities in respect of the financial statements	7
Independent auditors' report to the members of Antenova Limited	8-10
Profit and loss account	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14-34

Antenova Limited

Company information

Directors

S M Gibbins
P S Hill
F M Mckinnon

Registered office

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey
England
GU2 7AH

Bankers

HSBC Bank UK plc
E.SUN Bank
Commercial Bank of China - ICBC

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Registered number

03835617

Country of incorporation

England & Wales

Antenova Limited

Strategic report

The directors present their Strategic report for Antenova Limited ('the Company') for the 15 months period ended 31 March 2022 (2020 – year ended 31 December 2020).

Principal activities and review of the business

The Company is a subsidiary of discoverIE Group plc and operates as part of the Group's Sensing & Connectivity division. The company's principal activity is the design, development and supply of antennas and RF solutions for wireless M2M internet of things "IoT" applications and consumer electronics.

On 25th August 2021, 100% of the share capital and voting equity interests of the company was acquired by discoverIE Holdings Limited, a directly held subsidiary of discoverIE Group plc.

The Company's key financial and other performance indicators as used by management in reviewing the performance of the business for the period, are as follows:

	15 months ended 31 March 2022	Year ended 31 December 2020
Revenue (US\$'000)	14,134	6,088
Gross margin (US\$'000)	9,435	4,263
Operating profit (US\$'000)	4,430	1,258
Current assets as % of current liabilities	381%	416%
Net assets (US\$'000)	4,347	3,017
Average monthly number of employees	33	27

The Company's revenue has increased by 132% comparing the 15 months period to the previous 12 months, with both growth from existing customers and new customers won. There has been an increase in business seen across the wider electronics market generally. Operating profit increased by 252% over the same period. Comparing the same 12 months period (January to December), revenue increased by 84%.

Transition to FRS 101

During the period the company transitioned from previously extant FRS 102 to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard in order to align the Company's accounting policies with those of the ultimate parent company, discoverIE Group plc. The company's parent undertaking was notified of and did not object to the use of the UK-adopted IFRS disclosure exemptions. The effects of changes in accounting policies are explained in note 2.

Principal risks and uncertainties

Competitive pressures in the market and uncertainty in the economy produce risks for both the Company and its customers and this could lead to further price pressure and the loss of customers. The Company manages exposure to these risks by constantly reviewing cost areas and ensuring rapid responses to any changes in market and customer needs.

There is insignificant exposure to currency risks for sales and purchases because the vast majority is in USD. There is some exposure to currency risk related to operating expense, however this is minimised through trading and using forward contracts in those currencies through other Group companies, when material.

Financial risk management

discoverIE Group plc has a committed multi-currency revolving credit facility, which expires in June 2026. The financial risk management policies and procedures are centred around price risk, credit risk, liquidity risk and cash flow risk. In the view of the directors, these policies are held to minimise the Company's overall risk exposure.

Foreign exchange risk

Foreign exchange exposures are hedged by use of forward exchange rate contracts.

Antenova Limited

Strategic report (continued)

Credit risk

There is an effective credit control procedure in place which limits exposure to credit risk.

Liquidity risk

The Company has access to short term finance through Group resources if needed.

Cash flow risk

The Company carries out regular monitoring of cash against forecast and expected liquidity.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been described in the Strategic report on page 2.

The directors have assessed the impact of a prolonged worsening of the economic environment caused by potential escalation of the Ukraine conflict, significant reduction in consumer demand due to inflationary pressures and potential resurgence of Covid-19 pandemic. No adjustments to the key estimates and judgements that impact the Balance Sheet as at 31 March 2022 have been identified as a result of these.

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the Balance sheet. The discoverIE Group plc has significant financial resources, sells a wide portfolio of different products across a diverse set of industries and geographies, has a global supply chain network and has well-established relationships with its customers. The discoverIE Group plc has carried out a going concern assessment taking into account the impact of sensitivities which show that it is well placed to support the Company for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Section 172 of the Companies Act 2006

The Board of the Company takes seriously its duties to act in accordance with legal requirements and appropriate business and ethical standards. This includes fulfilling the duties described in Section 172 of the Companies Act 2006 (the "Act").

The information below describes how the directors have had regard to the matters referred to in Section 172 of the Act in performing their duties and constitutes the Board's Section 172 Statement for the 15 months period ended 31 March 2022. This section is incorporated by reference into the Strategic Report.

The context in which the Company operates is relevant to how the Board meets its duties under Section 172. In particular, the Company operates within the discoverIE Group plc group of companies (the "Group") and, as such, its processes and procedures reflect the arrangements within, and the interests of, the wider Group, in addition to those of the Company specifically. This reflects the fact that the success of the Group and the Company are aligned.

Antenova Limited

Strategic report (continued)

Duty to promote the success of the Company

A director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

In order to fulfil the above duties, the Board sets strategy and monitors performance against that strategy on an ongoing basis, both for the Company itself and also within the context of the performance of the wider Group. All decision-making is made by reference to the agreed long-term strategic aims of the Company, including in the context of the discoverIE Group of companies as a whole. The Board does so both through receiving regular updates from others in the business as relevant, through monitoring day-to-day performance and through formal meetings and at other intervals as appropriate.

Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions for the long-term success of the Company and its various stakeholders. Where information is not readily available, the Board ensures that it has the means to receive or generate such information wherever relevant and necessary. This may include utilising the resources and information available to the wider Group.

The Board considers all relevant proposals (including long-term investments and operating and capital expenditure) within the context of the overall success of the Company for the benefit of its members as a whole over the long-term. Again, this takes into account the Company's and the Group's long-term strategic aims.

During the period, the Board set annual budgets as relevant and oversaw business performance against targets. All of its key decisions take performance against budget into account.

In terms of staff, the Board recognises that a motivated and skilled workforce is essential to its long-term success and the Group as a whole seeks to encourage an entrepreneurial and innovative culture, set within structures that provide fairness for all. The Company complies with all relevant labour laws.

Where the Company works with customers, suppliers and other third parties, it considers it of great importance to maintain appropriate relations at all times and conducts itself accordingly. The Board considers any charitable or other similar initiatives that may be relevant to the locations and markets within which it operates.

The Board seeks to encourage a corporate culture across the organisation that promotes integrity and transparency and this is reinforced through internal audits and other mechanisms supplemented by the wider Group. The Board strongly believes in ethical behaviour and corporate responsibility and is mindful of the fact that discoverIE Group plc, its ultimate parent company, is required to conduct itself in accordance with the processes and procedures outlined in the UK Corporate Governance Code 2018.

This report was approved by the board of directors and signed on its behalf by:



S M Gibbins
Director

Date: 13 October 2022

Antenova Limited

Directors' report

The directors present their Annual Report on the affairs of the Company, together with the audited financial statements and independent auditors' report for the 15 months period ended 31 March 2022 (2020 – year ended 31 December 2020).

Results and dividends

The profit for the 15 months period ended March 2022 after taxation amounted to US\$ 3,830k (year ended December 2020 - US\$ 1,252k). An interim dividend of US\$ 2,500k was paid in the period (year ended 31 December 2020 – interim dividend of US\$ 750k).

Disclosure of items within the Strategic report

The directors have included statements relating to the principal activities of the Company, review of the business, the principal risks and uncertainties facing the Company, financial risk management and going concern in the Strategic report.

Future developments

The directors do not anticipate any change in the principal activity of the Company in the foreseeable future.

Research and development

The Company continues to work with its customers and suppliers in the development and utilisation of emerging technologies, to ensure it remains at the forefront of product development.

Post balance sheet events

There were no matters arising, between the balance sheet date and the date on which these financial statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10, Events after the Reporting Period.

Revolving Credit Facility

On 3 May 2022, the Group increased its syndicated banking facility from £180m to £240m and extended the remaining term of the facility by two years out to four years ending in June 2026, with an option exercisable by the Group to extend the facility by a further year to June 2027. In addition, the Group has an £80m accordion facility which it can use to extend the total facility up to £320m.

Directors

The directors of the Company who were in office during the period and up to the date of signing the financial statements were as follows:

S M Gibbins – appointed 25th August 2021

P S Hill

F M Mckinnon

P H Neville – appointed on 25th August 2021 and resigned 14th February 2022

A R Paul - resigned 25th August 2021

Directors' indemnities

The Articles of the Company contain an indemnity in favour of the directors, which is a Qualifying Third Party Indemnity within the meaning of s.234 of the Companies Act 2006 and is in force at the time of the approval of this Annual Report and financial statements.

Antenova Limited

Directors' report (continued)

In addition, each director of the Company has entered into a deed of Indemnity with the Company, which operates only in excess of any right to indemnity that a director may enjoy under any such other indemnity or contract of insurance.

The Company has also arranged appropriate insurance cover in respect of legal action against its directors and officers.

Financial Risk Management

Financial risk management policies and procedures are described in page 2 of the Strategic report.

Environment

Compliance with relevant environmental legislation such as the WEEE Directive and Regulations on Hazardous Substances is reviewed regularly by the directors and actions taken to ensure that processes are in place to build compliance into the day to day operations of the Company.

Suppliers, customers and others

The directors' regards to the needs of the Company's business relationships with suppliers, customers and others and its impact on the Company's operations and principal decision making during the period has been included within the Section 172 statement in the Strategic report on page 3.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board



S M Gibbins
Director

Date: 13 October 2022

Antenova Limited

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Directors' confirmations

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

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


S M Gibbins
Director

Date: 13 October 2022

Independent auditors' report to the directors of Antenova Limited

Report on the audit of the financial statements

Opinion

In our opinion, Antenova Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the 15 months period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: balance sheet as at 31 March 2022; profit and loss account and statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

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

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

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

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

Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the period ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Company law, relevant employment laws and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate reported results. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Testing unusual or unexpected journal entries, particularly those impacting revenue; and
- Challenging assumptions and judgements made by management in significant accounting estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume

responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

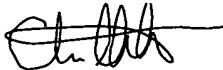
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 October 2022

Antenova Limited

Profit and loss account

for the 15 months period ended 31 March 2022

	Note	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Revenue	4	14,134	6,088
Cost of sales		(4,699)	(1,825)
Gross profit		9,435	4,263
Administrative expenses		(5,005)	(3,005)
Operating profit	5	4,430	1,258
Interest expense	8	(4)	-
Interest income	8	13	-
Profit before taxation		4,439	1,258
Tax on profit	9	(609)	(6)
Profit for the period/year		3,830	1,252

The results of the current and prior period arise solely from continuing operations.

