
EAGLE GENOMICS LIMITED

Unaudited Report and Financial Statements

Year ended 31 March 2022

Company Number: 06587071



EAGLE GENOMICS LIMITED

COMPANY INFORMATION

DIRECTORS	Anthony Finbow Clifford Meltzer Robert Genieser Delphine Gény-Stephann Miklós Kóbor
COMPANY SECRETARY	Gavin Horn
REGISTERED NUMBER	06587071
REGISTERED OFFICE	The Biodata Innovation Centre Wellcome Genome Campus Hinxton Cambridge CB10 1DR
INDEPENDENT ACCOUNTANTS	BDO LLP Newton House Cambridge Business Park Cambridge CB4 0WZ
BANKERS	HSBC UK Bank Plc 63-64 St Andrews Street Cambridge CB2 3BZ

Eagle Genomics Limited is a private company limited by shares and incorporated in England and Wales.

EAGLE GENOMICS LIMITED

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EAGLE GENOMICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report together with the unaudited financial statements for the year ended 31 March 2022.

Principal activity

The principal activity of the Company is the provision of an Enterprise Cloud software platform, the e[datascientist], together with associated services allowing global enterprises, primarily in the life sciences, health and fast-moving consumer good sectors, to fully exploit large scale, complex life sciences data. The Company's solutions enable its customers to bring new products and services to market, improve their business processes, accelerate product innovation and productivity and, therefore, enhance commercial performance.

Directors

The directors of the company during the year and since the year end were:

Anthony Finbow
Simon Thorpe (resigned 10 September 2022)
Clifford Meltzer
Robert Genieser
Delphine Gény-Stephann
Miklós Kóbor
Alistair Watson (appointed 28 October 2022)

Going concern

The directors have prepared these financial statements on a going concern basis, which assumes that the Company will be successful in raising further capital from investors or securing revenue growth in the next 12 months. While the directors believe, based on discussions with investors that they will be successful in raising the additional capital as part of a final close to the current £20m funding round, these discussions are ongoing. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

Post balance sheet events

Between May 2022 and September 2022, the Company raised £4.0m through the issuance of Convertible Loan Notes.

In October 2022, the company raised a further £10m through the issuance of Series C shares. At this time, the £7.8m of outstanding Convertible Loan Notes were converted into shares.

In December 2022, the company raised a further £2m through the issuance of Series C shares.

EAGLE GENOMICS LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period.

Directors' responsibilities statement (continued)

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For the year ending 31st March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and signed on its behalf by:



Anthony Finbow

Director

Date: 27 February 2023

EAGLE GENOMICS LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover		2,452,510	1,371,968
Cost of sales		(254,174)	(221,808)
Gross profit		2,198,336	1,150,160
Administrative expenses		(7,147,451)	(3,823,921)
Other income			216,181
Operating loss	4	(4,949,115)	(2,457,580)
Interest receivable		-	-
Interest payable and similar expenses		(88,838)	(49,303)
Loss before taxation		(5,037,953)	(2,506,883)
Taxation credit on loss	5	-	-
Loss and total comprehensive income for the financial year		(5,037,953)	(2,506,883)

The results stated above are derived from continuing activities.

The notes on pages 8 to 19 form part of these financial statements.

EAGLE GENOMICS LIMITED**BALANCE SHEET AT 31 MARCH 2022**

Company Number: 06587071	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	6		18,547		33,965
Tangible assets	7		135,234		66,396
Investment in subsidiaries			10,976		10,976
			<u>164,757</u>		<u>111,337</u>
Current assets					
Debtors	8	3,572,301		2,186,981	
Cash at bank		576,698		2,040,610	
			<u>4,148,999</u>	<u>4,227,591</u>	
Creditors: Amounts falling due within one year	9	(6,650,884)		(1,607,278)	
			<u>(2,501,885)</u>		<u>2,620,313</u>
Net current assets					
			<u>(2,337,128)</u>		<u>2,731,650</u>
Total assets less current liabilities					
			<u>(2,337,128)</u>		<u>2,731,650</u>
Capital and reserves					
Called up share capital	11		1,681		1,681
Share based payment reserve			22,874		22,874
Share premium			12,493,241		12,524,066
Profit and loss account			(14,854,924)		(9,816,971)
			<u>(2,377,128)</u>		<u>2,731,650</u>
Shareholders' funds					
			<u>(2,377,128)</u>		<u>2,731,650</u>

For the year ending 31st March 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27 February 2023. They were signed on its behalf by:



Anthony Finbow
Director

The notes on pages 8 to 19 form part of these financial statements.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS102 Section 1A Small Entities.

