

OVOCAL BIO

# Annual Report

For the Financial Year ended  
31<sup>st</sup> December 2023



# Ovoca Bio

## Annual Report Contents

<b>1.</b>	Chairman & Chief Executive Officer (CEO)'s Statement	<b>1</b>
<b>2.</b>	Directors and Corporate Information	<b>8</b>
<b>3.</b>	Directors' Report	<b>10</b>
	Directors' Responsibilities Statement	<b>21</b>
<b>4.</b>	Independent Auditor's Report to the Members of Ovoca Bio Plc.	<b>22</b>
	Consolidated Income Statement	<b>29</b>
	Consolidated Statement of Other Comprehensive Income/(loss)	<b>30</b>
	Consolidated Statement of Changes in Equity	<b>31</b>
	Company Statement of Changes in Equity	<b>32</b>
	Consolidated Statement of Financial Position	<b>33</b>
	Company Statement of Financial Position	<b>34</b>
	Consolidated Statement of Cash Flows	<b>35</b>
	Company Statement of Cash Flows	<b>36</b>
<b>5.</b>	Notes to the Financial Statements	<b>37</b>

# Chairman and Chief Executive Officer (CEO)'s Statement

## Dear shareholders of Ovoca Bio Plc,

We are pleased to publish the 2023 Full Year Annual report.

At the beginning of the reporting period – 2023 – the main efforts of the Company were focused on the active development of Orenetide. It is not surprising that the events which occurred at the beginning of the 3rd quarter 2023 – the results of a Clinical Trial conducted in Australia and New Zealand – turned out to be critically important for the Company.

It should be noted that the entire strategy of the Company was based on the expectation of success with the Australian and NZL Study, therefore, all management efforts with partners and contractors were aimed to allow fast progression after receiving the expected positive results of the Study, and the financial strategy of the Company had been framed to ensure a sufficient margin of liquidity at that time.

However, receiving negative Study results was a turning point in the Company's endeavour to pursue previous strategic goals in the biopharma sector. We have made a lot of efforts to comprehensively, thoroughly and deeply analyse the root causes of the Study failure and understand whether there are prospects for further development of Orenetide.

*Continued...*



## 1. CHAIRMAN & CHIEF EXECUTIVE OFFICER (CEO)'S STATEMENT (CONTINUED)



Unfortunately, we have to admit that further investments in this asset do not make sense in the current situation and with the Study results. This is immediately reflected in the re-valuation of the Company's Intangible Assets, as presented in this report. However, significant efforts have been made to maintain current financial stability, taking into account the Company's contracts and obligations. Such tactical stability will allow for a reassessment of the Company's strategic prospects, focusing on minimizing losses for shareholders and finding a potentially profitable new path. We do not intend to frantically maintain the status quo simply to avoid difficult decisions.

Significant work has been done to improve the Company's corporate structure and this is ongoing. We have deep analysis to execute on the planned disposal of the Company's assets historically located in complicated jurisdictions, and the settlement of litigation that was inherited from the Company's previous line of business. All this together is a rather long and difficult process, not helped by the ongoing turbulence in the World and the ever-tightening mutual sanctions pressure between

the jurisdictions of the Company's assets. However, we expect that this work will bear fruit in the current year and make the Company more transparent and attractive in terms of the potential strategic business opportunities.

Thus, the current efforts of management and Directors are focused on investigating strategic business opportunities, where current internal skillsets and competencies can be best used to benefit the Company.

In concluding my statement, I would like to take this opportunity to thank the management of the Company and the members of the Board of Directors for their perseverance, hard work despite all difficulties and invaluable contribution to the further development of Ovoca.

**Sincerely,**  
**Kirill Golovanov,**  
CEO and Chairman, Ovoca Bio Plc



## Company information and overview

### Introduction

Ovoca Bio is a European-based biopharmaceutical company with a focus on women's health. The Company's lead product, Orenetide, a novel synthetic peptide administered through a nasal spray, that had demonstrated statistically significant improvement in a number of symptoms associated with HSDD in the previous clinical trials, recently has failed to demonstrate treatment benefit over control group in the Phase II study conducted in Australia and New Zealand.

Following these Study results, the Company has suspended further R&D plans for Orenetide and is investigating potential strategic opportunities for the business.

## Performance highlights

During the reporting period, Ovoca Bio Plc's key efforts focused on the assessment of clinical trials data and results after the completion earlier in the year of patients recruitment and treatment in the Phase II dose ranging study assessing Orenetide. The study was conducted in Australia and New Zealand. Upon receiving negative study results in July 2023, it has been determined that to continue with further R&D activities with Orenetide may not result in potential benefits for the Company. Consequently, Management agreed not to pursue immediate development plans for Orenetide.