There are no items of comprehensive income other than the profit attributable to the shareholders of the Company of US\$ 3,830k in the 15 months period ended 31 March 2022 (year ended 31 December 2020 - US\$ 1,252k).

The notes on pages 14 to 34 form part of these financial statements.

Antenova Limited

Balance sheet

As at 31 March 2022

	Note	31 March 2022 US\$'000	31 December 2020 US\$'000
Fixed assets			
Intangible assets	11	221	164
Property, plant and equipment	12	270	104
Right of use assets	13	365	-
		<u>856</u>	<u>268</u>
Current assets			
Stocks	14	1,102	472
Debtors	15	1,182	886
Deferred tax asset	9	52	300
Cash at bank and in hand		2,798	1,966
		<u>5,134</u>	<u>3,624</u>
Creditors: amounts falling due within one year	16	<u>(1,348)</u>	<u>(871)</u>
Net current assets		<u>3,786</u>	<u>2,753</u>
Total assets less current liabilities		<u>4,642</u>	<u>3,021</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	17	(197)	-
Provision for liabilities	18	(98)	(4)
Net assets		<u>4,347</u>	<u>3,017</u>
Capital and reserves			
Called up share capital	19,20	148	148
Profit and loss account		4,199	2,869
Total shareholders' funds		<u>4,347</u>	<u>3,017</u>

The financial statements from pages 11 to 34 were approved by the board of directors on 13th October 2022 and signed on its behalf by



S M Gibbins
Director

The notes on pages 14 to 34 form part of these financial statements.

Antenova Limited

Statement of changes in equity

for the 15 months period ended 31 March 2022

	Called up share capital US\$'000	Profit and loss account US\$'000	Total share- holders' funds US\$'000
At 1 January 2020	148	2,367	2,515
Profit for the year	-	1,252	1,252
Total comprehensive income for the year	-	1,252	1,252
Contributions by and distributions to owners			
Dividends	-	(750)	(750)
Total contributions by and distributions to owners	-	(750)	(750)
As at 31 December 2020	148	2,869	3,017
Profit for the 15 months period ended 31 March 2022	-	3,830	3,830
Total comprehensive income for the period	-	3,830	3,830
Contributions by and distributions to owners			
Dividends (note 10)	-	(2,500)	(2,500)
Total contributions by and distributions to owners	-	(2,500)	(2,500)
As at 31 March 2022	148	4,199	4,347

The notes on pages 14 to 34 form part of these financial statements.

Antenova Limited

Notes to the financial statements

for the 15 months period ended 31 March 2022

1. Statutory information

The Company is a private company limited by shares which is incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given in the Company information on page 1. The principal activities of the Company and the nature of its operations are set out in the Strategic report on page 2.

2. Accounting policies

Transition to FRS 101

The Company's financial statements for the prior year ended 31 December 2020 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"). To better align the Company's accounting policies with those of the ultimate parent company, discoverIE Group plc, the directors decided to prepare the financial statements for the 15 months period ended 31 March 2022 in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The Company undertook an evaluation of the differences between FRS 102 and FRS 101 and has applied the requirements of paragraphs 6 to 33 of IFRS 1 First-time adoption of International Financial Reporting Standards (subject to the requirements of paragraph 12 of FRS 100) except for the requirement of paragraphs 6 and 21 to present an opening statement of financial position at the date of transition. There were no effects of transition on the prior year profit and loss account and statement changes of equity as such those are not being restated. The effect of changes are presented below:

<i>As at 1 January 2021</i>	FRS 102 US\$'000	Effect of transition to FRS 101 US\$'000	FRS 101 US\$'000
Fixed assets			
Intangible assets **	164	-	164
Property, plant and equipment	104	-	104
Right of use assets *	-	404	404
	<hr/> 268	<hr/> 404	<hr/> 672
Current assets			
Stocks	472	-	472
Debtors	886	-	886
Deferred tax asset	300	-	300
Cash at bank and in hand	1,966	-	1,966
	<hr/> (871)	<hr/> (144)	<hr/> (1,015)
Creditors: amounts falling due within one year *			
Net current assets	<hr/> 2,753	<hr/> (144)	<hr/> 2,609
Total assets less current liabilities	<hr/> 3,021	<hr/> 260	<hr/> 3,281
Non-current liabilities			
Creditors: amounts falling due after more than one year			
Provision for liabilities	(4)	-	(4)
	<hr/> 3,017	<hr/> -	<hr/> 3,017
Net assets			
Capital and reserves			
Called up share capital	148	-	148
Profit and loss account	2,869	-	2,869
	<hr/> 3,017	<hr/> -	<hr/> 3,017
Total shareholders' funds			

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies

* IFRS 16

Under FRS 102, a lessee had to make a distinction between finance and operating leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, with the option to exclude leases where the lease term is 12 months or less or where the underlying asset is of low value.

