Annual Report

For the Financial Year ended
31st December 2020

Ovoca Bio

Annual report content

1.

About Ovoca Bio

Ovoca Bio is a clinical-stage biopharmaceutical company focused on women's health. In 2018 the Company acquired control of IVIX LLC, a biotechnology company developing BP-101, a novel medicinal treatment for premenopausal women with hypoactive sexual desire disorder (HSDD). Since the initial acquisition, Ovoca Bio has supported the continued clinical development and commercial planning of BP-101, which has been submitted for marketing authorisation in Russia and recently commenced a Phase II study in a western population with HSDD. In March 2020, BP-101 became a fully owned program of Ovoca Bio.

- European-based biopharmaceutical company with a focus on women's health
- Currently developing BP-101, a novel synthetic peptide for treatment of women with HSDD which affects more than 4 million US women
- BP-101 is clinically validated, with Phase II and Phase III studies conducted in Russia
- Filed BP-101 for marketing approval in Russia and pursuing development for major global markets
- Experienced management team and top technical advisors in place to deliver on corporate goals
- Alternative Investment Market and Euronext Growth Market-quoted

2. Chairman & Chief Executive Officer (CEO)'s Statement

Dear Shareholders and Colleagues,

My report this year takes account of my combined role as CEO and Interim Chairman following the unexpected passing last Autumn of former Executive Chairman, colleague and friend, Dr. Mikhail Mogutov. Indeed, 2020 was a year marked by sadness and great uncertainty due to the impact of the global COVID-19 pandemic, but despite this, Ovoca Bio Plc ("the Company", "the Group") has maintained its focus on developing novel treatments in areas of unmet medical need in the women's health sector, making steady progress in the development of BP-101, a novel treatment for women with hypoactive sexual desire disorder (HSDD).

HSDD is one of the most common female sexual problems and is estimated to affect about one in ten premenopausal women. Treatments are few and far between, so if approved, BP-101 can be expected to be a welcome addition to the treatment options available to an estimated 4 million premenopausal women in the US seeking medical treatment for the condition, as well as similarly affected population in Europe and other regions around the world.

In the market where BP-101's development for the treatment of HSDD is most advanced, Russia, our Marketing Authorization application is under review by the Russian Ministry of Health and we can expect a decision by the end of this calendar year. This filing specifically addressed issues raised by the Ministry, which we believe are now remedied and pave the way towards approval to commercialize the product in the Russian Federation. To this end, the Company will partner with an established pharmaceutical company in Russia best able to commercialize BP-101 as quickly as possible after approval. Discussions are progressing with a leading local candidate that can both manufacture and distribute BP-101.

With respect to development in the rest of the world, in January 2021 we announced the first patient had been enrolled in our clinical study to help validate BP-101 internationally. The Phase II dose ranging study is now recruiting patients in Australia and New Zealand and has been designed to investigate BP-101 administered daily at a range of doses, evaluating the effect of the drug on lack or loss of sexual desire. This double-blind placebo-controlled study is our largest yet with a goal to enrol 476 patients across 13 sites. The successful organization, approval and start-up of the study was a considerable achievement against a highly uncertain backdrop due to COVID-19, and this is entirely due to the hard work and commitment of our colleagues and partners in those countries and the UK and Russia, representing a true international effort. Upon launch of the trial we were pleased to see widespread media coverage reporting on BP-101 and the clinical study across multiple news outlets in Australia, including national TV. This highlighted the high level of interest in female sexual dysfunction, the imbalance in treatment options between men and women and BP-101 as a potential remedy.

At the moment, development of with BP-101 is focused entirely on HSDD. However, a review of clinical data from the Phase II and Phase III trials conducted in Russia shows the drug's potential application in the treatment of Female Orgasmic Disorder. Orgasmic absence or difficulty, with or without distress, is a common occurrence. Nationally representative studies indicate that orgasmic difficulty affects 16-28% of women in the United States, Europe, Central and South America, and Mainland China. To help realize BP-101's full potential, the Company is exploring the best way to investigate BP-101's beneficial activity in this area of high unmet need, second only to sexual desire disorders in being the most frequently reported women's sexual dysfunction.

The Board remains mindful of the economically unsettled times that have been brought on by the COVID-19 pandemic, and its existing commitments such as to the ongoing Phase II dose ranging studies. We continue to closely monitor patient recruitment in Australia and New Zealand to ensure we have an accurate assessment of how long until clinical study completion, our next major development milestone. Therefore, we are being cautious in how we deploy current resources, and to ensure we have adequate means to support the current stage of development of BP-101. We are pleased to report that Ovoca Bio plc has maintained a strong capital base since we last reported. Expansion into new opportunities in women's health will only be pursued provided enough incremental capital is available after satisfying the Group's current plans and needs.

We remain optimistic about future trading prospects and operating conditions, tempered only by the delays and uncertainty occasioned by the continuing pandemic. There is, however, no expectation that COVID-19 will prevent us from our achieving our goal of relieving the suffering caused by female sexual dysfunction and, ultimately, our vision to become a leader in the research and development of, and commercial partner of choice for, novel medicines in areas of high unmet need that affect women.

Finally, I would once again like to thank our employees and partners for their invaluable contributions to the steady progress of the Group over the course of a disrupted 2020 due to COVID-19. We are all looking forward to greater personal interactions once global conditions allow, and to more usual business conditions. In the meantime, we wish all our stakeholders good health while we continue to work toward developing shareholder value.

Best regards,
Kirill Golovanov, Interim Chairman & CEO

3.

Company Information & Overview

Introduction

Ovoca Bio Plc is a European-based biopharmaceutical company with a focus on women's health. The Company is currently developing a novel treatment for women with hypoactive sexual desire disorder (HSDD), a condition characterized by a distressing lack or loss of sexual desire affecting an estimated 4 million premenopausal women in the US alone.

The Company's lead product, BP-101, a novel synthetic peptide administered through a nasal spray, is clinically validated, with Phase II and Phase III studies conducted in Russia demonstrating statistically significant improvement in a number of key efficacy outcomes, including an increase in female sexual desire and reduction of symptoms of distress associated with HSDD.

Ovoca Bio has filed for approval for the marketing of BP-101 in Russia and is seeking to develop the drug for major global markets and a Phase II dose ranging study is currently underway in Australia and New Zealand in anticipation of a broader clinical programme to be undertaken for approval and entry into lucrative Western Markets.

Performance highlights

In its second full year as a biotechnology company, Ovoca Bio focused on achieving strong results in the following areas:

- First patient enrolment in the Phase II dose ranging study assessing BP-101 being conducted in Australia and New Zealand
- Marketing Authorisation ("MA") application for BP-101 updated and refiled with the Russian Ministry of Health (the "Minzdrav")
- Strengthening the Board with the appointment of Christopher Wiltshire as Chief Business Officer and Executive Director of the Board
- Maintenance of a strong financial position

Operational highlights

In March 2020, Ovoca Bio, through a Group company, acquired the remaining shareholding in IVIX for a total cash consideration of approximately €'000 4,091 / US$'000 4,416. The acquisition of the remaining stake was a significant milestone in Ovoca Bio's development as a biopharmaceutical company focused on women's health. With full control, Ovoca Bio has been able to accelerate the development and commercialization of BP-101, pursuing marketing authorisation and potential partnering opportunities in Russia, as well as establishing a clinical programme to meet the needs of patients and regulators in western markets.

In October 2020, Ovoca was informed that the Minzdrav had not granted a Marketing Authorisation to BP-101, the request for which was filed in September 2019, following the identification of certain issues relating to the chemistry, manufacturing and controls (CMC) and labelling sections of the MA submission dossier. No issues were highlighted by the Minzdrav regarding the safety or efficacy of BP-101 in the acquired generalized form of HSDD, which has been established by clinical data from two Phase I studies, a Phase IIa study and the pivotal Phase III study completed in 2019, all as conducted in the Russian Federation.

As a result of the Minzdrav decision, Ovoca undertook an internal review of the comments received from the Minzdrav, in order to understand the changes required to the label to make approvable and the required scope of work to CMC-related processes. In January 2021, the Company announced that a new Marketing Authorisation application for BP-101 was refiled with Minzdrav by its subsidiary, IVIX LLC. Ovoca is satisfied that the concerns raised by the Minzdrav in the original submission have now been fully addressed and anticipates a decision by the end of 2021. Should the MA application be successful Ovoca intends to partner with an established pharmaceutical company in Russia best able to commercialize BP-101 as quickly as possible after approval. Discussions are progressing with a leading local candidate that can both manufacture and distribute BP-101.

In January 2021, the Company announced the enrollment of the first patient in a Phase II dose ranging study assessing BP-101, a novel treatment for premenopausal women with hypoactive sexual desire disorder (HSDD), a condition characterized by a distressing lack or loss of sexual desire. This study is being conducted in Australia and New Zealand and will investigate BP-101 administered daily at a range of doses, evaluating the effect of the drug on lack or loss of sexual desire experienced by participating patients.

This double-blind placebo-controlled study is currently expected to enroll 476 patients across 13 sites over the course of 2021. The co-primary objectives of the study will be to evaluate the effect of three different doses of BP-101 and placebo, on (1) sexual desire, as measured by the Female Sexual Function Index (FSFI) desire domain; and, (2) the degree to which a participant is bothered by low sexual desire, as measured by the Female Sexual Distress Scale (FSDS-DAO). The change in those clinically relevant and validated endpoints will be assessed between a four week baseline period and after four weeks of daily dosing, and then again after a further eight weeks of follow-up. All study participants will be female and have a diagnosis of acquired, generalised HSDD. The drug supplied for this study has been outsourced to well-established peptide manufacturers in Switzerland and the UK.

The Company continued to manage its resources carefully throughout 2020 and management has remained vigilant to the potential impact of COVID-19, although to date the Company has avoided significant impact on operations as a result of the pandemic. Expenditure has increased during the year, principally due to costs associated with the ongoing Phase II study being conducted in Australia and New Zealand. Total comprehensive (loss)/income for the full year in 2020 was (€'000 1,105) / US$'000 342 (2019: €'000 3,081 / US$'000 2,992), which resulted in a final position of cash and liquid investments at fair value of €'000 13,074 /US$'000 16,058 (2019: €'000 17,564 / US$'000 19,670) as at 31 December 2020.

A number of changes to the Company's senior management and board were effected throughout the course of the year. In October 2020, the Company announced the appointment of Christopher Wiltshire as Chief Business Officer and Executive Director of the Board, effective immediately. Mr. Wiltshire had previously served as Non-Executive Director of the Board of Ovoca Bio.

In September 2020, Ovoca Bio announced with deep regret that Dr. Mikhail Mogutov, Executive Chairman of the Board since 2008, passed away suddenly. Kirill Golovanov, Chief Executive, subsequently assumed the role of Interim Chairman of the Board.

Our product BP-101

Ovoca Bio's first product, BP-101, is an investigational drug comprising a novel synthetic peptide, that is being developed for the treatment of one of the major forms of female sexual dysfunction – hypoactive sexual desire disorder ("HSDD"), for which there is a high unmet medical need with a lack of safe and effective treatment options. HSDD is a distressing condition of lack or loss of sexual desire in women, which affects a significant number of adult females in the US and Europe.

Data from a Russian pivotal Phase III trial of BP-101, which was announced in March 2019, showed that the drug demonstrated a strong efficacy profile in patients with HSDD. Patients reported a significant increase in the number of satisfying sexual events when compared to a placebo-controlled group, as well as a significant improvement in sexual desire and reduction of distress associated with low sexual desire. A Phase II dose ranging study currently being conducted in Australia and New Zealand study will provide data in a Western population fully compliant with the standards of the International Conference on Harmonisation that, if successful in validating the results of the Russian studies and with completion of concurrent preclinical studies, will ultimately support a clinical programme in the US and EU.

Female sexual dysfunction ("FSD") is estimated to affect a significant proportion of the female population in the US and the EU. Examples of FSD include hypoactive sexual desire disorder and female sexual arousal disorder ("FSAD"). In a research paper published by Shifren J.L. et al , nearly 10% of premenopausal women in a large US survey reported distressing low desire for sexual activity. According to the Women's International Study of Health and Sexuality, the prevalence of HSDD ranged from 6–13%. in Europe, and the proportion of women with low desire associated with distress was significantly higher in younger women in comparison with older women.

Intellectual property

Obtained patents:

Russia:
- Patent No. 2507212, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No. 2626002, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction";
- Patent No. 2655763, priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions";
- Patent No. 2404793, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

USA:
- Patent No. US9409947B2, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No. 10836794, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction";
- Patent No. 883741, priority year 2009 "Stimulator of Genital, Sexual and Reproductive Function".

Israel:
- Patent No. 234753, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide".

Japan:
- Patent No. 6552960, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";

- Patent No. 5643816, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

European Union:
- Patent No. 2876113, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No. EP2465521B1, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

South Korea:
- Patent No. 10-2093096, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide".

India:
- Patent No. 349465, priority year 2013, "Method for Producing a Recombinant Peptide and Resultant Peptide".

China:
- Patent No. 102481335B, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

Brazil:
- Patent No. BRPI1011071B1, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

Canada:
- Patent No. 2764351, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

Applications of PCT titled Method for Producing a Recombinant Peptide and Resultant Peptide, PCT/RU2013/000433 prosecuted in the following countries:

Country	Filed	Serial No.
China	05.28.2013	No. 201380028491.4
Canada	05.28.2013	No. 2,868,820
Brazil	05.28.2013	No. BR 11 2014 023888 0
Japan	05.28.2013	2019-129091

Applications of PCT titled New Group of Peptides for Treatment of Female Sexual Dysfunction, PCT/RU2017/050099 prosecuted in the following countries:

Country	Filed	Serial No.
China	10.02.2017	No. 201780080059.8
EU	10.02.2017	No. 17 866053.6
Japan	10.02.2017	No. 2020-521738
India	10.02.2017	No. 202017017293
Canada	10.02.2017	No. 3041456
South Korea	10.02.2017	No. 10-2020-7014910
Brazil	10.02.2017	No. BR112020008311
Israel	10.02.2017	No. 266167

Applications of PCT titled Pharmaceutical Composition and Method of Treatment of Female Sexual Dysfunctions, PCT/RU2017/050112 prosecuted in the following countries:

Country	Filed	Serial No.
China	10.23.2013	No. 201780079846.0
EU	10.23.2013	No. 17 865481.0
Japan	10.23.2013	No. 2020-521675
India	10.23.2013	No. 202017017497
Canada	10.23.2013	No. 3,042,013
South Korea	10.23.2013	No. 10-2020-7014917
Brazil	10.23.2013	No. BR1120200083138
Israel	10.23.2013	No. 266163
USA	10.23.2013	No. 16/344,293

Future development for BP-101 asset

For the financial year 2021, the Company's focus will remain on supporting BP-101's marketing authorisation approval in its first market of Russia and preparing for regulatory submissions in 2022 for approval to start clinical trials in major markets, especially the US and EU. A decision on IVIX LLC's December 2020 application to the Minzdrav to commercialize BP-101 should be available at the beginning of 2022 and in the intervening period the Company expects to establish partnering terms with an established pharmaceutical business for the Russian market.

The Company's development strategy for BP-101 in HSDD will depend on the results obtained from its Phase II dose ranging study currently ongoing in Australia and New Zealand. Recruitment to this study is expected to be completed by the end of 2021 and a full analysis of results reported in the second quarter of 2022. If successful, and subject to adequate financial resources, the Company anticipates studying BP-101 in a longer dosing regimen of up to six months to meet Western regulatory requirements for approval in HSDD. To this end, non-clinical studies will first be performed on BP-101 to ensure its safety in advance of such longer term administration. Drug supply for this is expected in the fourth quarter of 2021 from an FDA/EMA-approved manufacturer in the EU under a new manufacturing process suitable for cost effective production in commercial quantities.