Basis of measurement

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied

Going concern

At 31 March 2022, the company had net assets of £(2,377,128) (2021: £2,731,650) and cash of £576,698. Between May 2022 and September 2022, the Company raised a further £4.0m through the issuance of Convertible Loan Notes. In October 2022, the company raised a further £10m through the issuance of Series C shares. At this time, the £7.8m of outstanding Convertible Loan Notes were converted into shares. In December 2022, the company raised a further £2m through the issuance of Series C share.

The directors have prepared these financial statements on a going concern basis, which assumes that the Company will be successful in raising further capital from investors or securing revenue growth in the next 12 months. While the directors believe, based on discussions with investors that they will be successful in raising the additional capital as part of a final close to the current £20m funding round, these discussions are ongoing. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

Turnover

Turnover comprises the value of sales (excluding VAT) of goods and services in the normal course of business. All revenue is measured at fair value of consideration. The Company has different sources of revenue and the policy on revenue recognition of each is detailed below.

Software is sold under a subscription model and revenues cover the contractual period of use. They are recognised over the period to which the subscription fee relates.

EAGLE GENOMICS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

1. ACCOUNTING POLICIES (continued)

Turnover relating to the provision of service contracts and custom development is recognised using a percentage of completion method.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the income statement in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases as shown below.

Website development costs	50% straight line
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Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases as shown below. Assets held under finance leases and hire purchase agreements are depreciated over the term of the lease.

Fixtures & Fittings	33% straight line
Computer equipment	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' on the statement of comprehensive income.

Leased assets

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

EAGLE GENOMICS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

1. ACCOUNTING POLICIES (continued)

Current and deferred taxation

The charge for taxation is based on the profit or loss for the period and takes into account deferred taxation. Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not discounted.

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.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the income statement.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Grants

Grants are credited to the income statement as the related expenditure is incurred. The deferred element of grants is included in creditors as deferred income.

Holiday pay accrual

A liability is recognised to the extent that any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less subject to insignificant risk of changes in value.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

1. ACCOUNTING POLICIES (continued)*Financial Assets*

Financial assets are recognised at the transaction price and carried at amortised cost. If collection is expected in one year or less, they are classified as current assets, if not, they are presented as non-current assets. Provision against trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Financial Liabilities

Financial liabilities are recognised at the transaction price and carried at amortised cost. They are classed as current liabilities if the payment is due within one year or less. If not, they are presented as non-current liabilities.

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In preparing these financial statements, the directors have had to make the following judgements:

Revenue – Management judgement has been applied in determining the allocation and timing of the recognition of revenue on contracts. Contracts can include both the sale of software subscriptions and the provision of services including integration and development. The Directors consider recognition of their separable components of revenue is appropriate based on the analysis of individual contracts, as this indicates the substance of the transaction as viewed by the customer.

Deferred tax asset - No deferred tax asset has been recognised on the loss as it is uncertain when the asset will be recovered.

3. EMPLOYEES

	2022	2021
	Number	Number
The average number of employees, including directors, during the year were:		
Average number of employees	35	30
Employees at the end of the year	41	29

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

4. OPERATING LOSS

	2022	2021
	£	£
Operating loss is stated after charging:		
Depreciation of tangible fixed assets:		
- Owned by the company	48,635	16,137
Share based payment charge	-	-
Pension costs	89,180	61,154

During the year, 36% of turnover (2021 – 17%) was attributable to markets outside the UK.

5. TAX ON LOSS FROM ORDINARY ACTIVITIES

	2022	2021
	£	£
Analysis of tax credit in the year		
Current tax		
UK corporation tax credit on loss for the year	-	-
Adjustment to prior years	-	-

Tax on loss on ordinary activities	-	-
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The company has tax losses and other timing difference of approximately £13,364,125 (2021: £8,339,333) available to set against future profit. No deferred tax asset has been recognised on these losses as it is uncertain when the asset will be recovered.