On adoption of IFRS, the Company recognised \$404k as a right of use asset and lease liability on its balance sheet on transition.

** Intangible Assets

On transition to FRS 101, the Company has taken advantage of the requirements of paragraphs 6-33 of IFRS 1 to retain deemed cost as the brought forward net book value from previous GAAP.

There were no other material differences identified on transition from FRS 102 to FRS 101 that impact the measurement, classification or presentation and disclosure of any items in the Company's financial statements in the current period.

Basis of preparation

The financial statements are prepared under the historical cost convention and are presented in US Dollars and all values are rounded to the nearest thousand except as otherwise indicated.

The financial statements have been prepared and approved by the directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), applicable accounting standards and the Companies Act 2006.

The accounting policies which follow have been applied consistently when preparing the financial statements for the 15 months period ended 31 March 2022.

Disclosure exemptions adopted

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment*;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*.
- The requirements of paragraph 33(c) of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.
- The requirements of IFRS 7 *Financial Instruments: Disclosures*.
- The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of: i. paragraph 79(a)(iv) of IAS 1; ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and iii. paragraph 118(e) of IAS 38 *Intangible Assets*.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.
- The requirements of IAS 7 *Statement of Cash Flows*.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*.
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*.

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The Company's ultimate parent undertaking, discoverIE Group plc, includes the Company in its consolidated financial statements, and therefore where required equivalent disclosures are included in the financial statements of discoverIE Group plc. The consolidated financial statements of discoverIE Group plc are prepared in accordance with UK-adopted International Accounting Standards and are available to the public and may be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH.

New standards, amendments and IFRIC interpretations

- IFRS 7 Financial Instruments: Disclosures – Amendment (replacement issues in the context of IBOR reform);
- IFRS 9 Financial Instruments – Amendment (replacement issues in the context of IBOR reform);
- IFRS16 Leases – Amendment (replacement issue in the context of IBOR reform);
- IAS 39 Financial Instruments: Recognition and Measurement – Amendment (replacement issues in the context of IBOR reform);
- IFRS 16 Leases – Amendment (Covid-19-related rent concessions)

These and other amendments, changes and improvements to IFRS issued by IASB have had no material impact on the Company's current financial results or financial position.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting period and have not been early adopted by the Company. None of these are expected to have a material impact on the Company's financial results in the current or future reporting periods.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been described in the Strategic report on page 2.

The directors have assessed the impact of a prolonged worsening of the economic environment caused by potential escalation of the Ukraine conflict, significant reduction in consumer demand due to inflationary pressures and potential resurgence of Covid-19 pandemic. No adjustments to the key estimates and judgements that impact the Balance Sheet as at 31 March 2022 have been identified as a result of these.

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the Balance sheet. The discoverIE Group plc has significant financial resources, sells a wide portfolio of different products across a diverse set of industries and geographies, has a global supply chain network and has well-established relationships with its customers. The discoverIE Group plc has carried out a going concern assessment taking into account the impact of sensitivities which show that it is well placed to support the Company for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods, commission and other services provided to third parties, after deducting discounts, VAT and similar taxes levied overseas. Revenue is recognised in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract. If a stand-alone selling price is not observable, the Company estimates it. The transaction price may include a discount or a variable amount of consideration that relates entirely

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Revenue recognition (continued)

to a part of the contract. The Company will review the requirements and specify when the variable amount should be allocated to one or more, but not all, performance obligations in the contract.

This is captured in the following key five steps:

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Control of a good or service is obtained when the customer has the ability to direct the use of and obtain substantially all the benefits from the good or service.

The following are the Company's main revenue streams and criteria for control transfer:

a. Revenue from the sale of products

The Company recognises revenue from product sales at a point in time when the goods are delivered to, or accepted by the customer, if later, and control over the goods is transferred.

To determine the point in time at which the control is transferred to the customer, the Company considers whether or not:

- a) The Company has a present right to payment for the asset;
- b) The customer has acquired legal title to the asset;
- c) The Company has transferred physical possession of the asset;
- d) The customer has significant risks and rewards related to the ownership of the asset; and
- e) The customer has accepted the asset.

When another party is involved in providing goods or services to the customer, the Company determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (principal) or to arrange for those goods or services to be provided by the other party (agent) and recognises revenue accordingly.

b. Revenue from rendering of services

Product support and maintenance services are recognised over the period of the service delivery as the customer receives the benefit of the service over time; Progress is measured by reference to service periods.

Discounts are allocated proportionately to all performance obligations in the contract, unless the Company can demonstrate that the discount relates to one or more specific performance obligations.

Contract balances

Receivables

Receivables billed under the terms of the contract for delivered goods and services and are not conditional on anything other than the passage of time. These assets are classified as Trade Receivables.