A review of clinical data from the Phase II and Phase III trials conducted in Russia has demonstrated the potential of BP-101 in the treatment of Female Orgasmic Disorder. Orgasmic absence or difficulty, with or without distress, is a common occurrence. Nationally, representative studies outlined by Dr. Erica Marchand indicate that orgasmic difficulty affects 16-28% of women in the United States, Europe, Central and South America, and Mainland China. To help realize BP-101's full potential, the Company is exploring the optimal route to investigate BP-101's beneficial activity in this area of high unmet need. The Company will provide further updates in due course.


HSDD is a distressing and persistent deficiency of sexual fantasies and desire for sexual activity

4.

Directors' & Corporate Information

Directors

Kirill Golovanov
Interim chairman
CEO (Executive Director)

Christopher Wiltshire
Executive Director

Leonid Skoptsov
Non-Executive Director

Timothy McCutcheon
Non-Executive Director

Romulo Colindres
Non-Executive Director

Registered office

17 Pembroke Street Upper
Dublin 2
D02 AT22

Business address

17 Pembroke Street Upper
Dublin 2
D02 AT22

Other business information

Dmitriy Nikitashenko
Vice President - Finance

Reneta Nikolova
Corporate Secretary

Registration number:

105274

Incorporated:

15 January 1985

Website address:

www.ovocabio.com

Principal bankers

Allied Irish Banks plc
Terenure Road
Rathgar
Dublin 6
Ireland

Barclays Bank plc
Leicester
Leicestershire
United Kingdom
LE87 2BB

Auditors

Grant Thornton
Chartered Accountants &
Statutory Audit Firm
13 – 18 City Quay
Dublin 2
D02 ED70
Ireland

Solicitors

OBH Partners
17 Pembroke Street Upper
Dublin 2
D02 AT22

Stockbrokers & nominated adviser

Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Registrars

Computershare Investor Services (Ireland) Limited
3100 Lake Drive, Citywest
Business Campus,
Dublin D24 AK82
Ireland

5.

Directors' Report

Directors' report

The Directors present their annual report and audited financial statements for the financial year ended 31 December 2020 of Ovoca Bio plc ("the Company"), a company registered and domiciled in the Republic of Ireland and its subsidiaries (collectively "the Group").

Principal activities, business review & future developments

The Group's activity is that of a biotechnology company and the Company's principal activity is that of a holding company. The Directors have reviewed the financial position of the Group and are satisfied that the Group will continue to operate for the foreseeable future. The directors are not expecting to make any significant changes in the nature of the business in the near future. The Coronavirus ("COVID-19") pandemic has spread to Ireland and many other parts of the world and may adversely affect the value and the performance of the Group's assets. The Group continues to operate with employees and entities taking the necessary precautions as outlined by their local state and national laws. The Directors continue to monitor the development of COVID-19 and are continuing to assess the potential impact on the Group.

A detailed business review is included in the Company information and overview.

Key performance indicators

At this stage of the Group's business activities, the Directors think it is appropriate to limit the Key Performance Indicators (KPIs) used to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance against targets and to aid management of the business.

The Board monitors relevant KPIs, which it considers appropriate for managing the activities inherent in pharmaceutical research and development operations. The KPIs for the Group are as follows:

Financial KPIs

- Shareholder return – the performance of the share price; and
- Research and development costs – Pharmaceutical related research and development costs.

Non-financial KPIs

- Regulatory approval of biopharmaceutical products; and
- Development and commercialisation partnerships formed with third parties

Results & dividends

The results of the Group are disclosed on page 30-31 of the financial statements. The directors did not recommend the payment of a dividend (2019: €NIL / US$ NIL).

Principal risks & uncertainties

The Group's operating activities are principally carried out in Russia. Accordingly, the principal risks and uncertainties detailed below have been identified. The Group seeks to minimise the effects of these risks through careful monitoring of the risks on an ongoing basis.

- **Political Risk:** As a consequence of activities in different parts of the world, the Group may be subject to political, economic and other uncertainties, including but not limited to terrorism, war or unrest, changes in national laws and energy policies and exposure to different legal systems.

- **Legal Risk:** As a consequence of the Group business portfolio of pharmaceutical interests, the Group may be numerous legal risks, particularly in the areas of product liability, competition, and patent disputes.

- **Competition Risk:** The biotechnology and pharmaceutical industries are very competitive. The Group's competitors, include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources, such as larger research and development staff. The Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are earlier to market, more effective or less costly than any product candidate which the Group is currently developing or which it may develop and this may have a material adverse impact on the Group.

- **Clinical trials:** Clinical trials are expensive, time consuming and difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier pre-clinical studies and clinical trials may not be predictive of results of future pre-clinical studies or clinical trials. The Group continuously monitors the outcomes and costs of ongoing clinical trials.

- **Economic risks:** The outbreak of COVID-19 spread throughout Asia, Europe and Worldwide. The impact of this has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. Although the long-term effects cannot be fully determined, the directors believe that the main risks and uncertainties associated with COVID-19 are as follows;

    - a potential reduction in economic activity which may result in reduced consumer and business spending and demand for the Group's assets
    - a reduction in asset values
    - a prolonged period of government restrictions on the movement of people and supplies
    - a delay in conducting the Group's research and development activities

    In addition, on 31 January 2020, the United Kingdom (UK) left the European Union (EU). This did not have any significant impact on the Group during the financial year. The directors do not believe Brexit has added additional risks that may require adjustments in future reporting periods as the Group has only minor research activities in the UK, and does not plan anything related to drug export/import from/to the UK in the near term.

- **Regulation:** The regulatory approval processes of the regulatory agencies may be lengthy, time-consuming and the outcome is unpredictable.

- **Market Risk:** Factors beyond the control of the Group may affect the marketability of its securities. Prices are subject to fluctuation and are affected by factors beyond the control of the Group. The effect of these factors on the Group's operations cannot be accurately predicted. Fluctuations in stock market prices affect the Group's equity securities at fair value through other comprehensive income (FVOCI). The Group seeks to minimise this risk by closely monitoring stock market movements on an ongoing basis. A detailed sensitivity analysis of the impact of changes in the market price of securities is available in Note 19.

- **Foreign Exchange Risk:** Exchange rate fluctuations may affect the cost that the Group incurs with its operations. Any fluctuations of the US Dollar, Russian Rouble, Sterling Pounds and Australian Dollar against the Euro may have a significant impact on the Company's financial position and results in the future. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	Financial Assets		Financial Liabilities	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	€'000	€'000
United States Dollar	4,681	16,655	-	98
Russian Rouble	27	1,234	77	81
Sterling Pounds	7,686	1	-	-
Australian Dollar	588	-	150	-

The table in Note 30 under foreign exchange risk details the Group's sensitivity to a 10% increase and decrease in the Euro against United States Dollar, Sterling Pounds, Australian Dollar and Russian Rouble. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates, it assumes that all other variables, in particular bank interest rates, remain constant and ignores the impact of forecast sales and purchases.

- **Credit Risk:** this refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining significant collateral, where appropriate, as a means of mitigating the risk of financial loss from defaulters. The table below analyses the maximum exposure of the Group's financial assets which are subject to credit risk:

	Group	Group	Group	Group
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Other debtors (Note 21)	29	109	36	122
Cash and cash equivalents (Note 22)	10,746	10,075	13,199	11,283
Total	10,775	10,184	13,235	11,405

The Group continuously monitors defaults of customers and other counterparty, identified either individually or by the Group, and incorporates this information into its credit risk controls. In relation to the credit risk for cash and cash equivalents, the risk is considered to be negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group's management considers that all of the above financial assets are of good credit quality, as the Group's policy is to deal only with creditworthy customers.

- **Liquidity Risk:** : is the risk that the Group will not have the sufficient funds to meet its liabilities. The Group holds its cash in currencies in which it expects to incur expenditure, including Euros, US Dollar and Russian Roubles. The Group's reporting currency is the Euro. The most meaningful information relates to the Group's current liquidity – since it is not generating any income from its mineral projects.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the earliest date on which the Group can be required to pay. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 1 year equal to their carrying values, as the impact of the discounting is not significant.

	Group	Group	Group	Group
Balances due within 1 year	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Trade and other payables (Note 27)	449	349	551	391

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and equity securities designated at FVOCI. The Group's current cash resources (Note 22), trade and other receivables (Note 21) and equity securities at FVOCI (Note 19) significantly exceed the current cash outflow requirements.

Directors, secretary & their interests

In accordance with Section 329 of the Companies Act 2014, the interests (all of which are beneficial) of the Directors and Secretary who held office at the date of approval of the annual report and at 31 December 2020 and their families in the share capital of the Company were:

	Ordinary shares of 12.5 cents each			Options over Ordinary shares		
Director	31/05/2021	31/12/2020	01/01/2020	31/05/2021	31/12/2020	01/01/2020
Kirill Golovanov	19,506,203	19,506,203	19,506,203	2,200,000	2,200,000	-
Leonid Skoptsov	11,656,203	11,656,203	11,656,203	200,000	200,000	-
Timothy McCutcheon	-	-	-	200,000	200,000	-
Christopher Wiltshire	-	-	-	200,000	200,000	-
Romulo Colindres	-	-	-	200,000	200,000	-

Further details of the above share options issued to the directors are as follows:

Director	Date Granted	Number of options	Exercise Price	Vesting period
Kirill Golovanov	27 March 2019	2,200,000	£0.125	3 years
Leonid Skoptsov	27 March 2019	200,000	£0.125	3 years
Timothy McCutcheon	27 March 2019	200,000	£0.125	3 years
Christopher Wiltshire	27 March 2019	200,000	£0.125	3 years
Romulo Colindres	27 March 2019	200,000	£0.125	3 years

Mikhail Mogutov retired as a director on 25 September 2020.

Share price

The Company's shares are primarily traded on the Euronext Growth Dublin (XESM) of the Irish Stock Exchange, and the Alternative Investment Market (AIM) of the London Stock Exchange. The Company's shares are also traded on the Frankfurt, Berlin, Munich and Stuttgart exchanges.

The market price of the Company's shares on XESM (OVXA.IR) at 31 December 2020 was €0.0950 (2019: €0.115). During the financial year ended 31 December 2020 the market price of the Company's shares ranged from €0.07 to €0.18 (2019: €0.05 to €0.25).

The market price of the Company's share on AIM (OVB.LSE) at 31 December 2020 was £0.09 (2019: £0.118). During the financial year ended 31 December 2020 the market price of the Company's shares ranged from £0.07 to £0.17 (2019: £0.06 to £0.11).

Significant shareholders

So far as the Directors are aware, the names of the persons other than the Directors who, directly or indirectly, are interested in 3 percent or more of the issued share capital of the Company as at 09 June 2021 are as follows:

Shareholder	Ordinary shares of €1.25c each	% of issued share capital
Euroclear Nominees Limited	53,980,491	61.03
Pickco Trading Co Limited	7,928,531	8.96

Group undertakings

Details of the Company's subsidiary undertakings are set out in Note 18 to the financial statements.

Directors' interest in contracts

None of the Directors had a beneficial interest in any contract to which the Company or Group was a party during the financial year except as detailed in Note 29.

Political donations

The Group made no political donations during the financial year (2019: €NIL / US $NIL).

Research & development activites

The Group's research and development activities are discussed in the Company Information Overview section of the Annual Report. Research and development costs were recognised as administrative expenses in 2020 and amounted to €'000 688/ US$'000 786 (2019: €'000 619 / US$'000 693) refer to Note 5. During the financial year, the Group's capitalised research and development costs amounting to €'000 577 (US$'000 710) (2019: €'000 545/ US$'000 611) refer to Note 16.

Going concern

The Group has significant liquid resources in the form of cash reserves of €'000 10, 746/ US$'000 13, 199 (2019: €'000 10,075/ US$'000 11,283) and equity investments which can be readily liquidated for €'000 2,328/ US$'000 2,859 (2019: €'000 7,489/ US$'000 8,387) at the year end.

As at year end, the Company has net current liabilities of €'000 5,888/ US$'000 7,232 (2019: €'000 4,960/ US$'000 5,554). The Directors note that majority of the Company's current liabilities at year end relates to a debt with group company which has been a feature for the Group where the debt structure is quite fluid and is driven by current business objectives of the Group. The Directors are regularly reviewing the group structure and involving advisors to optimise the group structure for future operational and business objectives. Furthermore, the Company's subsidiary undertaking, Silver Star Limited, have indicated that they will show forbearance, if required, in demanding repayment of the amounts due to them until such time that the Company has sufficient funds to repay them.

The Directors are satisfied that there are sufficient levels of funding within the Group and Company to enable them to trade for the foreseeable future, and to explore further investment opportunities if appropriate projects exist despite the COVID-19 pandemic situation.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Details of Executive Directors

Kirill Golovanov, Interim Chairman & CEO

Mr. Golovanov joined Ovoca as a corporate advisor in 2007 and moved to be the manager of the a subsidiary of Ovoca Bio plc to a representative office in Russia in 2009. During his time at Ovoca he played a major role in the development and subsequent sale of the Goltsovoye silver deposit. He has extensive experience in mining and corporate law, as well as working experience at leading Russian enterprises.

Mr. Golovanov holds a Juris Doctor degree from the Moscow State Law Academy, Moscow, Russia and an MBA from Duke University's Fuqua School of Business, NC, USA.

Christopher Wiltshire, Executive Director

Mr. Wiltshire is an experienced senior pharmaceutical and biotechnology executive with over 20 years of international experience. He currently serves as the CEO of Hemastasyx Ltd., a company he founded in 2015 to develop a first-in-class, early stage recombinant blood protein. Between 2008 and 2015, he was the founder/owner of IPT Bioconsulting, which provided strategic advice to early and mid-stage biotechnology and pharmaceutical companies. Mr. Wiltshire previously served in number of senior positions with Pfizer between 1998 and 2008, including as head of business transactions and investments within The Pfizer Incubator LLC.

Prior to joining Pfizer, Mr. Wiltshire worked with Eli Lilly and Company between 1993 and 1998. Mr. Wiltshire holds an MA in Engineering from the University of Cambridge in the UK and an MBA from the Darden Graduate School, University of Virginia, US.

Details of Non-Executive Directors

Leonid Skoptsov, Non-Executive Director

Mr. Skoptsov joined the board of Ovoca in June 2006 and was the Company's CEO from 2006 to 2009. Mr. Skoptsov was part of the Bioprocess Group team that owned and ran OAO "United Machinery Plants" (OMZ). He also played an active part in natural resource development prior to Ovoca. He was the Chairman of OAO Pervaya Gornorudnaya Companiya from 2001 - 2005, a zinc-lead asset developer. He was also the Chairman of OAO Volganeft from 2000 to 2004, a mid-tier oil producer in Russia which was successfully sold to Russneft. He was part of the Group that vended into Ovoca Bio plc 100% of OAO Ajax – Goltsovoye.

BA, cum laude, Moscow State University, Moscow, Russia. Fluent in Russian and English.

Timothy McCutcheon, Non-Executive Director

Mr. McCutcheon joined the Board of Ovoca as a Non-Executive Director in January 2009 and moved into the CEO position in December 2009. Prior to Ovoca, Mr. McCutcheon was a partner at DBM Capital Partners, an investment manager and corporate finance boutique specialising in the mining sector of Russia and the former Soviet Union. He also worked at several investment banks such as Bear Stearns, Aton Capital and Pioneer Investments as an award-winning metals and mining sector analyst and as an investment banker. He was one of the first analysts in Russia to write about its gold mining sector and he has advised numerous international gold mining companies on M&A, business development, and Russian business practices.

BA, cum laude, Columbia College, New York, NY. MBA, Finance, Columbia Business School. Fluent in English and Russian.

Romulo Colindres, Non-Executive Director

Mr. Colindres is an experienced medical practitioner and pharmaceutical executive, having worked with GlaxoSmithKline plc ("GSK") in a number of senior roles since 2007. Mr. Colindres is currently Vice President, Global Medical Affairs Lead for Zoster with GSK and has previously held roles with GSK in Panama, Brazil and Belgium during his career with the Company. Prior to joining GSK, Mr. Colindres was a physician in the United States and Brazil and previously held roles in public health in the United States and El Salvador. Mr. Colindres holds an MBA from Duke University's Fuqua School of Business, NC, USA, an MD from University of North Carolina School of Medicine, Chapel Hill, NC, USA and a Masters of Public Health from University of North Carolina School of Public Health, Chapel Hill, NC, USA. Mr. Colindres is fluent in Spanish and English.