EAGLE GENOMICS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

6. INTANGIBLE FIXED ASSETS

	Website £
Cost	
At 1 April 2021	47,152
Additions in Year	7,204
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At 31 March 2022	54,356
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Amortisation	
At 1 April 2021	13,187
Amortisation in Year	22,622
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At 31 March 2022	35,809
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Net book value	
At 31 March 2022	18,547
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At 31 March 2021	33,965
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EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

7. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2021	13,364	100,438	113,802
Additions	1,416	116,277	117,693
Disposals		(7,097)	(7,097)
At 31 March 2022	14,780	209,618	224,398
Depreciation			
At 1 April 2021	12,342	35,064	47,406
Charge for the year	929	47,706	48,635
On disposals		(6,877)	(6,877)
At 31 March 2022	13,271	75,893	89,164
Net book value			
At 31 March 2022	1,509	133,765	135,234
At 31 March 2021	1,022	65,374	66,396

EAGLE GENOMICS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

8. DEBTORS

	2022	2021
	£	£
Trade receivables	496,800	1,146,822
Other debtors	335,965	99,124
Owed by group companies	2,618,407	808,935
Prepayments and accrued income	121,129	132,100
	3,572,301	2,186,981

9. CREDITORS

	2022	2021
	£	£
Trade payables	932,062	267,603
Taxation and social security	534,495	116,635
Other creditors	26,216	21,681
Accruals and deferred income	1,237,355	1,201,359
Loans	3,920,756	-
	6,650,884	1,607,278

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

10. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2022, the company had total future minimum commitments under non-cancellable operating leases as set out below.

	2022	2021
	£	£
Expiry date:		
Within one year	131,927	79,766
Between 2 and 5 years	12,607	90,556
Total	144,534	170,322

11. SHARE CAPITAL

	2022	2021
	£	£
Allotted, called up and fully paid		
58,495 (2021: 58,495) Ordinary shares of £0.01 each	585	585
40,441 (2021: 40,441) Series A shares of £0.01 each	404	404
69,154 (2021: 69,154) Series B shares of £0.01 each	692	692
Total	1,681	1,681

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

12 SHARE OPTIONS

The company offers its employees an equity-settled share-based remuneration scheme as part of a long term incentive plan to retain and reward key staff.

Option scheme:

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise Price (pence) 2021	Number 2021
Outstanding at the beginning of the year	2,375	19,410	2,377	20,806
Granted during the year	-	-	-	-
Lapsed during the year	(108)	(105)	(467)	(1,396)
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,377	19,305	2,375	19,410

The exercise price of options outstanding at the end of the year were between 1,250p and 2,654p (2021 – between 1,250p and 2,654p) and their weighted average remaining contractual life was 3.94 years (2021 – 5.65 years). None of the total number of options outstanding at the end of the year had vested. The following information is relevant in the determination of the fair value of options granted during the current and previous years under the equity-settled share-based remuneration schemes operated by Eagle Genomics Limited.

	2022	2021
Equity-settled		
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	10,158p	10,158p
Exercise price (pence)	2,654p	2,654p
Weighted average contractual life (years)	3.94	5.65
Expected volatility	50%	50%
Expected dividend growth rate	-	-
Risk-free interest rate	1.60%	1.60%

12 SHARE OPTIONS (CONTINUED)

The share-based remuneration expense comprises:

	2022	2021
	£	£
Equity-settled schemes	<u> </u>	<u> </u>

The company did not enter into any share-based payment transactions with parties other than employees during the current period.

13. RELATED PARTY TRANSACTIONS

During the year, the company traded with the following related parties:

Eagle Genomics Inc, a 100% owned subsidiary of Eagle Genomics Ltd invoiced the Company £882,383 for professional services (2021: £376,426) and £1,283,923 (2021: £401,540) was outstanding at the year end.

Eagle Genomics India Pty Ltd, a 100% owned subsidiary of Eagle Genomics Ltd invoiced the Company £730,000 for professional services (2021: £310,500) and £1,091,306 (2021: £361,306) was outstanding at the year end.

Eagle Genomics GmbH, a 100% owned subsidiary of Eagle Genomics Ltd invoiced the Company £254,155 for professional services (2021: nil) and £254,155 (2021: nil) was outstanding at the year end.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the directors of the company.

EAGLE GENOMICS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

15. POST BALANCE SHEET EVENTS

Between May 2022 and September 2022, the Company raised a further £4.0m through the issuance of Convertible Loan Notes.

In October 2022, the company raised a further £10m through the issuance of Series C shares. At this time, the £7.8m of Convertible Loan Notes described above were converted into shares.

In December 2022, the company raised a further £2m through the issuance of Series C shares.