Contract liabilities

The Company's unsatisfied obligation(s) for the transfer of goods or services to the customer for which consideration has been received from the customer; or/ and payments received in advance from a customer in consideration of future performance obligations.

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'US Dollars' (US\$), which is also the Company's functional currency.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Balance sheet date and the resultant gains or losses on translation are included in the Profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Defined contribution pensions

The Company makes payments to defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amount charged to the Profit and loss account represents employer contributions payable in respect of the accounting period/year.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- *where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;*
- *in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and*
- *deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.*

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the Profit and Loss account.

Dividend payable

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

Notes to the financial statements (continued)
for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Property, plant and equipment

Items of owned property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost consists of all those elements which are directly attributable to bringing the asset into working condition for its intended use. Where there has been an indication of impairment in value such that the recoverable amount of an asset falls below its net book value, provision is made for such impairment. Wherever possible, individual assets are tested for impairment. However, impairment can often be tested only for groups of assets because the Cash Flows upon which the calculation is based do not arise from the use of a single asset. In these cases, impairment is measured for the smallest group of assets (the cash generating unit) that produces a largely independent income stream.

The cost of property, plant and equipment is charged to the Profit and Loss account on a straight-line basis over the assets estimated useful life, taking into account their estimated residual value. The principal annual rates of depreciation are:

Tooling	25% per annum on a straight-line basis
Engineering & production tools and equipment	25% - 50% per annum on a straight-line basis
Office equipment	25% - 50% per annum on a straight-line basis
Fixtures and fittings	25% - 50% per annum on a straight-line basis

Intangible assets

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

Amortisation is provided on the following basis:

Implementation costs of IT systems and computer software	20% to 50% per annum on a straight-line basis
--	---

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Company's development activities is capitalised only if all of the following conditions are met: (a) an asset is created that can be identified; (b) it is probable that the asset created will generate future economic benefits; and (c) the development cost of the asset can be measured reliably. Internally generated intangible assets are amortised on a straight-line basis over their useful lives between 5 and 10 years and charged to the Profit and Loss account.

The Company only capitalises costs relating to the configuration and customisation of SaaS arrangements as intangible assets where control of the software exists. Costs that are paid to SaaS suppliers in advance of the service provided are recognised in prepayment and amortised over the service period.

All other development expenditure is written off in the accounting period in which it is incurred.

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a weighted average basis. Cost includes, where appropriate, relevant overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

At each Balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials and finished goods	purchase cost on a weighted average basis. Cost of direct materials and labour plus attributable overheads based on a normal level of activity.
----------------------------------	--

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Financial Instruments

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Unconditional receivables and payables are recognised as assets or liabilities when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. However, recognition of financial assets to be acquired and financial liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services, such as trade receivables and trade payables, is usually delayed until at least one of the parties has performed under the agreement and the ordered goods or services have been shipped, delivered or rendered.

A forward contract that is within the scope of IFRS 9, such as a forward foreign exchange contract, is recognised as an asset or a liability on the commitment date when the fair value of the right and obligation are usually equal and the net fair value of the forward contract on initial recognition is zero. If the net fair value of the right and obligation is not zero, the contract is recognised as an asset or liability.

Except for trade receivables without a significant financing component, a financial asset or a financial liability that is not measured through profit or loss (FVTPL) is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in the Profit and Loss account.

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Financial Instruments (continued)

Offsetting financial instruments

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

Allowance for Expected Credit Losses

The Company measures loss allowances for financial assets, including trade receivables, at an amount equal to lifetime expected credit losses (ECLs). This requires consideration of both historical and forward-looking information when considering potential impairment of trade receivables. A provision matrix is used to calculate the expected credit loss, which is based upon historical observed default rates adjusted for forward looking information to create an adjusted default rate, which is applied over the outstanding invoices at the balance sheet date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as a significant change in the credit risk profile of a customer, a debt has become significantly overdue or a contract default.

Write-down of financial assets

The gross carrying amount of a financial asset is written down to its recoverable amount when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Provisions

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect is material, provisions are discounted to present value. The unwinding of the discount is recognised as a finance cost.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating costs are not provided for.

A provision for an onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share capital

The Company's ordinary shares are classified as equity instruments.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An asset can be identified either explicitly or implicitly. If implicitly, the asset is not mentioned in the contract, but the supplier can fulfil the contract only by the use of a particular asset, in which case there may be an identified asset. There is no identified asset if the supplier has a substantive right to substitute the asset.

Separating components of a contract

Contracts usually combine different kinds of obligation of the supplier, which may be formed by lease components or lease and non-lease components, such as maintenance/services. The Company identifies the lease and non-

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Leases (continued)

lease components and account for those separately, applying the relevant standard to each one. Consideration is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease component.

Combination of contracts

Contracts are accounted together if they are entered into at or near the same time with the same counterparty and in contemplation of another.