Corporate governance statement

The Board of Directors ("the Board") are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

Board

The Board currently has five directors, comprising two Executive Directors and three Non-Executive Directors. The Board met formally on 7 occasions during 2020. An agenda and supporting documentation was circulated in advance of each meeting. All the Directors bring independent judgment to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry, Non-Executive Directors are not appointed for specific terms. Each Non-Executive Director comes up for re-election every three years and each new Director is subject to election at the next Annual General Meeting following the date of appointment.

The following committees deal with the specific aspects of the Group affairs:

Audit Committee: This Committee comprises two Non-Executive Directors. The external auditors have the opportunity to meet with members of the Audit Committee without executive management present at least once a year. The duties of the Committee include the review of the accounting principles, policies and practices adopted in preparing the financial statements, external compliance matters and the review of the Group's financial results.

Nominations Committee: Given the current size of the Group, a Nominations Committee is not considered necessary. The Board reserves to itself the process by which a new Director is appointed.

Remuneration Committee: This Committee comprises one Non-Executive Director and one Executive Director. This Committee determines the contract terms, remuneration and other benefits of the Executive Directors, Chairman and Non-Executive Directors. Further details of the Group's policies on remuneration, service contracts and compensation payments are given in the Remuneration Committee Report below.

Communications: The Group maintains regular contact with shareholders through publications such as the annual and half-year report and via press releases on the Group's website, www.ovocabio.com. The Directors are responsive to shareholder enquiries throughout the year. The Board regards the Annual General Meeting as a particularly important opportunity for shareholders, Directors and management to meet and exchange views.

The QCA corporate governance code 2018

The QCA Code sets out 10 broad principles and requires the Company to consider how each should be applied. This Report is a summary of the position with the Company's Corporate Governance processes and practices or otherwise "signposts" where other disclosures are made in this document or on the Company's website www.ovocabio.com, particularly the Company's Corporate Governance Statement: https://ovocabio.com/investors/corporate-governance/.

The Broad address the ten principles underpinning the QCA case as follow:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the Board as a well- functioning, balanced team led by the chair;
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviors;
9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the board;
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Internal control

The Directors have overall responsibility for the Group's system of internal control and have delegated responsibility for the implementation of this system to executive management. This system includes financial controls that enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records. The Group's system of internal financial control provides reasonable, though not absolute assurance that assets are safeguarded, transactions authorised and recorded properly and that material errors or irregularities are either prevented or detected within a timely period. Having made appropriate enquiries, the Directors consider that the system of internal financial, operational and compliance controls and risk management operated effectively during the period covered by the financial statements and up to the date on which the financial statements were signed. The internal control system includes the following key features, which have been designed to provide internal financial control appropriate to the Group's businesses:

- budgets are prepared for approval by the Board;
- expenditure and income are compared to previously approved budgets;
- a detailed investment approval process which requires the Board's approval of all major capital projects and regular review of the physical performance and expenditure on these projects.

Remuneration committee report

The Group's policy on senior executive remuneration is designed to attract and retain people of the highest calibre who can bring their experienced and independent views to the policy, strategic decisions and governance of the Group. In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other companies of similar size and scope. A key philosophy is that staff must be properly rewarded and motivated to perform in the best interests of the shareholders.

Accounting records

The Directors believe that they have complied with the requirement of section 281 to 285 of the Companies Act, 2014, with regard to the keeping of accounting records by employing persons with appropriate expertise and by providing adequate resources to the financial function. The accounting records are held at the Group and Company's business address at 17 Pembroke Street Upper, Dublin 2, Ireland.

Compliance statement

The directors of the Company acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in the Companies Act 2014 (the "2014 Act")) and, as required by section 225 of the 2014 Act, the directors confirm that:

- A compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act has been prepared;
- Arrangements and structures have been put in place that they consider sufficient to secure material compliance with the Company's relevant obligations; and
- A review of the arrangements and structures has been conducted during the financial year.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Events after reporting period

Disposal of Bulun LLC

On 15 March 2021, the Group disposed of its 100% equity interest in its subsidiary Bulun LLC. The subsidiary was part of the group of mining companies classified as held for sale in the prior year. The disposal was in line with the Group's strategy to refocus its activities into the bio-pharmaceutical sector.

At the date of disposal, the net assets of Bulun LLC were €NIL. The consideration received for Bulun LLC was €'000 2 and was fully paid on 21 December 2020. The sale closed on 15 March 2021. The disposal resulted in a no gain, no loss transaction as the proceeds received from the purchaser were equal to the costs associated with the disposal, payable by Bulun LLC.

Sale of Magsel property

On 3 February 2021, Magsel LLC disposed of the land and buildings. The land and buildings were included in Assets held for sale and discontinued operations.

At 31 December 2020, the land and building were valued based on the expected sale proceeds post year end (2019: the land and building were independently valued by Pravovoy Tsentr LLC, a licensed property appraiser in Russia). The fair value of the land and building amounted to €'000 298/ US$'000 366 (2019: 2019: €'000 381/ US$'000 427 using comparison approach). This valuation resulted in reversal of previous year impairment of €'000 10 / US$'000 11 (2019: impairment losses of €'000 3 / US$'000 3) and have been included in 'other gains/ losses' (Note 7). The reversal of impairment losses (2019: impairment losses) have been applied to revalue (2019: reduce) the carrying amount of land and buildings within the assets held for sale and discontinued operations.

Auditors

The auditors, Grant Thornton Chartered Accountants & Statutory Audit Firm, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 9 June 2021 and signed on its behalf.

Christopher Wiltshire - Director

Kirill Golovanov - Director

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and financial statements, in accordance with applicable Irish law and regulations.

Irish company law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU IFRS) and have elected to prepare the Company financial statements in accordance with EU IFRS, as applied in accordance with Irish law and regulations.

The Group and Company financial statements are required by law to present fairly their financial position and performance for each financial year.

In preparing each of the Group and Company 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;
- state whether the financial statements have been prepared in accordance with applicable accounting
- standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the Group and Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements and other information included in Directors' report may differ from legislation in other jurisdictions.

Approved on behalf of the Board on 9 June 2021

Christopher Wiltshire - Director

Kirill Golovanov - Director

6.

Independent Auditor's Report to the Members of Ovoca Bio plc

Independent auditor's report to the members of Ovoca Bio plc

Opinion

We have audited the financial statements of Ovoca Bio plc (the "Company") and its subsidiaries ("the Group"), which comprise the Consolidated income statement, Consolidated statement of other comprehensive (loss)/income, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of cash flows, Company statement of cash flows for the financial year ended 31 December 2020 and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, Ovoca Bio plc's financial statements:

- give a true and fair view in accordance with IFRS as adopted by European Union, of the assets, liabilities and financial position of the Group at 31 December 2020 and of the Group's financial performance and cash flows for the financial year then ended;
- give a true and fair view, in accordance with IFRS as adopted by European Union, of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its cash flows for the financial year then ended; and
- have been properly prepared and in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standards for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Group and Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue as a going concern basis of accounting included:

- Evaluating management's future cash flow forecasts, the process by which they were prepared and assessed and checking that the calculations are mathematically accurate;
- Challenging the underlying key assumptions such as expected cash inflow from product sales and cash outflow from R&D expenses and other operating expense, discount rates, and long-term growth rates;
- Challenging the external inputs and assumptions within the going concern model by comparing them to assumptions and estimates used elsewhere in the preparation of the financial statements and benchmarking them against market observable external data;
- Making inquiries with management and reviewing the board minutes and available written communication with commercial partners and the main production partner in order to understand the future plans and to identify potential contradictory information;
- Challenging the sensitivities and stress testing that management performed on the going concern forecast;
- For Company only, assessing the capacity and willingness of its subsidiary undertakings to provide the required financial support; and
- Assessing the adequacy of the disclosures with respect to the going concern assertion.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made substantive judgements for example the valuation of goodwill. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

How we tailored the audit scope

The Group has three business segments: pharmaceutical, which is operated principally in the Russian Federation, investment activities operated from Bermuda, and administrative activities in the Republic of Ireland. These segments are subdivided into different components or business entities based on the legal structure of the Group.

Components' represent business units across the Group considered for audit scoping purposes. We tailored the scope of our audit taking into account the areas where the risk of misstatement was considered material to the Group. We performed an audit of the complete financial information of two components and specified audit procedures at a further three components that were determined by the Group audit team in response to specific risk factors. The components where we performed either audit or specified audit procedures accounted for 97% of the Group's total assets. We performed an audit of the complete financial information of the Company.

In establishing the overall approach to our audit, we assessed the risk of material misstatement at a Group level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at Ovoca Bio plc.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Group and Company and their environment, the history of misstatements, the complexity of the Group and Company and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group as 0.5% of total assets for the financial year ended 31 December 2020. We determined materiality for the Company based on a weighted allocation of the total assets of the Group, and is less than the Group materiality. We have applied the total assets benchmark as the Company and the Group primarily held assets for the purposes of investment during the financial year.

We have set performance materiality for the Group and Company at 60% of materiality, having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the Group and Company and their control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the board of directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Calculation and impairment review of goodwill - Note 15

In 2018, the Group, through its subsidiary Silver Star Limited, obtained control of IVIX LLC. The resulting transaction resulted in goodwill of €'000 3,683/ US$'000 4,575 (2019: €'000 4,039/ US$'000 4,575) being recognised on consolidation. As of year end, the Group has other intangible assets attributable to the bio-pharmaceutical segment of the Group amounting to €'000 1,594/ US$'000 1,958 (2019: €'000 1,682/ US$'000 1,884). An impairment review was carried out in accordance with IAS 36.

Due to the complexity of the impairment assessment process and significant management judgment involved in making key assumptions, such as discount and long-term growth rates which are affected by expected future internal and external market conditions, as well as the significant carrying amount of the goodwill and other intangible assets, we consider this area to be a key audit matter.

Our response

- We obtained an understanding of the work of the third party valuer engaged by the management ("specialist") and evaluated whether the specialist has the necessary competence, capabilities and objectivity for the auditor's purposes;

- We assessed the reasonableness of the discount rate used and evaluated the model in determining the value in use of the cash generating unit;
- We compared the assumptions made by the Group to externally derived data (where applicable) as well as forming our own assessment;
- We tested the integrity and mathematical accuracy of the impairment model;
- We performed sensitivity analysis to determine reasonableness of the input variables used in the impairment model; and
- We considered the adequacy of the Group's disclosures relating to goodwill and other intangible assets and the annual impairment review with the requirements included in the consolidated financial statements in accordance with IFRS as adopted by European Union.

We have no key audit matters to report with respect to our audit of the Company financial statements.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations, which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Group and Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion, the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and 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 management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

We report on the audit of a group, and we obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the audit, and we remain solely responsible for the auditor's opinion.

We also provide those charged with governance with a statement that they have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on their independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cathal Kelly
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Audit Firm
13 - 18 City Quay Dublin 2

Date: 9 June 2021

One in ten premenopausal women have HSDD - about 4 million premenopausal women seek treatment in the US alone

Consolidated income statement

		2020	2019	2020	2019
	Notes	€'000	€'000	US$'000	US$'000
Administration expenses	5	(2,205)	(2,315)	(2,518)	(2,593)
Other gains / (losses)	7	(328)	34	(374)	38
Operating loss		(2,533)	(2,281)	(2,892)	(2,555)
Finance income	8	231	402	264	450
Finance costs	8	(16)	(23)	(18)	(26)
Loss for the financial year before tax		(2,318)	(1,902)	(2,646)	(2,131)
Income tax	13	–	–	–	–
Loss for the financial year from continuing operations		(2,318)	(1,902)	(2,646)	(2,131)
Loss for the financial year from discontinued operations	33	(54)	(76)	(61)	(84)
Loss for the financial year		(2,372)	(1,978)	(2,707)	(2,215)
Loss for the financial year attributable to:					
Owners of the parent		(2,336)	(1,569)	(2,668)	(1,755)
Non-controlling interest	26	(36)	(409)	(39)	(460)
		(2,372)	(1,978)	(2,707)	(2,215)
Basic loss per share:					
From continuing operations (cents)	14	(€2.80)	(€1.83)	(US$3.20)	(US$2.05)
From continuing and discontinued operations (cents)	14	(€2.86)	(€1.92)	(US$3.27)	(US$2.15)
Fully diluted loss per share:					
From continuing operations (cents)	14	(€2.80)	(€1.83)	(US$3.20)	(US$2.05)
From continuing and discontinued operations (cents)	14	(€2.86)	(€1.92)	(US$3.27)	(US$2.15)

The accompanying notes on pages 40 to 80 form an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive (loss)/income

		2020	2019	2020	2019
	Notes	€'000	€'000	US$'000	US$'000
Loss for the financial year		(2,372)	(1,978)	(2,707)	(2,215)
Other comprehensive income/(loss): Items that will not be reclassified subsequently to profit or loss					
Fair value movement on equity securities designated at fair value through other comprehensive income (FVOCI)	25	3,710	1,533	4,229	1,717
Exchange movement on equity securities designated at FVOCI	25	(664)	3,308	(737)	3,704
Net other comprehensive income /(loss) that will not be reclassified subsequently to profit or loss		3,046	4,841	3,492	5,421
Items that will be reclassified subsequently to profit or loss:					
Foreign exchange gain/(loss) arising from translating foreign operations		(1,779)	218	(443)	(214)
Net other comprehensive income/(loss) that will be reclassified subsequently to profit or loss		(1,779)	218	(443)	(214)
Other comprehensive income/ (loss) for the financial year		1,267	5,059	3,049	5,207
Total comprehensive income /(loss) for the financial year		(1,105)	3,081	342	2,992
Total comprehensive income/(loss) attributable to:					
Owners of the parent		(1,007)	3,364	449	3,328
Non-controlling interest	26	(98)	(283)	(107)	(336)
		(1,105)	3,081	342	2,992

The accompanying notes on pages 40 to 80 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		Share capital	Treasury share reserve
	Notes	€'000	€'000
At 1 January 2020		11,057	(547)
Comprehensive loss: Loss for the financial year		–	–
Other comprehensive (loss)/income:			
Fair value movement on equity securities designated at FVOCI	25	–	–
Exchange movement on equity securities designated at FVOCI	25	–	–
Transfer to retained earnings as a result of sale of equity securities designated at FVOCI	25	–	–
Foreign exchange gain arising from translation of financial statements of a foreign operations	25	–	–
Total comprehensive income/(loss)		–	–
Transactions with owners of the Company			
Share based payments	25	–	–
Total transactions with owners of the Company		–	–
Changes in ownership interest Purchase of additional interest in a subsidiary with NCI	26 & 32	–	–
Total changes in ownership interests		–	–
Balance at 31 December 2020		11,057	(547)
At 1 January 2019		11,057	(547)
Comprehensive loss: Loss for the financial year		–	–
Other comprehensive (loss)/income:			
Fair value movement on equity securities designated at FVOCI	25	–	–
Exchange movement on equity securities designated at FVOCI	25	–	–
Transfer to retained earnings as a result of sale of equity securities designated at FVOCI	25	–	–
Foreign exchange (loss)/gain arising from translation of financial statements of a foreign operations	25	–	–
Total comprehensive (loss)/income		–	–
Transactions with owners of the Company			
Share based payments	25	–	–
Total transactions with owners of the Company		–	–
Changes in ownership interest Purchase of additional interest in a subsidiary with NCI	26 & 32	–	–
Total changes in ownership interests		–	–
Balance at 31 December 2019		11,057	(547)

The accompanying notes on pages 40 to 80 form an integral part of these consolidated financial statements.

	Foreign currency translation reserve	Share based payment reserve	Other reserves	Retained earnings	Total attributable to owners of parent	Non-controlling interest
	€'000	€'000	€'000	€'000	€'000	€'000
	4,730	21	681	6,402	22,344	1,492
	–	–	–	(2,336)	(2,336)	(36)
	–	–	3,710	–	3,710	–
	–	–	(664)	–	(664)	–
	–	–	(1,701)	1,701	–	–
	(1,743)	–	–	–	(1,743)	(62)
	(1,743)	–	1,345	(635)	(1,033)	(98)
	–	9	–	–	9	–
	–	9	–	–	9	–
	(36)	–	–	(2,732)	(2,768)	(1,394)
	(36)	–	–	(2,732)	(2,768)	(1,394)
	2,951	30	2,026	3,035	18,552	–

	4,512	–	3,968	(524)	18,466	2,160
	–	–	–	(1,569)	(1,569)	(409)
	–	–	1,533	–	1,533	–
	–	–	3,308	–	3,308	–
	–	–	(8,128)	8,128	–	–
	200	–	–	–	200	126
	200	–	(3,287)	6,559	3,472	(283)
	–	21	–	–	21	–
	–	21	–	–	21	–
	18	–	–	367	385	(385)
	18	–	–	367	385	(385)
	4,730	21	681	6,402	22,344	1,492

Company statement of changes in equity

	Ordinary Share capital	Other reserves	Share based payments reserve	Retained earnings	Total (attributable to owners of the parent)
	€'000	€'000	€'000	€'000	€'000
At 1 January 2020	11,057	1,305	21	7,652	20,035
Comprehensive loss Loss for the financial year	-	-	-	1,988	1,988
Total comprehensive loss	-	-	-	1,988	1,988
Transactions with owners of the Company Share based payments (Note 31)	-	-	9	-	9
Total transactions with owners of the Company	-	-	9	-	9
At 31 December 2020	11,057	1,305	30	9,640	22,032
At 1 January 2019	11,057	1,305	-	7,090	19,452
Comprehensive loss Loss for the financial year	-	-	-	562	562
Total comprehensive loss	-	-	-	562	562
Transactions with owners of the Company Share based payments expired during the financial year (Note 31)	-	-	21	-	-
Total transactions with owners of the Company	-	-	21	-	-
At 31 December 2019	11,057	1,305	21	7,652	20,035

The accompanying notes on pages 40 to 80 form an integral part of these financial statements.

Consolidated statement of financial position

		2020	2019	2020	2019
	Notes	€'000	€'000	US$'000	US$'000
Assets					
Non-current assets					
Goodwill	15	3,683	4,039	4,575	4,575
Other intangible assets	16	1,594	1,682	1,958	1,884
Property, plant and equipment	17	7	3	9	3
Equity securities designated at FVOCI	19	2,328	7,489	2,859	8,387
Total non-current assets		7,612	13,213	9,401	14,849
Current assets					
Inventories	20	269	203	330	227
Trade and other receivables	21	43	171	53	191
Cash and cash equivalents	22	10,746	10,075	13,199	11,283
Total current assets		11,058	10,449	13,582	11,701
Assets included in the disposal group classified as held for sale	33	368	601	452	673
Total assets		19,038	24,263	23,435	27,223
Equity and liabilities					
Equity attributable to owners of the parent					
Ordinary shares	23	11,057	11,057	15,586	15,586
Treasury share reserve	23	(547)	(547)	(607)	(607)
Other reserves	25	2,026	681	2,476	923
Foreign currency translation reserve	25	2,951	4,730	425	868
Share based payment reserve	25	30	21	34	24
Retained earnings/(deficit)	24	3,035	6,402	4,925	8,244
Equity attributable to owners of the parent		18,552	22,344	22,839	25,038
Non-controlling interest	26	-	1,492	-	1,707
Total equity		18,552	23,836	22,839	26,745
Current liabilities					
Trade and other payabless	27	449	349	551	391
Borrowings	28	-	-	-	-
Total current liabilities		449	349	551	391
Liabilities included in the disposal group classified as held for sale	33	37	78	45	87
Total equity and liabilities		19,038	24,263	23,435	27,223

The accompanying notes on pages 40 to 80 form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors on 9 June 2021

Christopher Wiltshire - Director

Kirill Golovanov - Director

Company statement of financial position

		2020	2019	2020	2019
	Notes	€'000	€'000	US$'000	US$'000
Assets					
Non-current assets					
Financial assets	18	27,920	24,995	34,292	27,991
Total non-current assets		27,920	24,995	34,292	27,991
Current assets					
Trade and other receivables	21	8	16	10	18
Cash and cash equivalents	22	2,475	66	3,040	74
Total current assets		2,483	82	3,050	92
Total assets		30,403	25,077	37,342	28,083
Equity and liabilities					
Equity					
Ordinary shares	23	11,057	11,057	15,586	15,586
Retained earnings	24	9,640	7,652	15,483	13,213
Other reserves	25	1,305	1,305	1,780	1,780
Share based payment reserve	25	30	21	34	24
Foreign currency translation reserve	25	–	–	(5,823)	(8,166)
		22,032	20,035	27,060	22,437
Current liabilities					
Trade and other payabless	27	8,371	5,042	10,282	5,646
Total current liabilities		8,371	5,042	10,282	5,646
Total equity and liabilities		30,403	25,077	37,342	28,083

The Company has taken advantage of the exemption permitted by Section 304 (1)(b) of the Companies Act 2014 not to present an income statement for the financial year. The Company's loss for the financial year was €'000 1,988 (2019: €'000 562).

The accompanying notes on pages 40 to 80 form an integral part of these financial statements.

Approved on behalf of the Board of Directors on 9 June 2021.

Christopher Wiltshire – Director

Kirill Golovanov – Director

Consolidated statement of cash flows

		2020	2019	2020	2019
	Notes	€'000	€'000	US$'000	US$'000
Cash flows from operating activities					
Continuing operations					
Loss for the financial year before tax		(2,372)	(1,978)	(2,707)	(2,215)
Adjustments for:					
(Reversal of)/ impairment of tangible fixed assets	17 & 33	(10)	3	(11)	3
Share based payment	31	9	21	10	24
Depreciation and amortisation	16 & 17	71	74	81	83
Gain on sale of assets	7	4	(3)	5	(3)
Finance income	8	(231)	(402)	(264)	(451)
Changes in:					
Increase in inventories		(66)	(23)	(81)	(26)
Decrease (increase) in trade and other receivables		423	(109)	519	(122)
Increase in trade and other payables		59	241	81	269
Bank interest received from deposit		2	6	2	7
Net cash used in operating activities		(2,111)	(2,170)	(2,365)	(2,431)
Cash flows from investing activities					
Dividends received from equity securities at FVOCI	8	229	396	262	444
Additions to property, plant and equipment	17	(10)	-	(11)	-
Additions of research and development costs internally developed	16	(179)	(521)	(205)	(584)
Additions of patents acquired	16	(236)	(109)	(269)	(122)
Proceeds from disposal of assets	33	-	56	-	63
Proceeds from disposal of intangible assets	16	36	-	44	-
Proceeds from disposal of equity securities at FVOCI	19	7,741	11,308	9,019	12,673
Net cash generated from investing activities		7,581	11,130	8,840	12,474
Cash flows from financing activities					
Payment of bank borrowing	28	-	(994)	-	(1,136)
Acquisition of non-controlling interest	32	(4,091)	-	(4,416)	-
Net cash generated from (used in) financing activities		(4,091)	(994)	(4,416)	(1,136)
Effects of foreign exchange		(646)	370	(67)	381
Net increase in cash and cash equivalents		733	8,336	1,992	9,289
Cash and cash equivalents at the beginning of financial year	22	10,075	1,823	11,283	2,088
Cash and cash equivalents at the end of financial year	22	10,808	10,159	13,275	11,377
Cash and cash equivalents included in the disposal group	33	62	84	76	94
Cash and cash equivalents for continuing operation	22	10,746	10,075	13,199	11,283

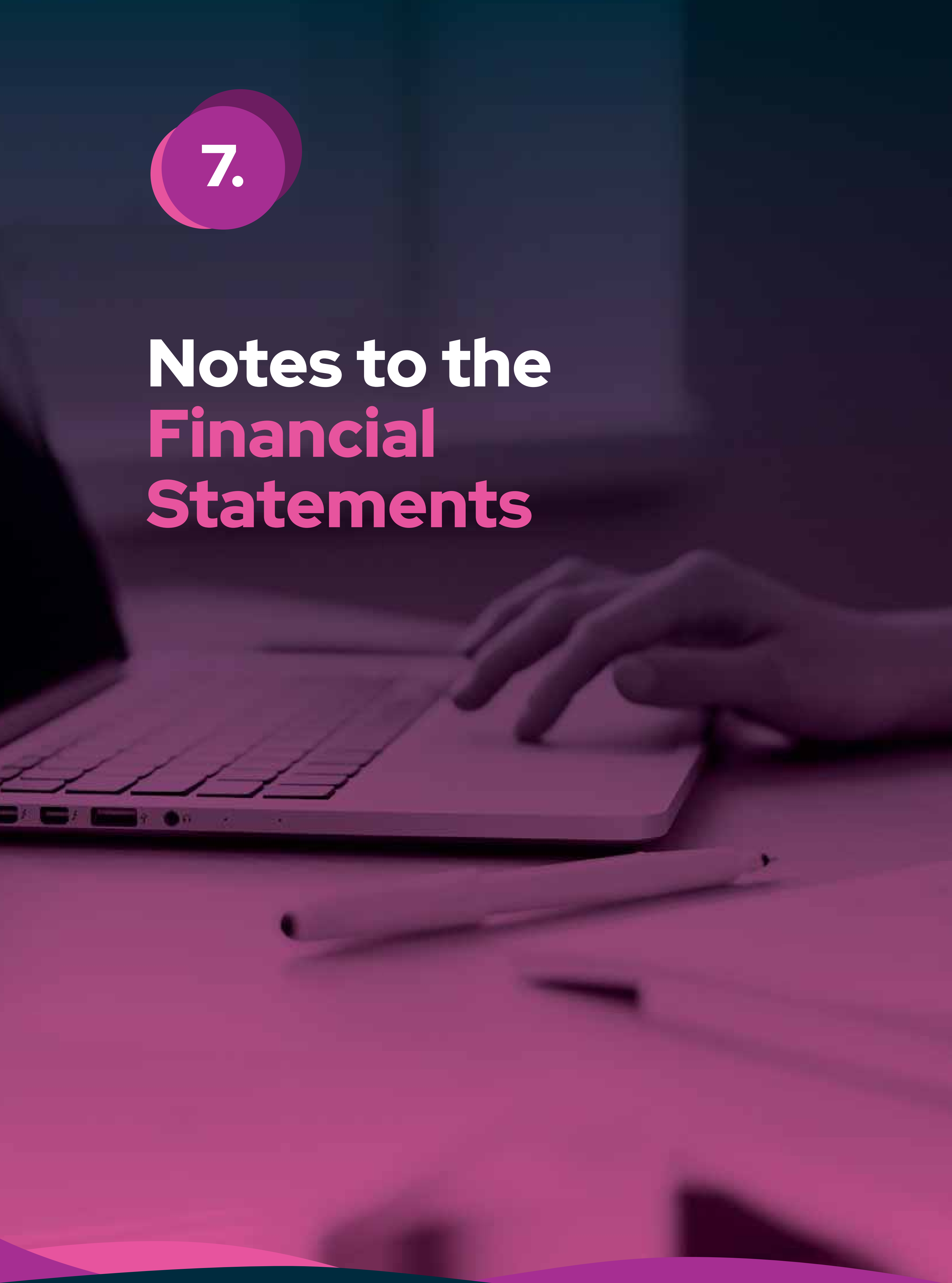
The accompanying notes on pages 40 to 80 form an integral part of these consolidated financial statements.

Company statement of cash flows

		2020	2019	2020	2019
	Notes	€'000	€'000	US$'000	US$'000
Cash flows from operating activities					
Profit for the financial year before tax	24	1,988	562	2,270	630
Adjustments for:					
Share based payment reserve movement	31	9	21	10	24
Reversal of impairment of investment in a subsidiary		(2,925)	(879)	(3,341)	(985)
Write-back of previously written-off intercompany receivables		–	(441)	–	(494)
Depreciation		–	1	–	1
Foreign currency exchange loss		83	(148)	95	(166)
Changes in:					
Decrease in trade and other receivables		8	564	10	632
Increase (decrease) in trade and other payables		3,329	(526)	4,089	(589)
Net cash generated from/(used in) operating activities		2,492	(846)	3,133	(947)
Effects of foreign exchange		(83)	(17)	(167)	(43)
Net decrease in cash and cash equivalents		2,409	(863)	2,966	(990)
Cash and cash equivalents at the beginning of year		66	929	74	1,064
Cash and cash equivalents at the end of year	22	2,475	66	3,040	74

The accompanying notes on pages 40 to 80 form an integral part of these financial statements.

HSDD has major adverse effects on patients' ability to enjoy a fulfilling sex life.



7.

Notes to the Financial Statements

1. General Information

Ovoca Bio plc ("the Company") is a public limited company incorporated in Ireland on 15 January 1985. The address of its registered office and principal place of business is 17 Pembroke Street Upper Dublin 2, Ireland.

These consolidated financial statements for the financial year ended 31 December 2020 consolidate the individual financial statements of the Company and its subsidiaries (collectively referred to as 'the Group'). Information on the Company's subsidiaries is provided in Note 18.

The Group's activity is that of a biotechnology company and the Company's activity is that of a holding company. The Directors have reviewed the financial position of the Group and are satisfied that the Group will continue to operate for the foreseeable future.

On 21 April 1987, the Company's shares were admitted to trading on the Euronext Growth Dublin (XESM) and on 30 June 2005 to the London Stock Exchange's Alternative Investment Market (AIM).

On 30 September 2018, the Group obtained control of IVIX LLC by acquiring 50.02% of their ordinary share capital and therefore has been consolidated into these financial statements in accordance with IFRS 3 Business Combinations, further information relating to the acquisition is found in Note 32 of these financial statements. On 28 June 2019 and 24 March 2020, the Group further acquired 9.92% and 40.06% interest in IVIX LLC, respectively (see Notes 26 and 32).

2. Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Group and Company's financial statements.

Statement of compliance

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued and approved by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU) and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

The Company has availed of the exemption in Section 304(2) of the Companies Act, 2014 not to present its individual Income Statement and related notes that form part of the approved Company financial statements.

The Company has also availed of the exemption from filing its individual Income statement with the Registrar of Companies as permitted by Section 304(2)(c) of the Companies Act, 2014.

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has guaranteed the liabilities of its subsidiary undertaking incorporated in the Republic of Ireland for the financial year to 31 December 2020 and as a result such subsidiary is exempt from the filing provisions of Section 347/348 of the Companies Act 2014.

The IFRSs adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective for the financial year ended 31 December 2020.

Basis of preparation

The Group and Company financial statements are prepared on an accrual basis and under the historical cost convention except for certain financial assets measured at fair value and assets and liabilities held for sale measured at fair value less costs to sell. The accounting policies have been applied consistently by Group entities.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2020.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of
- the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intra-group balances and any unrealised gains or losses or income or expenses arising from intra-group transactions are eliminated in preparing the Group financial statements.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair value, at the date of exchange, of the assets given, equity instruments issued and liabilities incurred or assumed. The acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date. Acquisition-related costs are recognised in the consolidated income statement as incurred.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the acquisition-date net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The non-controlling interest in the acquiree is initially measured at the Non-Controlling Interests (NCIs) fair value as determined by an independent valuation.