Lease term

The lease term is the non-cancellable period of the lease plus periods covered by an option to extend or an option to terminate if the lessee is reasonably certain to exercise the extension option or not exercise the termination option.

i) Right of use assets

The Company recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is a combination of government bond yields, used as a proxy for a risk-free rate, calculated over various periods linked to existing lease terms. This rate is adjusted for borrowing costs and risks specific to each entity.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Any adjustment of the lease liability is reflected as an adjustment to the right of use asset. If the carrying amount of the right of use asset has already been reduced to zero, the remaining remeasurement is recognised in profit or loss.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

2. Accounting policies (continued)

Leases (continued)

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3. Significant accounting estimates and judgements

There are no judgments, assumptions and estimations uncertainties as at March 2022 that could result in a material adjustment to the carrying value of assets and liabilities in the next financial year.

4. Revenue

Geographical information

An analysis of revenue by geographical market is detailed below:

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
United Kingdom	838	483
Europe	2,908	1,404
Americas	4,842	2,534
Asia	4,695	1,297
Other	851	370
	<hr/> 14,134 <hr/>	<hr/> 6,088 <hr/>

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

5. Operating profit

The profit for the 15 months period ended 31 March 2022 (2020: year ended 31 December 2020) has been arrived at after charging:

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Auditors' remuneration – audit services	62	40
Amortisation of intangible assets (note 11)	109	52
Depreciation of owned property, plant and equipment (note 12)	88	40
Other operating lease rentals	-	166
Depreciation of right of use assets (note 13)	137	-
Foreign exchange losses	26	8
Defined contribution pension costs	90	56
Inventory provision	27	4
Inventory write-off	41	6

Amortisation of the Company's intangible assets is recognised within Administrative expenses.
Impairment of the Company's inventory is recognised within Administrative expenses.
Within Cost of Sales, US\$4,507k inventories was expensed during the period (2020: US\$1,718k),

6. Directors' remuneration

	15 months ended 31 March 2022 US\$	Year ended 31 December 2020 US\$
Aggregate remuneration in respect of qualifying services	319,199	204,120
Aggregate contribution to defined contribution schemes	9,275	5,975
	<u>328,474</u>	<u>210,095</u>

Retirement benefits are accruing to the following number of directors under:

	15 months ended 31 March 2022 No.	Year ended 31 December 2020 No.
Defined contribution schemes	<u>2</u>	<u>2</u>

The aggregate of remuneration for the highest paid director was US\$167,030 (2020 - US\$94,466).

Pension contributions to the money purchase scheme of the highest paid director was US\$5,430 (2020 - US\$2,558).

One director (2020 - none) was paid no remuneration in their capacity as director of the Company.

Other directors also provide services to other group undertakings and received remuneration from a fellow group undertaking, in respect of services to the group. It is not possible to identify the proportion of the remuneration that relates to this Company.

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

6. Directors' remuneration (continued)

The directors' emoluments related to one of the directors was paid by discoverIE Management Services Ltd and was included in the management recharge to the Company in the amount of US\$56,125

7. Staff costs

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Wages and salaries	2,768	1,676
Social security costs	243	121
Other pension costs	90	56
	<u>3,101</u>	<u>1,853</u>

The average monthly number of employees employed by the Company during the period (including the directors), analysed by category was as follows:

	15 months ended 31 March 2022 No.	Year ended 31 December 2020 No.
Sales and marketing	9	7
Distribution	2	1
Production/QA	4	4
Administration	15	12
Directors	3	3
	<u>33</u>	<u>27</u>

8. Interest expense/income

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Interest received	13	-
Interest paid on lease obligations	<u>(4)</u>	<u>-</u>

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

9. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Current tax:		
UK corporation tax on profit for the period	5	-
Overseas tax	356	100
Adjustments in respect of prior periods	-	(14)
Total current tax	361	86
Deferred:		
Origination and reversal of timing differences	247	(74)
Adjustments in respect of prior periods	1	(6)
Total deferred tax	248	(80)
Tax on profit (note 9(b))	609	6

(b) Factors affecting the tax charge for the period/year

The tax assessed for the 15 months period ended 31 March 2022 is lower (year ended 31 December 2020: lower) than the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%). The differences are explained below:

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Profit before taxation	4,439	1,258
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	843	239
Effects of:		
Adjustments to current tax in respect of prior periods	-	(14)
Adjustments to deferred tax in respect of prior periods	1	(6)
Impact of tax rate changes	25	(55)
Non-taxable income	(548)	1
Movement in deferred taxation not recognised	-	(248)
Foreign taxes payable	356	100
Relief for foreign taxes expensed	(68)	(11)
Total tax charge for the period (note 9(a))	609	6

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

9. Tax on profit (continued)

(c) Deferred tax

Deferred tax assets are recognised only to the extent the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is recognised at 19% and 25% (2020 – 19%). The deferred tax assets/(liabilities) comprise the following:

	Decelerated capital allowances US\$'000	Other timing differences US\$'000	Losses US\$'000	Total US\$'000
At 1 January 2020	-	-	220	220
(Debit)/credit to the profit and loss account (note 9(a))	(50)	11	119	80
At 31 December 2020	(50)	11	339	300
Credit/(debit) to the profit and loss account (note 9(a))	(69)	5	(184)	(248)
At 31 March 2022	(119)	16	155	52

(d) Factors affecting future tax charges

An increase in the UK corporation tax rate to 25% had been substantively enacted at 31 March 2022, with effect from 1 April 2023. On 23 September 2022, it was announced that the corporation tax rate increase was to be cancelled, with the rate to remain at 19%. A rate of 25% has been applied in the measurement of deferred tax assets and liabilities at 31 March 2022, based on an estimate of when the UK deferred tax is expected to crystallise. The cancellation of the rate increase will take effect when substantively enacted.

10. Dividends

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Ordinary		
2022 interim dividend \$0.0219 per share (2020 final dividend - \$0.0066 per share)	1,586	476
Preference		
2022 interim dividend \$0.0219 per share (2020 final dividend- \$0.0066 per share)	914	274
	2,500	750

100% of 2022 dividends paid to discoverIE Holdings Limited.

Included in the prior year dividends are fully paid amounts to the following parties: Azini Capital Partners LLP (2020 - \$312,877), King's Arm Yard VCT (2020 - \$214,917), Herald GP II Limited for & on behalf of Herald Ventures II LP (2020 - \$66,828), HIML Holdings Limited (2020 - \$57,955), Aidan Paul (2020 - \$31,250) and Other (2020 - \$66,173).

Antenova Limited

Notes to the financial statements (continued) for the 15 months period ended 31 March 2022

11. Intangible assets

	Computer Software US\$'000
Cost	
At 1 January 2021	285
Additions	166
	<hr/>
At 31 March 2022	451
	<hr/>
Accumulated Amortisation	
At 1 January 2021	121
Charge for the period	109
	<hr/>
At 31 March 2022	230
	<hr/>
Net book value	
At 31 March 2022	221
	<hr/> <hr/>
At 31 December 2020	164
	<hr/> <hr/>

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

12. Property, plant and equipment

	Tooling US\$'000	Office equipment and fixtures and fittings US\$'000	Engineering & production tools and equipment US\$'000	Total US\$'000
Cost				
At 1 January 2021	7	130	309	446
Additions	-	15	240	255
Disposals	-	(2)	(7)	(9)
At 31 March 2022	7	143	542	692
Accumulated depreciation				
At 1 January 2021	7	106	229	342
Charge for the period	-	21	68	89
Disposals	-	(2)	(7)	(9)
At 31 March 2022	7	125	290	422
Net book value				
At 31 March 2022	-	18	252	270
At 31 December 2020	-	24	80	104

For the period ended 31 March 2022, assets arising from leases where the Company is a lessee have been accounted for under IFRS 16 and shown under right of use assets. See note 13.

13. Leases

13.1 Leasing arrangements

The Company leases manufacturing, warehousing and office facilities. The lease terms varies between one to five years. Lease contracts generally include extension and termination options and variable lease payments.

For the period ended 31 March 2022, the Company adopted IFRS and started preparing its financial statements under FRS 101, as described in note 2. The Company recognised \$404k as a right of use asset and lease liability on its balance sheet at the date of transition.

13.2 Carrying value of right of use assets

Set out below are the carrying amounts of right of use assets recognised and movements during the period:

	Land and Buildings US\$'000
At December 2020	-
Effect of transition to FRS101	404
At 1 January 2021	404
Addition	98
Depreciation charge	(137)
At 31 March 2022	365

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

13. Leases (continued)

13.3 Carrying value of lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Land and Buildings US\$'000
At December 2020	-
Effect of transition to FRS101	(404)
At 1 January 2021	(404)
Interest for the period	(4)
Lease payments	94
At 31 March 2022	(314)

	31 March 2022 US\$'000	31 December 2020 US\$'000
Current liabilities	(117)	-
Non-current liabilities	(197)	-
	(314)	-

13.4 Amounts recognised in the profit and loss account

	15 months ended 31 March 2022 US\$'000	Year ended 31 December 2020 US\$'000
Depreciation of right of use assets	(137)	-
Interest expense (included in finance cost – see note 8)	(4)	-
	(141)	-

During the 15 month period ended 31 March 2022, \$28k related to short term leases was recognised within Admin expenses in the Profit and Loss.

13.5 Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts.

Variable lease payments based upon an index or rate are accounted for once rental amounts are changed.

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

14. Stocks

	31 March 2022 US\$'000	31 December 2020 US\$'000
Raw materials and consumables	465	209
Finished goods	637	263
	<u>1,102</u>	<u>472</u>

The replacement cost of stock is not materially different from historic cost. Included within stock is a provision of US\$36,000 (2020 - US\$8,600).

Total Stock includes inventory held at third parties amounting to \$433k (2020: \$215k) of which \$428k (2020: \$187k) is Raw materials and consumables.

15. Debtors

	31 March 2022 US\$'000	31 December 2020 US\$'000
Due within one year		
Trade debtors	1,082	791
Other debtors	2	14
Prepayments and accrued income	98	81
	<u>1,182</u>	<u>886</u>

The Company's trade and other receivables are regularly reviewed for indicators of impairment. Specific provision for impairment may be required where a specific increase in credit risk is identified, or a credit event has occurred. Provisions for general credit risk exposure is measured with reference to the age of a receivable as debts which are overdue present a specific impairment risk indicator regarding recoverability.