Functional and presentation currency

The Group and Company's financial statements are presented and rounded in Euro Thousand (€'000) unless otherwise stated, which is also the Group and Company's functional currency. The US$ Thousand ($'000) equivalent is shown for information purposes only. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currencies

Monetary assets and liabilities denominated in a foreign currency are translated into Euro at the exchange rate ruling at the statement of financial position date. Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transactions. Exchange differences are dealt with through the consolidated income statement.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

On consolidation, the assets and liabilities of overseas subsidiary companies are translated into Euro at the rates of exchange prevailing at the statement of financial position date. The operating results of overseas subsidiary companies are translated into Euro at the average rates applicable during the financial year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to the income statement when the gain or loss on disposal is recognised.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Expenses

Operating expenses are recognised in income statement upon utilisation of the service or as incurred. Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Taxation

Taxation on the profit or loss for the period comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on the basis of the liability method on temporary differences at the statement of financial position date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, or where, in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, the timing and reversal of the temporary differences is subject to control by the Group and it is probable that reversal will not occur in the foreseeable future. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. The carrying amounts of deferred tax assets are subject to review at each year end date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

Leases

The Group applies the short-term lease recognition exemption to its short-term leases and recognised as expense on a straight-line basis over the lease term.

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated income statement in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement.

Research and development costs

Expenditure on the research phase of projects to develop new pharmaceutical products is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Company intends to and has sufficient resources to complete the project
- the Company has the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on product development along with an appropriate portion of relevant overheads.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Patents and licences

The Group have patents acquired through business combination and have been granted for a period reflected but not more than 20 years. Licences for the use of intellectual property are granted for periods ranging between nine and ten years depending on the specific licences.

A summary of policies applied to the Group's intangible assets is, as follows:

	Goodwill	Patents and licenses	Development costs
Useful lives	Indefinite	Finite (ranging from 9 to 17 years	Finite
Amortisation method used and rates	No amortisation but subject to impairment	Amortised on a straight-line basis over the period of the patent	No amortisation yet as not yet complete but subject to impairment testing
Internally generated or acquired	Acquired	Acquired	Internally generated

Property, plant and equipment and depreciation

Property, plant & equipment are stated at cost, less accumulated depreciation and accumulated impairment, if any. No depreciation is provided on land. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, which are reviewed each financial year, as follows:

Mining equipment	- 20% Straight line
Office furniture and equipment	- 10% Straight line
Fixtures and Fittings	- 20% Straight line
Buildings	- 2% Straight line

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

Gains and losses on disposals are determined by comparing the carrying amount and are recognised in the consolidated income statement.

Investments in subsidiaries

Investments in subsidiaries in the Company statement of financial position are measured at cost less accumulated impairment. When necessary, the entire carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the consolidated income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Inventories

Inventories are carried at the lower of cost or net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI) with recycling of cumulative gains (debt instruments) and losses or with no recycling of cumulative gains and losses upon derecognition (equity instruments).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administration expenses.

In the periods presented the Group and Company does not have any financial assets categorised as FVTPL.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents and other debtors under trade and other receivables fall into this category of financial instruments while the Company's cash and cash equivalents, other debtors under trade and other receivables and amounts owed by group undertakings fall into this category of financial instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group elected to classify irrevocably its equity investments which are not held for trading as equity instruments designated at fair value through OCI in accordance with IAS 32, Financial Instruments: Presentation. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its equity securities under this category.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments included loans measured at amortised cost, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group and Company first identifying a credit loss event. Instead the Group and Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and;
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument

Trade and other receivables

The Group and Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group and Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group and Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. .

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Group's trade and other payables and borrowings fall into this category of financial instruments while the Company's trade and other payables falls into this category of financial instruments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the company statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The Company reported its amounts owed to group undertakings net of the amounts owed by group undertakings as these balances relate to the same subsidiaries. The right to settle on net basis was approved by the Board of Directors of the Group. There are no financial assets and financial liabilities that were offset in the consolidated statement of financial position.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting date.

Equity securities designated at FVOCI are measured at Level 1. There were no transfers between Levels in 2020 and 2019.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits, including bank deposits of less than three months maturity that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity and reserves

Ordinary shares represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. Treasury shares are recognised at cost and deducted from equity.

Other reserves comprise of the fair value gains and losses including its foreign exchange movement relating to equity securities designated at FVOCI and expired share based payments.

Foreign currency translation reserve comprises translation differences arising from the translation of the financial statements of the Group's foreign entities into euro.

Retained earnings include all current and prior period retained profits and losses. All transactions with owners of the parent are recorded separately within equity.

Share-based payments

Employees (including Directors) of the Group may be entitled to remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares. Details of the Group's share option scheme are set out in Note 31 of the consolidated financial statements. For any share options granted, the fair value of the option is recognised as an expense in the income statement with a corresponding increase in equity. The fair value is measured at grant date excluding the impact of non-market conditions and spread over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest where vesting conditions are non-market conditions. When the options are exercised, the proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the income or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to directors and employees.

Provisions and contingencies

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of legal or constructive commitment that has resulted from past events. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate. No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Non-current assets and liabilities classified as held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.
A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement.

Additional disclosures are provided in Note 33. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Events after reporting period

The Group identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The consolidated financial statements of the Group are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the consolidated financial statements when material.

Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates, and the effect of any change in estimates will be adjusted in the financial statements when they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Control assessment in a business combination

As disclosed in Note 32, the Group owns 100% (2019: 59.94%) of IVIX LLC. Management has assessed its involvement in the company in accordance with IFRS 10's revised control definition and guidance and has concluded that it has control over that company.

Assets held for sale

On 4 July 2018, the Board of Directors announced its decision to dispose the exploration segment of the Group located in Russia consisting of CJSC Bulun, Magsel, LLC and Comtrans, LLC, all are wholly-owned subsidiaries of the Company, that are classified as assets held for disposal during the financial year. On 7 February 2019, the shareholders approved the plan to sell. The Board considered the subsidiaries to meet the criteria to be classified as held for sale in 2018 for the following reasons:

- CJSC Bulun, Magsel, LLC and Comtrans, LLC are available for immediate sale and can be sold to the buyer in its current condition
- The actions required to complete the sale were finalised with buyers
- The Group remains committed to its plan to sell the disposal group

For more details on the discontinued operation, refer to Note 33.

Determining the Group's functional currency

The determination of Group's functional currency often requires significant judgement where the primary economic environment on which it operates may not be clear. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Euro. The Euro is the currency of the primary economic environment in which the Group operates.

Determining classification of financial instruments

The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the financial statements.

Capitalisation of internally developed software

Distinguishing the research and development phases of the Group's project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Utilisation of tax losses
The Directors have not deemed it appropriate to recognise deferred tax assets resulting from significant losses being carried forward from previous years on the basis that it is not certain these losses will be utilised in future periods.

Estimation uncertainty
The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimating impairment of goodwill
Determining whether goodwill is impaired requires estimation of the value of cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment loss recognised in goodwill in 2020 (2019: €NIL / US$ NIL). Refer to Note 15 for the carrying value of goodwill.

Estimating impairment of non-financial assets
Determining whether non-financial assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the directors to estimate the future cash flows to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment may arise. No impairment loss recognised in other intangible assets in 2020 (2019: €NIL / US$NIL). Reversal of impairment of €'000 10 / US$'000 11 was recognised in 2020 (2019: impairment loss €'000 3 / US$'000 3) for property, plant and equipment classified as assets held for sale and discontinued operations. Refer to Note 16 and Note 17 for the carrying value of other intangible assets and property, plant and equipment.

Useful lives of depreciable assets
The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined, and there are a significant number of asset lives in use. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted. No change in useful lives of depreciable assets in both years. Refer to Note 16 and Note 17 for the carrying value of other intangible assets and property, plant and equipment.

Estimating allowance for impairment on inventories
Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Management believes that the net realisable values of the Group's inventories exceed their carrying values, accordingly, no loss on the decline in value was recognised in both years. Refer to Note 20 for the carrying value of inventories.

Estimating measurement of Expected Credit Losses (ECL) allowance for trade and other receivables
In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. No impairment loss was recognised, in respect of amounts due from subsidiary undertakings, in 2020 (2019: €NIL /US$'NIL). Refer to Note 21 for the carrying value of trade and other receivables and 30 for details of credit risk.

Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. Refer to Note 30 for details.

Estimation uncertainty related to the global health pandemic on COVID-19
The Group and Company have considered the possible effects that may result from the pandemic relating to COVID in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group and Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. As a result of this assessment, the Group and Company has not identified any impairment indicators as at consolidated and company statement of financial position date. The impact on the Group's and Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

New standards adopted as at 1 January 2020

Some accounting pronouncements which have become effective from 1 January 2020 and have therefore been adopted do not have a significant impact on the Group's and Company's financial results or position.
Standards and amendments that are effective for the first time in 2020:

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to References to the Conceptual Framework (Various Standards)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Group

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by IASB that are not yet effective. The Group has not early adopted any of these pronouncements. Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments, either not adopted or not expected to have a material impact on the Group and Company's financial statements, are listed below.

- References to the Conceptual Framework
- Amendments to IAS 16, proceeds before intended use, effective 1 January 2022 (not yet EU-endorsed)
- Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41, annual improvements to IFRS Standards 2018-2020 cycle (not yet EU-endorsed)
- Amendments to IAS 1, classification of liabilities as current or non-current, effective 1 January 2023 (not yet EU-endorsed)

3. Going concern

The Group has significant liquid resources in the form of cash reserves of €'000 10,746/ US$'000 13,199 (2019: €'000 10,075/ US$'000 11,283) and equity investments which can be readily liquidated for €'000 2,328/ US$'000 2,859 (2019: €'000 7,489/ US$'000 8,387) at the year end.

As at year end, the Company has net current liabilities of €'000 5,888/ US$'000 7,232 (2019: €'000 4,960/ US$'000 5,554). The Directors note that majority of the Company's current liabilities at year end relates to a debt with group company which has been a feature for the Group where the debt structure is quite fluid and is driven by current business objectives of the Group. The Directors are regularly reviewing the group structure and involving advisors to optimise the group structure for future operational and business objectives. Furthermore, the Company's subsidiary undertaking, Silver Star Limited, have indicated that they will show forbearance, if required, in demanding repayment of the amounts due to them until such time that the Company has sufficient funds to repay them.

The Directors are satisfied that there are sufficient levels of funding within the Group and Company to enable them to trade for the foreseeable future, and to explore further investment opportunities if appropriate projects exist despite the COVID-19 pandemic situation.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

4. Segmental reporting

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

(a) Primary reporting format - business segments

At 31 December 2020 and 2019, the Group had two business segments, bio-pharmaceutical and investment segments. Bio-pharmaceutical activities are carried out by IVIX LLC and OVB (Australia) Pty, while investing activities are carried out by the subsidiary, Silver Star Limited, a company located in Bermuda. Administrative activities represent group administration costs, primarily incurred in Ireland and the Russian Federation.

(b) Segment revenues and results

Segment results represent operating profit earned by each segment. This is the measure reported to the Group's Board of Directors ("Board of Directors") for the purposes of resource allocation and assessment of segment performance.

(c) Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total assets and liabilities attributable to each segment. Goodwill is allocated based on separately identifiable CGUs as further disclosed in Note 15.

The exploration segment is presented as being discontinued.

Continuing operations – 31 December 2020

	Bio-pharma	Invest-ment	Admin	Total	Bio-pharma	Invest-ment	Admin	Total
	€'000	€'000	€'000	€'000	US$'000	US$'000	US$'000	US$'000
Depreciation & amortisation	(65)	-	(6)	(71)	(74)	-	(7)	(81)
Other administration expenses	(844)	(388)	(902)	(2,134)	(964)	(441)	(1,030)	(2,435)
Other gains/(losses)	106	(508)	74	(328)	121	(580)	85	(374)
Operating loss	(803)	(896)	(834)	(2,533)	(917)	(1,021)	(952)	(2,890)
Finance costs	-	(2)	(14)	(16)	-	(3)	(16)	(19)
Finance income	2	229	-	231	2	261	-	263
Loss before tax	(801)	(669)	(848)	(2,318)	(915)	(763)	(968)	(2,646)
Income tax	-	-	-	-	-	-	-	-
Loss after tax	(801)	(669)	(848)	(2,318)	(915)	(763)	(968)	(2,646)
Segment assets	2,544	9,740	6,386	18,670	3,125	11,965	7,893	22,983
Segment liabilities	(339)	-	(110)	(449)	(416)	-	(135)	(551)
Net assets	2,204	9,740	6,276	18,221	2,709	11,965	7,758	22,432

Continuing operations – 31 December 2019

	Bio-pharma	Invest-ment	Admin	Total	Bio-pharma	Invest-ment	Admin	Total
	€'000	€'000	€'000	€'000	US$'000	US$'000	US$'000	US$'000
Depreciation & amortisation	(72)	-	(2)	(74)	(81)	-	(2)	(83)
Other administration expenses	(716)	(597)	(928)	(2,241)	(802)	(668)	(1,040)	(2,510)
Other gains/(losses)	(79)	(36)	149	34	(88)	(41)	167	38
Operating loss	(867)	(633)	(781)	(2,281)	(971)	(709)	(875)	(2,555)
Finance costs	(6)	(5)	(12)	(23)	(7)	(6)	(13)	(26)
Finance income	6	396	-	402	7	443	-	450
Loss before tax	(867)	(242)	(793)	(1,902)	(971)	(272)	(888)	(2,131)
Income tax	-	-	-	-	-	-	-	-
Loss after tax	(867)	(242)	(793)	(1,902)	(971)	(272)	(888)	(2,131)
Segment assets	2,834	16,604	4,224	23,662	3,174	18,594	4,782	26,550
Segment liabilities	(197)	(98)	(54)	(349)	(221)	(110)	(60)	(391)
Net assets	2,637	16,506	4,170	23,313	2,953	18,484	4,722	26,159

At 31 December 2020, intangible assets and property, plant and equipment amounting to €'000 1,594/ US$'000 1,958 (2019: €'000 1,682/ US$'000 1,884) and €'000 7 / US$'000 8 (2019: €'000 2 / US$'000 2), respectively, were held in Russia. Property, plant and equipment held in Ireland were fully depreciated since 2019.

5. Loss on ordinary activities before taxation

	Continuing	Discontinued	Continuing	Discontinued
	31/12/2020	31/12/2020	31/12/2020	31/12/2020
	€'000	€'000	US$'000	US$'000
Administration expenses				
Employee expense	(111)	(29)	(127)	(33)
Directors remuneration (Note 11)	(425)	-	(485)	-
Employment costs (Note 10)	(536)	(29)	(612)	(33)
Depreciation and amortisation (Notes 16 and 17)	(71)	-	(81)	-
Services provided by the Group's auditors (Note 6)	(84)	-	(95)	-
Operating lease rentals - property	(22)	-	(25)	-
Research & development (Note 16)	(688)	-	(786)	-
Other administration expenses	(804)	(35)	(918)	(39)
Total administration expenses	(2,205)	(64)	(2,517)	(72)

	Continuing	Discontinued	Continuing	Discontinued
	31/12/2019	31/12/2019	31/12/2019	31/12/2019
	€'000	€'000	US$'000	US$'000
Administration expenses				
Employee expense	(318)	-	(357)	-
Directors remuneration (Note 11)	(482)	-	(540)	-
Employment costs (Note 10)	(800)	-	(897)	-
Depreciation and amortisation (Notes 16 and 17)	(74)	-	(83)	-
Services provided by the Group's auditors (Note 6)	(70)	-	(78)	-
Operating lease rentals - property	(25)	-	(28)	-
Research & development (Note 16)	(619)	-	(693)	-
Other administration expenses	(727)	(132)	(814)	(147)
Total administration expenses	(2,315)	(132)	(2,593)	(147)

6. Services provided by the Group's auditor

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Audit services – group audit	73	59	83	66
Audit services - statutory entities	3	3	3	3
Tax advisory services	8	8	9	9
Total administration expenses	84	70	95	78

All services are from continuing operations.

7. Other (losses)/gains

	Continuing	Discontinued	Continuing	Discontinued
	31/12/2020	31/12/2020	31/12/2020	31/12/2020
	€'000	€'000	US$'000	US$'000
Reversal of impairment on property, plant and equipment (Notes 17 & 33)	–	10	–	11
Gain on sale of assets	4	–	5	–
Foreign exchange losses	(332)	–	(379)	–
Total other gains	(328)	10	(374)	11

	Continuing	Discontinued	Continuing	Discontinued
	31/12/2020	31/12/2020	31/12/2020	31/12/2020
	€'000	€'000	US$'000	US$'000
Impairment loss of assets held for sale (Notes 17 & 33)	–	(3)	–	(3)
Gain on sale of assets	2	1	2	1
Foreign exchange losses	32	59	36	66
Total other (losses)	34	57	38	64

8. Finance income and finance costs

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Finance income				
Dividends income from equity securities designated at FVOCI	229	396	262	444
Bank interest income	2	6	2	6
Total finance income	231	402	264	450
Finance costs				
Bank interest and charges*	(16)	(23)	(18)	(26)
Total finance costs	(16)	(23)	(18)	(26)
Net finance income	215	379	246	424

*Finance costs of €NIL / US$NIL have been excluded from the above as they related to the Group's discontinued operations (2019: €1,000 / US$1,000), refer to Note 33.

9. Number of employees

The average monthly number of employees of the Group during the financial year was (excluding directors):

	31/12/2020	31/12/2019
	Number	Number
Administration and operational staff	5	6

10. Employment costs

Staff costs (inclusive of directors) during the financial year were as follows:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Staff costs (inclusive of directors) during the financial year were as follows:				
Wages and salaries	486	739	555	828
Social insurance costs	41	40	47	45
Share-based payments (Note 31)	9	21	10	24
Total employment costs	536	800	612	897

11. Directors' remuneration

	Short-term benefits			
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Kirill Golovanov	190	262	217	294
Mikhail Mogutov	79	115	90	129
Leonid Skoptsov	16	16	18	18
Yuri Radchenko	–	9	–	10
Timothy McCutcheon	16	16	18	18
Nikolay Myasedov	–	11	–	12
Christopher Wiltshire	99	16	114	18
Romulo Colindres	16	16	18	18
Directors remuneration	416	461	475	517

	Share-based payments					
	2020	2019	2020	2019	2020	2019
	No. of options		€'000	€'000	US$'000	US$'000
Kirill Golovanov	2,200,000	2,200,000	4	8	5	9
Mikhail Mogutov	–	2,200,000	–	8	–	9
Leonid Skoptsov	200,000	200,000	1	1	1	1
Yuri Radchenko	–	–	–	–	–	
Timothy McCutcheon	200,000	200,000	1	1	1	1
Nikolay Myasedov	200,000	200,000	1	1	1	1
Christopher Wiltshire	200,000	200,000	1	1	1	1
Romulo Colindres	200,000	200,000	1	1	1	1
Directors remuneration	3,200,000	5,400,000	9	21	10	23

The share based benefits relate to the number of exercisable share options held by directors at the year end. There were no options exercised or expired during the financial year (2019: no options exercised nor expired). Please refer to Note 31 for further details on share options granted and expired in the financial year and the expense recognised.

12. Retirement benefit costs

The Group does not operate a pension scheme (2019: €NIL / US$NIL).

13. Income tax costs

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Analysis of income tax charge for the financial year	€'000	€'000	US$'000	US$'000
Income tax	–	–	–	–
Factors affecting tax charge for the financial year The tax for the financial year is higher than (2019; higher than) the standard rate of corporation tax in Ireland of 12.5% (2019: 12.5%). The differences are explained below:				
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Loss on ordinary activities before tax	(2,372)	(1,978)	(2,707)	(2,215)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax at in Ireland of 12.5% (2018: 12.5%)	(296)	(247)	(338)	(277)
Effects of				
Ineligible costs and losses carried forward to future periods	297	247	338	277
Total income tax	–	–	–	–

A deferred tax asset has not been recognised at the reporting date in respect of trading tax losses. Due to the history of past losses, the Group has not recognised any deferred tax asset in respect of tax losses to be carried forward which are approximately €'000 14,567 at 31 December 2020 (2019: €'000 13,782).

14. Loss per share and dividends

Loss per share

Basic loss per share is calculated by dividing the loss after taxation for the financial year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing the loss after taxation for the financial year attributable to the equity holders of the parent by adjusting the weighted average number of share in issue to assume conversion of all potential ordinary shares. For the purpose of calculating diluted loss per share for both 2020 and 2019, the potentially exercisable instruments in issue would have the effect of being antidilutive and, as such, the diluted loss per share is the same as the basic loss per share for both years.

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Basic and diluted loss per share Loss for the financial year attributable to the equity holders of the parent:				
Continuing operations	(2,282)	(1,493)	(2,606)	(1,671)
Discontinued operations	(54)	(76)	(61)	(84)
Loss for the financial year attributable to the equity holders of the parent	(2,336)	(1,569)	(2,667)	(1,755)
Weighted average number of ordinary shares (thousands)	81,564	81,564	81,564	81,564
Basic and diluted loss per share from continuing operations (cents)	(€2.80)	(€1.83)	(US$3.20)	(US$2.05)
Basic and diluted loss per share from discontinued operations (cents)	(€0.06)	(€0.09)	(US$0.07)	(US$0.10)
Basic and diluted loss per share from continuing and discontinued operations (cents)	(€2.86)	(€1.92)	(US$3.27)	(US$2.15)

On 27 March 2019, the Company approved a number of share options incentive schemes for Directors and employees, the total number of share options granted was 7,100,000.

Dividends

The directors did not recommend the payment of a dividend (2019: € NIL / US$NIL).

15. Goodwill

The movements in the net carrying amount of goodwill are as follows:

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Gross carrying amount				
Balance 1 January	4,039	3,994	4,575	4,575
Net exchange difference	(356)	45	-	-
Balance at 31 December	3,683	4,039	4,575	4,575
Accumulated impairment	-	-	-	-
Balance at 1 January 31 December	-	-	-	-
Carrying amount at 31 December	3,683	4,039	4,575	4,575

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable value. The recoverable value is based on the fair value of the Group's bio-pharmaceutical segment at year-end and were performed by an independent valuer not related to the Group.

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Recoverable amount of bio-pharmaceutical segment	9,441	6,979	11,541	7,871
Goodwill allocated to bio-pharmaceutical segment	3,683	4,039	4,575	4,575
Excess of recoverable amount over carrying amount of goodwill	5,758	2,940	6,966	3,296

In 2020 and 2019, the cash flows were calculated on the basis of two geographical markets: Russia and USA and other countries. The forecast period is from December 2021 – 2044 (2019: December 2020-2043), which is the period assumed to be sufficient to complete the Group's research and development, launch in the global pharmaceutical market, achieve the target market share, finish the patent term and gradually reduce the market share to 0% (due to appearance of generics in the market). The discounted cash flow (DCF) method was used in forecasting and the net present value (NPV) was calculated as the sum of all discounted cash flows. Risks associated with clinical trials were taken into account in the discount rate.

The following assumptions were used in the cash flow projections:

Growth rates

In 2020, the Group assumed that the product will start selling in Russia in 2022. The growth rates used in projecting cash flows originating from Russia are 113% in year 2, 57% for year 3, 39% for year 4, 30% for year 5, 4% for years 6 to 15 and gradually decrease until 2044. The Group assumed that the product will start selling globally in 2027. The growth rates used are 106% in year 2, 55% for year 3, 37% for year 4, 29% for year 5, 3% for years 6 to 10 and gradually decrease until 2044 (2019: 107% for year 2, 55% for year 3, 38% for year 4, 29% for year 5, 3% for years 6 to 10 and gradually decrease until 2043). The growth rate exceeds the overall long-term average growth rates because the product produced by the biopharmaceutical segment is new and is expected to continue to grow at above-average rates for the first 5 years after introduction, then a steady growth of 3%-4% for 5-10 years and finally gradually decrease thereafter due to appearance of generic products.

Discount rates

In 2020 and 2019, the discount rate of 19.5% for operations in Russia and 26.7% for cash flows in the USA and other countries reflects the cost and structure of capital, inflation and risks associated with investing in shares in the company being valued. Discount rate used for cash flows in Russia is the rate typical for pharmaceutical companies at a late stage of research (drug registration), while, in the USA and other countries, the rate typical for companies at an intermediate stage of research.

In 2020, if the discount rates used are increased by 2%, an impairment loss of €'000 93 / US$'000 114 (2019: €'000 934 / US$'000 1,098) would have to be recognised against goodwill.

Cash flow assumptions

Management's key assumptions include fast initial growth (refer growth rates above), followed by stable profit margins, based on market analysis. The Group's management believes that this is the best available input for forecasting this mature market. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

Management is not currently aware of any other reasonably possible changes to key assumptions that would cause the carrying amount to exceed its recoverable amount.

16. Other intangible assets

Other intangible assets of the Group are as follows:

	Patents & licenses	Capitalised development costs	Total	Patents and licenses	Capitalised development costs	Total
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Cost						
At 1 January 2019	958	-	958	1,097	-	1,097
Additions	109	521	630	122	584	706
Exchange difference	142	24	166	135	27	162
At 31 December 2019	1,209	545	1,754	1,354	611	1,965
At 1 January 2020	1,209	545	1,754	1,354	611	1,965
Additions	236	179	415	269	205	474
Disposal	(31)	-	(31)	(35)	-	(35)
Exchange difference	(373)	(147)	(520)	(274)	(106)	(380)
At 31 December 2020	1,041	577	1,618	1,314	710	2,024
Amortisation						
At 1 January 2019	-	-	-	-	-	-
Additions	(72)	-	(72)	(81)	-	(81)
At 31 December 2019	(72)	-	(72)	(81)	-	(81)
At 1 January 2020	(72)	-	(72)	(81)	-	(81)
Amortisation	(69)	-	(69)	(79)	-	(79)
Disposal	13	-	13	15	-	15
Exchange difference	104	-	104	79	-	79
At 31 December 2020	(24)	-	(24)	(66)	-	(66)
Net book value						
At 31 December 2020	1,017	577	1,594	1,248	710	1,958
At 31 December 2019	1,137	545	1,682	1,273	611	1,884

All intangible assets are attributable to the bio-pharmaceutical segment of the group.

Research and development costs of €'000 688 / US$'000 786 (2019: €'000 619 / US$'000 693) were recognised as administrative expenses, refer to Note 5.

Staff costs of €'000 153 / US$'000 175 (2019: €'000 104 / US$'000 117) were capitalised during the financial year.

Amortisation of intangible assets amounting to €'000 69 / US$'000 79 was included in the administration expenses during the financial year (2019: €'000 72 / US$'000 81).

In 2019, the Group entered into an agreement to acquire patent for stimulator of genital, sexual and reproductive function to support the development of the Group's development activities. Minimum contractual commitments resulting from this agreement as at 31 December 2020 are €NIL / US$NIL (2019: €'000 80 / US$'000 90) payable during 2020. There are no other material contractual commitments at 31 December 2020 (2019: None).

The recoverable amount of the capitalised development costs is its value-in-use determined using key assumptions in Note 15.

17. Property, plant and equipment

Property, plant and equipment of the Group are as follows:

	Continuing	Discontinued		Continuing	Discontinued	
	Office furniture & equip.	Mining equip.	Land and buildings	Office furniture & equip.	Mining equip.	Land and buildings
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Cost						
At 1 January 2019	77	309	1,131	98	354	1,296
Disposals and write off	2	(309)	(55)	2	(354)	(62)
Effect of movements in exchange rates	4			(7)		(29)
At 31 December 2019	83	-	1,076	93	-	1,205
At 1 January 2020	83	-	1,076	93	-	1,205
Addition	10	-	-	11	-	-
Reversal of impairment	-	-	10	-	-	11
Effect of movements in exchange rates	-	-	(259)	11	-	(200)
At 31 December 2020	93	-	827	115	-	1,016
Depreciation						
At 1 January 2019	74	269	722	94	311	827
Charge for financial year	2	-	-	2	-	-
Disposals and write off	-	(269)	(30)	-	(311)	(34)
Impairment	-	-	3	-	-	3
Effect of movements in exchange rates	4	-	-	(6)	-	(18)
At 31 December 2019	80	-	695	90	-	778
At 1 January 2020	80	-	695	90	-	778
Charge for financial year	2	-	-	2	-	-
Effect of movements in exchange rates	4	-	-	(6)	-	(18)
At 31 December 2019	86	-	529	106	-	650
At 1 January 2020	80	-	695	90	-	778
Charge for financial year	2	-	-	2	-	3
Effect of movements in exchange rates	4	-	(166)	14	-	(131)
Net book values						
At 31 December 2020	7	-	298	9	-	366
At 31 December 2019	3	-	381	3	-	427

All mining equipment and land and buildings are included in the assets classified as held for sale and discontinued operations as disclosed in Note 33.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end. The useful lives have been reviewed and deemed to be appropriate.

The disposal group was stated at fair value less costs to sell at year end, as follows:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Cost	381	409	427	469
Disposal, net of accumulated depreciation	-	(25)	-	(28)
Reversal of/ (impairment loss) (Note 7)	10	(3)	11	(3)
Effect of movements in exchange rates	(93)	-	(82)	(11)
Fair value at year-end	298	381	366	427

At 31 December 2020, the land and building were valued based on post year end sale proceeds received on 2 February 2021 (2019: the land and building were independently valued by Pravovoy Tsentr LLC, a licensed property appraiser in Russia). The fair value of the land and building amounted to €'000 298/ US$'000 366 (2019: €'000 381/ US$'000 427) using comparison approach). This valuation resulted in reversal of previous year impairment of €'000 10 / US$'000 11 (2019: impairment losses of €'000 3 / US$'000 3) and have been included in 'other gains/losses' (Note 7). The reversal of impairment losses (2019: impairment losses) have been applied to revalue (2019: reduce) the carrying amount of land and buildings within the assets held for sale and discontinued operations.

18. Investments in subsidiaries – Company

	01/01/2020	Movement during the financial year	31/12/2020	01/01/2020	Movement during the financial year	31/12/2020
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Silver Star Ltd.	24,995	2,925	27,920	27,991	6,301	34,292
Investment in subsidiaries at cost	24,995	2,925	27,920	27,991	6,301	34,292

	01/01/2019	Movement during the financial year	31/12/2019	01/01/2019	Movement during the financial year	31/12/2019
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Silver Star Ltd.	24,116	879	24,995	27,625	366	27,991
Investment in subsidiaries at cost	24,116	879	24,995	27,625	366	27,991

At 31 December 2020 and 2019, the Company had the following direct and indirect subsidiary undertakings:

Name	Registered office & country of incorporation	Principal Activity	Proportion holding	
			2020	2019
Bulun LLC	13 A Koltcevaya street, Magadan 685000, Russian Federation	Mineral exploration	100%	100%
Magsel LLC	13 A Koltcevaya street, Magadan 685000, Russian Federation	Mineral exploration	100%	100%
Comtrans LLC	13 A Koltcevaya street, Magadan 685000, Russian Federation	Support company	100%	100%
Ovoca Mining Ltd.	36 Vyronos Avenue, Nicosia Tower Center, 8th Floor, Flat 801 1506 Nicosia, Cyprus	Dormant	100%	100%
Silver Star Ltd.	27 Reid Street, 1st Floor, Hamilton HM11, Bermuda	Investment	100%	100%
Ovoca Bio (Russia) Ltd.	17 Pembroke Street Upper, Dublin 2, Ireland	Support company	100%	100%
OVB (Australia) Pty Ltd.	New South Wales 2000, Sydney, Australia	Biopharmaceu-tical	100%	-
IVIX LLC	Stoloviy Lane 6, office 102, Moscow, 121069, Russian Federation	Biopharmaceu-tical	100%	59.94%

All shares are directly held in subsidiaries, with the exception of Bulun LLC, Magsel LLC,IVIX LLC and OVB (Australia) Pty Ltd, which are held through Silver Star Ltd, and comprise of ordinary shares held in the Company.

Movement during the financial year

During the financial year, the Company reversed impairment in its shareholding in Silver Star Ltd. due to increase in the enterprise value of the investment in IVIX LLC which are held by Silver Star Ltd.

In 2019, the Company reversed impairment in its shareholding in Silver Star Ltd. due to increase in the market value of the equity securities designated at FVOCI which are held by Silver Star Ltd.