In total, the Company has recognised impairment provisions of \$6,220 (2021: \$2,500), against trade receivables.

16. Creditors: amounts falling due within one year

	31 March 2022 US\$'000	31 December 2020 US\$'000
Trade creditors	311	221
Corporation tax	60	9
Other taxes and social security cost	54	27
Lease liabilities (note 13)	117	-
Other creditors	502	206
Accruals and deferred income	304	408
	<u>1,348</u>	<u>871</u>

Antenova Limited

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

17. Creditors: amounts falling due after more than one year

	31 March 2022 US\$'000	31 December 2020 US\$'000
Lease liabilities (see note 13)	197	-

18. Provision for liabilities

	31 March 2022 US\$'000	31 December 2020 US\$'000
Dilapidations provision	98	-
Other provision	-	4
	<u>98</u>	<u>4</u>

Dilapidations provision

The provision for dilapidation costs is an estimate for the restatement of the premises held under lease and has been included in the right of use asset. The value of the provision is reviewed at each year end to ensure it is still reasonable. The remaining lease term is between 1 and 3 years.

19. Called up share capital

	31 March 2022 No.	31 March 2022 US\$'000	31 December 2020 No.	31 December 2020 US\$'000
Authorised:				
Ordinary shares of £0.001 each	98,359,980	128	98,359,980	128
Preference shares of £0.001 each	45,000,000	59	45,000,000	59
Ordinary 'B' shares of £0.001 each	1000	-	1000	-
	<u>143,360,980</u>	<u>187</u>	<u>143,360,980</u>	<u>187</u>
Allotted, called up and fully paid:				
Ordinary shares of £0.001 each	72,276,689	94	72,276,689	94
Preference shares of £0.001 each	41,650,989	54	41,650,989	54
Ordinary 'B' shares of £0.001 each	850	-	-	-
	<u>113,928,528</u>	<u>148</u>	<u>113,927,678</u>	<u>148</u>

Class rights

The Ordinary (not Ordinary 'B') and Preference classes of share capital carry equal voting rights unless any of the following occurs and has not been remedied within 30 days of the event occurring:

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

19. Called up share capital (continued)

- the failure by the Company to pay any dividend when declared and properly due, or to make payment in respect, of the redemption or purchase by the Company of shares when due and where the Company has distributable reserves to enable it to make such a payment; or
- the Company becoming insolvent, entering into any arrangement with its creditors or being in default of a statutory demand validly served for the payment of a debt; or
- if any warranties made by the Company in writing in favour of the investors are found by a court of competent jurisdiction or by written admission have been at the date given in-own by the Company to be false or misleading in any material respect.

If any of these events takes place each preferred share will carry ten votes.

The preferred shares are also convertible into a like number of ordinary shares immediately prior to and conditional upon a listing.

These two classes of share capital carry equal rights to dividends.

On the sale of the Company, the preferred shares have preferential rights over the consideration received. On a winding-up of the Company, the preferred shares would have preferential rights over any surplus.

The Ordinary 'B' shares have no voting or dividend rights.

20. Reserves

The following describes the nature and purpose of each reserve within equity:

Called up share capital	Nominal value of shares issued.
Profit and loss account	Cumulative profits or losses, net of dividends paid and other adjustments.

Notes to the financial statements (continued)

for the 15 months period ended 31 March 2022

21. Retirement benefit

Defined contribution schemes

The Company makes contributions to the personal plans of its employees in the UK and directly to its employee in Canada. The assets of the plans are held separately from the Company in independently administered funds. The pension cost charge represents contributions payable by the Company and amounted to \$90k (2020 - \$56k). There were \$17k (2020 \$12k) contributions payable at the balance sheet date. In Taiwan and China, the Company makes the statutory social security payments legally required, of which part relates to pension.

22. Related Party transactions

All related party transactions and balances are with the group companies wholly owned by the ultimate parent company as such needs not be disclosed under IAS 24 exemption availed, except for those disclosed below:

Chairman fees amounting to \$35.8k (2020 - \$51.4k) paid to Azini Capital LLP (a related entity to which a director is a member of).

23. Guarantees and financial commitments

The Company is a guarantor to the Group's Revolving Credit Facility which is provided by a syndicate of banks.

24. Ultimate parent company and controlling party

The ultimate parent undertaking and controlling party is discoverIE Group plc, a company incorporated in England and Wales. The immediate parent is discoverIE Holdings Limited, a company also incorporated in England and Wales.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is discoverIE Group plc. Copies of the group financial statements of discoverIE Group plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.

25. Events after the Reporting Period

There were no matters arising, between the balance sheet date and the date on which these financial statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10, Events after the Reporting Period.

Revolving Credit Facility

On 3 May 2022, the Group increased its syndicated banking facility from £180m to £240m and extended the remaining term of the facility by two years out to four years ending in June 2026, with an option exercisable by the Group to extend the facility by a further year to June 2027. In addition, the Group has an £80m accordion facility which it can use to extend the total facility up to £320m.