Newly formed entity in Australia

On 10 February 2020, the Group established a wholly owned subsidiary in Australia under the name of OVB (Australia) Pty Ltd ("OVB Australia") to support the next clinical trial of BP-101 and to benefit from the Australian Government research and development incentive for activities conducted in Australia. OVB Australia was registered in New South Wales and in Australian Securities & Investments Commission under the Corporations Act 2001.

Change in shareholdings

In 2019, the Group acquired additional 9.92% interest in IVIX LLC. On 24 March 2020, the Group acquired the remaining shareholding interest in IVIX LLC resulting to IVIX LLC to be a wholly-owned subsidiary of the Group, further information relating to the acquisition is disclosed in Note 26.

Disclosures relating to subsidiaries

Information relating to subsidiaries that have non-controlling interests that are material to the Group are provided in Notes 26 and 32.

19. Equity securities designated at FVOCI

Investments in equity securities at FVOCI are as follows:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Quoted securities				
Polymetal International plc	2,328	7,489	2,859	8,387

At 1 January 2018, the Group designated the investments shown above as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for long-term strategic purposes. Polymetal International plc (Polymetal) is listed on the London stock exchange.

As at 31 December 2020, the investment in Polymetal represents the holding of 125,000 shares (2019: 535,000 shares). In 2020, the Group sold 410,000 shares (2019: 870,000 shares) in Polymetal, all of the asset managed fund and other equity securities for €'000 7,741 / US$'000 9,019 (2019: €'000 11,308 / US$'000 12,673) as a result of managing its strategic investments and cash flows which approximates its fair value. The Group realised a gain of €'000 1,701 / US$'000 1,939 (2019: €'000 8,128 / US$'000 9,103) which had already been included in OCI. This gain has been transferred to retained earnings (see Note 25).

In 2020, the Group received dividends in the amount of €'000 229 / US$'000 262 (2019: €'000 396 / US$'000 444) from these equity securities (see Note 8).

The above quoted securities are denominated in in Sterling.

A reasonably possible change of 5% in market value at the reporting date would have increased (decreased) equity by the amounts shown below, as movement in the fair value are measured through OCI, there is no increase or decrease within profit or loss. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Equity		Equity	
	€'000 5% increase	€'000 5% increase	US$'000 5% increase	US$'000 5% increase
31 December 2020				
Polymetal International plc	116	(116)	143	(143)
31 December 2019				
Polymetal International plc	374	(374)	419	(419)

20. Inventories

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Finished goods	269	203	330	227
Finished goods as held for resale (Note 33)	–	2	–	2
	269	205	330	229

The Group has not recognised an inventory write down during the financial year (2019: €NIL /US$NIL).

In the opinion of the directors the replacement cost of the stock did not differ significantly from the figure shown (2019: €NIL / US$NIL). No inventory was recognised as an expense during the financial year (2019: €NIL /US$NIL).

21. Trade and other receivables

	Group				Company			
	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Tax refundable	14	62	17	69	8	16	10	18
Other debtors	29	109	36	122	–	–	–	–
	43	171	53	191	8	16	10	18
Trade and other receivables as held for resale (Note 33)	8	134	10	150	–	–	–	–
	51	305	63	341	8	16	10	18

All amounts are short term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. The carrying value of amounts owed by group undertakings is shown net of allowance for expected credit losses of €NIL/ US$NIL (2019: €NIL/ US$NIL) as disclosed in Notes 29 and 30.

22. Cash and cash equivalents

	Group				Company			
	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Cash at bank	10,534	9,231	12,939	10,338	2,475	66	3,040	74
Short term deposits	212	844	260	945	–	–	–	–
	10,746	10,075	13,199	11,283	2,475	66	3,040	74
Cash classified as held for resale (Note 33)	62	84	76	94	–	–	–	–
	10,808	10,159	13,275	11,377	2,475	66	3,040	74

Cash and cash equivalents are held by the Group on a short-term basis with all having an original maturity of three months or less.

The carrying amount approximates their fair value. Short-term deposits are obtained at prevailing market rate conditions.

23. Share captial

Group & Company	2020	2019	2020	2019
	€	€	US$	US$
Authorised equity				
120,000,000 Ordinary shares of 12.5 cent each	15,000,000	15,000,000	21,000,000	21,000,000
	15,000,000	15,000,000	21,000,000	21,000,000
Group & Company Issued, called up and fully paid	Number of ordinary shares		Share capital	Share capital
			€'000	€'000
At 1 January 2019 and 31 December 2019	88,458,806		11,057	15,586
At 1 January 2020 and 31 December 2020	88,458,806		11,057	15,586

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Treasury shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group.

On 28 April 2015, Ovoca Bio plc purchased 5,800,000 ordinary shares of nominal value €0.125 each of the issued share capital of the Company at a price of GBP 6.8p. Ovoca Bio plc intends to hold these shares as treasury stock.

As at 31 December 2020 and 2019, the Company has a total of 81,563,806 (2019: 81,563,806) Ordinary Shares in issue excluding treasury shares of 6,895,000 which have a cumulative cost of €'000 547/ US$'000 607. The purchase was made pursuant to the authority granted by shareholders at an Extraordinary General Meeting of the Company held on 17 October 2014. To date, Ovoca has acquired 7.8% (2019: 7.8%) of its own share capital under this approved share buyback programme.

24. Retained earnings

	Group				Company			
	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Surplus at 1 January	6,402	(524)	8,244	474	7,652	7,090	13,213	12,583
Transfers to retained earnings	(1,031)	8,495	(652)	9,525	-	-	-	-
Share of (loss)/profit for the financial year	(2,336)	(1,569)	(2,667)	(1,755)	1,988	562	2,270	630
Surplus at 31 December	3,035	6,402	4,925	8,244	9,640	7,652	15,483	13,213

Retained earnings is made up of accumulated profits and losses, transfers from other comprehensive income and non-controlling interest.

In accordance with the provisions of the Companies Act 2014, Section 304(2), the Company has not presented an income statement. A profit for the financial year of €'000 1,988/ US$'000 2,270 (2019: profit of €'000 562/ US$'000 630) has been recognised in the income statement of the Company.

25. Other reserves

Details and movements in other reserves of the Group are as follows:

	Other reserves	Foreign currency trans-lation reserve	Share based payment reserve	Total	Other reserves	Foreign currency trans-lation reserve	Share based payment reserve	Total
	€'000	€'000	€'000	€'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2020	681	4,730	21	5,432	923	868	24	1,815
Other comprehensive income/(loss):								
Fair value movement on equity securities designated at FVOCI	3,710	-	-	3,710	4,229	-	-	4,229
Exchange movement on equity securities designated at FVOCI	(664)	-	-	(664)	(737)	-	-	(737)
Foreign exchange gain/(loss) arising from translation of financial statements of a foreign operations	-	(1,779)	-	(1,779)	-	(443)	-	(443)
Transfer to retained earnings as a result of sale of equity securities designated at FVOCI	(1,701)	-	-	(1,701)	(1,939)	-	-	(1,939)
Transactions with owners of the Company								
Share based payments	-	-	9	9	-	-	10	10
Balance at 31 December 2020	2,026	2,951	30	5,007	2,476	425	34	2,935
At 1 January 2019	3,968	4,512	-	8,480	4,605	1,082	-	5,687
Other comprehensive income/(loss):								
Fair value movement on equity securities designated at FVOCI	1,533	-	-	1,533	1,717	-	-	1,717
Exchange movement on equity securities designated at FVOCI	3,308	-	-	3,308	3,704	-	-	3,704
Foreign exchange gain/(loss) arising from translation of financial statements	-	218	-	218	-	(214)	-	(214)
Transfer to retained earnings as a result of sale of equity securities designated at FVOCI	(8,128)	-	-	(8,128)	(9,103)	-	-	(9,103)
Transactions with owners of the Company								
Share based payments expired	-	-	21	21	-	-	24	24
Balance at 31 December 2020	681	4,730	21	5,432	923	868	24	1,815

Details and movements of other reserves of the Company are as follows:

	Other reserves	Share based payment reserve	Total	Other reserves	Foreign currency translation reserve	Share based payment reserve	Total
	€'000	€'000	€'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2020	1,305	21	1,326	1,780	(8,166)	24	(6,362)
Other comprehensive income:							
Exchange movement on translation from functional currency	-	-	-	-	2,343	-	2,343
Transactions with owners of the Company							
Share based payments expired during the financial year	-	9	9	-	-	10	10
Balance at 31 December 2020	1,305	30	1,335	1,780	(5,823)	34	(4,009)
At 1 January 2019	1,305	-	1,305	1,780	(7,666)	-	(5,886)
Other comprehensive income:							
Exchange movement on translation from functional currency	-	-	-	-	(500)	-	(500)
Transactions with owners of the Company							
Share based payments expired during the financial year	-	21	21	-	-	24	24
Balance at 31 December 2019	1,305	21	1,326	1,780	(8,166)	24	(6,362)

26. Non-controlling interest

Portion of equity interest held by non-controlling interest (NCI).

Name	Country of incorporation and operation		2019	2018
IVIX LLC	Russian Federation		-%	40.06%
	2020	2019	2020	2019
Allocation to material non-controlling interest	€'000	€'000	US$'000	US$'000
Loss for the financial year	(36)	(409)	(39)	(460)
Other comprehensive income/ (loss)	(92)	126	(68)	124
Accumulated balance	-	1,492	-	1,707

On 28 June 2019, the Group, through its wholly-owned subsidiary, Silver Star Ltd., acquired additional interest equivalent to 9.92% from IVIX LLC for a cash consideration paid amounting to €'000 1,809/ US$'000 2,040.

On 24 March 2020, the Company's subsidiary, Silver Star Ltd., acquired the remaining shareholding interest in IVIX LLC for a total cash consideration of €'000 4,091/ US$'000 4,416. Consequently, IVIX LLC became a wholly-owned subsidiary of the Group.

Effects on equity of the change in ownership interest in IVIX LLC are as follows:

		2020	2020
Effects on non-controlling interest of the change in ownership interest	NCI %	€'000	US$'000
At 1 January 2020	40.06%	1,492	1,707
Allocation of total comprehensive income / (loss) for the period from 1 January 2020 to 24 March 2020 Loss for the period		(36)	(39)
Other comprehensive income for the period		(62)	(68)
Carrying value at 24 March 2020		1,394	1,600

		2020	2020
Effects on non-controlling interest of the change in ownership interest	NCI %	€'000	US$'000
Carrying value at 24 March 2020	40.06%	1,394	1,600
Change in ownership interest	40.06%	(1,394)	(1,600)
Carrying value at 31 December 2020		-	-

The summarised financial information provided below is based on amounts before intercompany eliminations.

Summarised cash flow information for the financial years 2020 and 2019:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Net cash used in operating activities	(205)	(756)	(234)	(839)
Net cash used in investing activities	(275)	(630)	(315)	(670)
Net decrease in cash and cash equivalents	(480)	(1,386)	(549)	(1,509)

Summarised statement of total comprehensive income for the financial years 2020 and 2019:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
NCI percentage	0.00%	40.06%	0.00%	40.06%
Administration expenses	(372)	(788)	(425)	(883)
Other (losses)/gains	4	(79)	5	(88)
Operating loss	(368)	(867)	(420)	(971)
Finance costs	-	(6)	-	(7)
Finance income	104	6	119	7
Loss before tax	(264)	(867)	(301)	(971)
Income tax	-	-	-	-
Loss after tax for the financial year from discontinued operations	(264)	(867)	(301)	(971)
Foreign exchange income/ (loss) arising from translation of financial statements of a foreign operation	(606)	271	(692)	304
Other comprehensive income/(loss) for the financial year	(606)	271	(692)	304
Total comprehensive loss for the financial year	(870)	(596)	(993)	(667)
Profit allocated to NCI – before change in ownership interest	(36)	(311)	(39)	(351)
Profit allocated to NCI – after change in ownership interest	-	(98)	-	(109)
Profit allocated to NCI	(36)	(409)	(39)	(460)
OCI allocated to NCI – before change in ownership interest	(62)	89	(68)	104
OCI allocated to NCI – after change in ownership interest	-	37	-	20
OCI allocated to NCI	(62)	126	(68)	124
Total comprehensive loss allocated to NCI	(98)	(283)	(107)	(336)

Summarised statement of financial position for the financial years 2020 and 2019:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Non-current assets				
Property, Plant and Equipment	1	1	1	1
Intangible assets	1454	1,682	1,786	1,884
Total non-current assets	1,455	1,683	1,787	1,885
Current assets				
Inventories	269	203	330	227
Trade and other receivables	12	89	15	100
Cash and cash equivalents	218	859	268	962
Total current assets	499	1,151	613	1,289
Current liabilities				
Trade and Other Payables	(184)	(192)	(226)	(215)
Provisions	(5)	(5)	(6)	(6)
Total current liabilities	(189)	(197)	(232)	(221)
Identifiable net assets	1,765	2,637	2,168	2,953

27. Trade and other payables

	Group				Company			
	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Trade payables	358	239	439	268	14	51	17	57
Amounts owed to group undertakings (Note 29)	-	-	-	-	8,266	4,991	10,153	5,589
Accruals	91	110	112	123	91	-	112	-
	449	349	551	391	8,371	5,042	10,282	5,646
Liabilities classified as held for resale (Note 33)	37	78	45	87	-	-	-	-
	486	427	596	478	8,371	5,042	10,282	5,646

All amounts are short term and non-interest bearing. The net carrying value of trade payables is considered a reasonable approximation of fair value.

Amounts owed to group are unsecured, interest free and repayable on demand.

28. Borrowings

The loan from a third party is denominated in US Dollars. The loan has been repaid in full on 8 February 2019.

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Group				Company			
	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Balance at 1 January 2019 and 31 December 2019	–	989	–	1,136	–	–	–	–
Changes from financing cash flows								
Payment of borrowings	–	(994)	–	(1,136)	–	–	–	–
Effect of changes in foreign exchange	–	5	–	–	–	–	–	–
Balance at 31 December 2020	–	–	–	–	–	–	–	–

29. Related party transactions

Details of subsidiary undertakings are shown in Note 18.

In accordance with International Accounting Standard 24, Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

Key management personnel are the Board of Directors of the Group and the Chief executive officer of IVIX LLC.

Details of the remuneration of Directors are disclosed in Note 11.

Group

Transaction and balances with the key management personnel in IVIX LLC:

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Salaries and wages, including capitalised cost	69	73	79	81
Unpaid salaries and wages	1	1	1	1

Transaction and balances with the key management personnel in Magsel LLC:

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Salaries and wages	15	–	17	–

Transaction and balances with Perm' Chemical Company, a company controlled by key management personnel of the Group:

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Development costs	18	183	21	205
Inventories purchased	-	3	-	4

Transaction and balances with Hemastasyx Limited, a company controlled by key management personnel of the Group:

	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Consultancy fees	65	49	74	55

Refer to additional acquired shareholding interest in IVIX LLC (subsidiary) to Note 26.

Company

Included in amounts owed by/ (to) group undertaking are shown below:

	Company			
	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Silver Star Ltd.	(8,266)	(4,991)	(10,153)	(5,589)
Amounts owed to group undertakings	(8,266)	(4,991)	(10,153)	(5,589)

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

At 31 December 2020, the Company had receivable of €NIL / US$NIL (2019: €NIL / US$NIL) from its subsidiaries. In 2019, the Company restructured the loans to Comtrans LLC through novation agreement with Silver Star Ltd.. Total provision in respect of amounts due from subsidiary undertakings in 2020 amounted to €'000 415/ US$'000 474 (2019: €'000 859/ US$'000 962). Reversal of provision in respect of amounts due from subsidiary undertakings in 2020 amounted to €NIL/ US$NIL (2019: €'000 1,300/ US$'000 1,456).

Refer to Note 30 for further details under credit risk section.

30. Financial instruments

The Group and Company monitors relevant aspects of financial instrument risk on an ongoing basis. Financial instrument risks primarily relate to market risk such as foreign exchange risk and price risk, credit risk and liquidity risk. The following table shows the carrying amount of financial assets and financial liabilities in each category as follows:

	Group				Company			
	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Financial assets not measured at fair value								
Investments (Note 18)	-	-	-	-	27,920	24,995	34,292	28,610
Cash and cash equivalents (Note 22)	10,746	10,075	13,199	11,283	2,475	66	3,040	74
Other debtors (Note 21)	30	109	37	122	-	-		-
	10,776	10,184	13,236	11,405	30,395	25,061	37,332	28,684
Financial assets measured at fair value								
Equity securities designated at FVOCI (Note 19)	2,328	7,489	2,859	8,387	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables (Note 27)	449	349	551	391	8,371	5,042	10,282	5,646

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has no established policy in managing foreign exchange rate risk. Any favourable or unfavourable movements of foreign currency exchange rates are absorbed by the Group. Exchange rate fluctuations may affect the cost that the Group incurs with its operations. Any fluctuations of the US Dollar, Russian Rouble, Australian Dollar and Sterling Pounds against the Euro may have a significant impact on the Group's financial position and results in future. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	Financial Assets		Financial Liabilities	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
United States Dollar	4,681	16,655	-	98
Russian Rouble	27	1,234	77	81
Sterling Pounds	7,686	1	-	-
Australian Dollar	588	-	150	-

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	Financial Assets		Financial Liabilities	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
United States Dollar	2,414	45	-	-
Sterling Pounds	2	1	-	-

The following table details the Group and Company's sensitivity to a 10% increase and decrease in the Euro against United States Dollar, Russian Roubles and Sterling Pounds. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates, it assumes that all other variables, in particular bank interest rates, remain constant and ignores the impact of forecast sales and purchases:

	United States Dollar Impact		Russian Roubles Impact	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	€'000	€'000
Group profit or loss	426	1,505	(5)	1,840
Company profit or loss	219	4	-	-

	Sterling Pounds Impact		Australian Dollar	
	31/12/2020	31/12/2020	31/12/2020	31/12/2019
	€'000	€'000	€'000	€'000
Group profit or loss	487	-	40	-
Company profit or loss	-	-	-	-

	Sterling Pounds Impact	
	31/12/2020	31/12/2020
	€'000	€'000
Group other reserves	212	681
Company other reserves	-	-

Credit Risk

This refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining significant collateral, where appropriate, as a means of mitigating the risk of financial loss from defaulters. The table below analyses the maximum exposure of the Group's financial assets which are subject to credit risk:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Other debtors (Note 21)	29	109	36	122
Cash and cash equivalents (Note 22)	10,746	10,075	13,200	11,283
Total	10,775	10,184	13,236	11,405

The Group continuously monitors other counterparty, identified either individually or by the Group, and incorporates this information into its credit risk controls. In relation to the credit risk for cash and cash equivalents, the risk is considered to be negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group's management considers that all of the above financial assets are of good credit quality, as the Group's policy is to deal only with creditworthy customers.

Company

In determining the impairment loss, amounts owed by group undertakings were classified as either amounts repayable on demand, low credit risk receivables or amounts for which there has been a substantial increase in credit risk since initial recognition. In determining the expected credit loss (including probability of default and loss given default), regard was given to the historic performance of the relevant loan as well as forward looking information for the relevant subsidiary including detailed discounted cash flow forecasts. For repayable on demand loans where the loan could not be repaid at the reporting date, expected credit losses were calculated by considering the likely recovery strategies of the Company, including consideration of 'repay over time' strategies. For loans with a substantial increase in credit risk, consideration was given to the future activities and cash flows of the subsidiary and life-time expected credit losses were recognised accordingly where appropriate.

	Company			
	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
At 1 January	-	631	-	745
Provisions during the financial year	-	859	-	962
Recovery during the financial year	-	(1,300)	-	(1,456)
Derecognised during the financial year	-	(190)	-	(251)
At 31 December	-	-	-	-

Liquidity Risk

This refers to the risk that the Group will not have the sufficient funds to meet its liabilities. The Group holds its cash in currencies in which it expects to incur expenditure, including Euros, US Dollar and Russian Roubles. The Group's reporting currency is the Euro. The most meaningful information relates to the Group's current liquidity since it is not generating any income from its mineral projects. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the earliest date on which the Group can be required to pay. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 1 year equal to their carrying values, as the impact of the discounting is not significant.

Group				
Balances due within 1 year	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Trade and other payables (Note 27)	449	349	551	391

Company				
Balances due within 1 year	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Trade and other payables (Note 27)	8,371	5,042	10,282	5,646

The Group and the Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and equity securities at FVOCI. The Group's current cash resources (Note 22), trade and other receivables (Note 21) and equity securities at FVOCI (Note 19) significantly exceed the current cash outflow requirements.

The Company's current liabilities at year end relates to a debt with group company (Notes 3, 27 & 29) which has been a feature for the Group where the debt structure is quite fluid and is driven by current business objectives of the Group. The Directors are regularly reviewing the group structure and involving advisors to optimise the group structure for future operational and business objectives.

Market Risk – price risk

Factors beyond the control of the Group may affect the marketability of its securities. Prices are subject to fluctuation and are affected by factors beyond the control of the Group. The effect of these factors on the Group's operations cannot be accurately predicted. Fluctuations in stock market prices affect the Group's Equity securities at FVOCI. The Group seek to minimise this risk by closely monitoring stock market movements on an ongoing basis. A detailed sensitivity analysis of the impact of changes in the market price of securities is available at Note 19.

Fair value hierarchy and measurement

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring and non-recurring basis:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Equity securities at FVOCI at Level 1 (Note 19)	2,328	7,489	2,859	8,387
Property, plant and equipment included in the disposal group classified as held for sale at Level 2 (Note 33)	298	381	366	449

In 2018, land and building are classified as held for sale and were measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.

In 2019, the fair value of the property, plant and equipment included in the disposal group classified as held for sale is estimated based on appraisals performed by independent, professionally qualified property valuers using the comparison approach. The key inputs under this approach are the price per square metre from current year sales of comparable lots of land and building in the area (location and size).

In 2020, the fair value was determined using the sales price quotation further discussed in Note 34 Subsequent events.

The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors at each reporting date.

See further information in Note 33. There were no transfers between Levels in 2020 and 2019.

Capital management

The Group and Company considers total equity as capital. Its primary objective in capital management is to maintain a strong credit rating in order to support its business and maximise shareholder value. The Group and Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

To maintain or adjust the capital structure, the Company may issue new shares or other financial instruments in relation to ensure the liquidity and the necessary level of the working capital. The amounts managed as capital by the Group and Company for the reporting periods are as summarised as follows:

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Total Equity - Group	18,552	23,836	22,839	26,745
Total Equity - Company	22,032	20,035	27,060	22,437

31. Share-based payments - Group and Company

Under the share option scheme, employees of the Group can receive conditional awards of share options depending on their performance, seniority and length of service. All options issued to date vest once granted. IFRS 2 requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The valuation model used by the Company in years where options are granted or vesting is the Bi-nominal model. Fair value is determined under the equity settled share based remuneration schemes operated by the group.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years. The market vesting condition was factored into the valuation of the phantom options by applying an appropriate discount to the fair value of equivalent share appreciation rights without the specified vesting conditions. The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

In 2020, the expense recognised for employee services received during the financial year arising from equity settled share based payment transactions amounting to €'000 9 / US$€'000 10 (2019: €'000 21/ US$'000 24) is included in employee expenses, see Note 5. In 2020, 2,200,000 (2019: 1,200,000) options granted were forfeited due to resignation of grantees.

	2020		2019	
	Number of options	Weighted average exercise price (€cent per share)	Number of options	Weighted average exercise price (€cent per share)
Outstanding at 1 January	5,900,000	12.5	7,100,000	12.5
Forfeited	(2,200,000)	-	(1,200,000)	-
Expired during the financial year	-	-	-	-
Outstanding at 31 December	3,700,000	12.5	5,900,000	12.5
Of which:				
Exercisable at 31 December	-	-	-	-

32. Acquisition of subsidiary

On 25 September 2018, the Group acquired 50.02% of the equity instruments of IVIX LLC ("IVIX"), a Russian based business, thereby obtaining control. The acquisition was made to diversify the Group's position. The details of the business combination as follows:

Fair value of consideration transferred	€'000	US$'000
Amount settled in cash	3,604	4,120

Recognised amounts of identifiable net assets	€'000	US$'000
Non-current assets		
Property, Plant and Equipment	1	1
Intangible assets	992	1,153
Total non-current assets	993	1,154
Current assets		
Inventories	31	37
Trade and other receivables	37	45
Cash and cash equivalents	1,129	1,312
Total current assets	1,197	1,394
Non-current liabilities		
Other non-current payables	(15)	(17)
Total non-current liabilities	(15)	(17)
Current liabilities		
Trade and Other Payables	(52)	(64)
Provisions	(5)	(6)
Total current liabilities	(57)	(70)
Identifiable net assets	2,118	2,461

Cash outflow on acquisition	€'000	US$'000
Consideration transferred settled in cash	(3,604)	(4,120)
Cash and cash equivalents acquired	1,129	1,312
Net cash outflow on acquisition	(2,475)	(2,808)
Acquisition costs charged to expenses	(357)	(422)

Acquisition-related costs amounting to €'000 357 / US$'000 422 were not included as part of consideration transferred and have been recognised as an expense in the consolidated income statement, as part of administrative expenses in Note 5.

Goodwill arising from the acquisition has been recognised as follows:	Parent	NCI	Total	Parent	NCI	Total
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Amount settled in cash (refer above)	3,604	–	3,604	4,120	–	4,120
Fair value of NCI at acquisition date (refer below)	–	2,505	2,505	–	2,861	2,861
Identifiable net assets (refer above)	(1,058)	(1,057)	(2,115)	(1,230)	(1,228)	(2,458)
Goodwill recognised on acquisition (Note 15)	2,546	1,448	3,994	2,890	1,633	4,523

The goodwill is attributable mainly to the skills and technical talent of IVIX's work force. None of the goodwill recognised is expected to be deductible for tax purposes.

The fair value of the NCI at the acquisition date was independently valued at €'000 2,505 / US$'000 2,861 by International Business Center, an independent firm specialising in consulting, investments and company valuations.

At the date of acquisition, the Group also had the right to acquire a further participation interest (shareholding) to be issued by IVIX LLC for €'000 1,808/ US$'000 2,040 which would increase its overall participation interest in the charter capital of IVIX LLC by 9.92%. The fair value to this right was valued at €NIL / US$NIL, this option was exercised in full on 28 June 2019.

On 24 March 2020, the Company's subsidiary, Silver Star Ltd., acquired the remaining shareholding comprising of 40.06% interest in IVIX LLC for a total cash consideration of €'000 4,091 / US$'000 4,416 was paid to the non-controlling shareholders. The carrying value of the net assets of IVIX LLC was €'000 1,395/ US$'000 1,600. The difference was recognised in retained earnings amounted to €'000 2,732 / US$'000 2,855.

Consequently, IVIX LLC became a wholly-owned subsidiary of the Group.

33. Disposal group classified as held for sale and discontinued operations

Management of the Group has a detailed plan and currently looking for interested parties with respect to the sale of its subsidiaries, Bulun LLC, Magsel LLC and Comtrans LLC, which is involved in the exploration of mining in the Russian Federation. The disposal is consistent with the Group's long-term policy to refocus its activities as a bio-pharmaceutical company since 2018. On 7 February 2019, the shareholders approved the plan to sell.

Consequently, assets and liabilities allocated the exploration segment of the Group were classified as a disposal group. Revenues and expenses, gains and losses relating to the discontinuation of this segment have been eliminated from profit or loss from the Group's continuing activities and are shown as a single line item on the face of the consolidated income statement. The combined results of the discontinued operations included in the loss for the financial period are set out below.

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Administration expenses (Note 5)	(64)	(132)	(72)	(147)
Other gains/(losses) (Note 7)	10	57	11	64
Operating loss	(54)	(75)	(61)	(83)
Finance costs	–	(1)	–	(1)
Finance income	–	–	–	–
Loss before tax	(54)	(76)	(61)	(84)
Income tax	–	–	–	–
Loss after tax for the financial year from discontinued operations	(54)	(76)	(61)	(84)

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	€'000	€'000	US$'000	US$'000
Cash inflow/outflow from discontinued operations				
Operating activities	25	(29)	55	(33)
Investing activity	–	64	–	72
Net cash flows generated from discontinued operations	25	35	55	39

The carrying amount of assets and liabilities in this disposal group are summarised as follows:

	Group			
	2020	2019	2020	2019
	€'000	€'000	US$'000	US$'000
Assets classified as held for resale:	€			€
Non-current assets:				
Property, plant and equipment (Note 17)	298	381	366	427
Current assets:				
Inventories (Note 20)	–	2	–	2
Trade and other receivables (Note 21)	8	134	10	150
Cash and cash equivalents (Note 22)	62	84	76	94
Assets classified as held for resale	368	601	452	673
Liabilities classified as held for resale:				
Current liabilities	37	78	45	87
Liabilities classified as held for resale	37	78	45	87

In 2019, the Group sold equipment with a total net carrying amount of €'000 55 / US$'000 62, for a cash consideration of €'000 56 / US$'000 63. The net loss on these disposals were recognised as part of other gains / (losses) in the consolidated income statement. No such transaction in 2020.

34. Subsequent events

Disposal of Bulun LLC

On 15 March 2021, the Group disposed of its 100% equity interest in its subsidiary Bulun LLC. The subsidiary was part of the group of mining companies classified as held for sale in the prior year. The disposal was in line with the company's strategy to refocus its activities into the bio-pharmaceutical sector.

At the date of disposal the net assets of Bulun LLC were €NIL. The consideration received for Bulun LLC was €'000 2 and was fully paid on 21 December 2020. The sale closed on 15 March 2021. The disposal resulted in a no gain, no loss transaction as the proceeds received from the purchaser were equal to the costs associated with the disposal, payable by Bulun LLC.

Sale of Magsel property

On 03 February 2021, Magsel LLC disposed of the land and buildings. The land and buildings were included in Assets held for sale and discontinued operations.

At 31 December 2020, the land and building were valued based on post year end sale proceeds received on 2 February 2021 (2019: the land and building were independently valued by Pravovoy Tsentr LLC, a licensed property appraiser in Russia). The fair value of the land and building amounted to €'000 298/ US$'000 366 (2019: €'000 381/ US$'000 427 using comparison approach). This valuation resulted in reversal of previous year impairment of €'000 10/ US$'000 11 (2019: impairment losses of €'000 3/ US$'000 3) and have been included in 'other gains/losses' (Note 7). The reversal of impairment losses (2019: impairment losses) have been applied to revalue (2019: reduce) the carrying amount of land and buildings within the assets held for sale and discontinued operations.

35. Contingent liability

In 2014, the Company entered into a loan agreement with a third party. In return for a US$'000 6,300 loan, the Company (formerly Ovoca Gold plc) received an exclusive period to complete due diligence on JSC Evenkiya Fuel and Energy Company (ETEK) and LLC Taymura. The loan was secured by certain receivables of LLC Taymura, non-encumbrance of the assets for the exclusive period, and personal guarantees. In the event that acquisition terms could not be agreed the loan was to be returned with interest to the Company. The loan subsequently went in to default for non-repayment. After extensive legal proceeding, the Company recovered an amount of US$'000 1,000 during the financial year ended 31 December 2016 and the Company continues to try to recover the remaining amount through the courts. However, in May 2019 we became aware that an arbitration court in Russia issued a decision for the Company to repay the received US$'000 1,000. The Company have appealed this decision to the Russian Supreme Court and will rigorously contest this decision. Therefore, it is not practicable to state the timing of the payment, if any. The Company believes, to the best of their knowledge, and having sought legal advice in both Russia and Ireland that it is only possible, but not probable, that the action will succeed. As such, no provision for any liability has been recognised in the financial statements.

36. Approval of the financial statements

These financial statements were approved by the Board of Directors 9 June 2021.

Notes:

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