Since the publication of the Orenetide study results, the Board's focus was on investigating potential strategic opportunities, as well as monitoring the budgeted expenditure and revenue forecasts to ensure sufficient funding to cover immediate administrative, advisory etc. fees and allow itself sufficient runway in exploring further investment opportunities.

## Operational highlights

During 2023, the Ovoca management team focused on the following key areas:

Australia and New Zealand Clinical trial – after completion in late 2022 of treatment of the participants and study data collection activities in our ongoing Phase II dose ranging study, the study data analysis and reporting of the results were underway for the first half of 2023, with the results published in July 2023.

The Phase II study was conducted in Australia and New Zealand with a goal to investigate Orenetide, a novel treatment for premenopausal women with HSDD, administered daily at a range of doses, evaluating across 13 clinical sites the effect of the drug on a lack or loss of sexual desire experienced by female participants.

This double-blind placebo-controlled study enrolled 453 participants. The objectives of the study were to evaluate the effect of three different doses of Orenetide (BP-101) versus a placebo on a number of clinically relevant and validated endpoints which were assessed between a four-week baseline period and after four weeks of daily dosing, and then again after a further eight weeks of no-treatment follow-up. All study participants are female and have a diagnosis of acquired, generalised HSDD. The drug supplied for this study has been sourced from well-established manufacturers in Switzerland and the UK.

The study delivered negative results, demonstrating good safety of Orenetide, however no treatment benefit over control group. Following receipt of the study report, the data obtained (in the study) was again analysed in depth in order to understand the reasons for the ineffectiveness of the treatment, which was contrary to the results

obtained in previous clinical studies. However, after a thorough analysis it was determined that continuation and further development and R&D activities with Orenetide may not result in potential benefits for the Company. Further management efforts were aimed at evaluating current contracts and obligations related to the Orenetide and minimizing further costs and possible losses associated with contemplating extension of the R&D plans.

The ongoing tightening of the international sanctions imposed on the Russian economy and financial system, and unfriendly legislative changes in Russia in relation to Western companies, required significant amount of work to be done to assess, analyse and plan actions to freeze and prepare further disposal of the Group's assets historically located in Russia. However, further disposal of the Russia-related assets would be required to ensure further transparency and attractiveness of the Company, as well as avoid exposure to regulatory risks and the EU sanctions regime.

It was critically important for the Company to continue to manage its resources carefully throughout 2023. The management and the Board have made an effort to lower costs, mainly related to R&D activities being suspended and ensure the Company has sufficient funding to cover its expenditure as required.

As a result, the total comprehensive loss of the Group for the full year in 2023 was €'000 5,134/US\$'000 5,439 (2022: €'000 5,809/US\$'000 7,073), which resulted in a final position of cash and liquid investments at fair value as at 31 December 2023 of €'000 3,337/US\$'000 3,683 (2022: €'000 3,703/US\$'000 3,953).

## Our product

### Orenetide (Bp-101/ 'Desirix')

Ovoca Bio's first product, Orenetide (ex. 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.

HSDD is estimated to affect a significant proportion of the female population in the US and the EU. 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 (Nappi R.E. et al, 2010), the prevalence of HSDD ranged from 6–13 per cent. in Europe, and the proportion of women with low desire associated with distress was significantly higher in younger women in comparison with older women.

Data from previous trials of Orenetide 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.

However, the Phase II clinical trial of Orenetide, conducted by the Company in Australia and New Zealand, and aimed to evaluate its efficacy as a treatment for premenopausal women with HSDD through a double-blind, placebo-controlled study involving 453 participants across 13 sites, that completed recently did not yield promising results. Despite showing good safety, Orenetide demonstrated no treatment benefit over the placebo. This unexpected outcome led to an in-depth analysis of the data, which ultimately indicated that further development of Orenetide was unlikely to be beneficial. Consequently, management focused on evaluating and minimizing costs related to ongoing R&D activities for the drug.

## Intellectual property

### Obtained patents:

#### Brazil

- Patent No BR1120140238880, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No BRPI1011071B1, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

#### Canada

- Patent No 2868820, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No 3,042,013 priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions";
- Patent No 2764351, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function".

#### China

- Patent No ZL201380028491.4, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No 102481335B, priority year 2009, "Stimulator of Genital, Sexual and Reproductive Function";
- Patent No ZL 201780079846.0, priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions";
- Patent No ZL 201780080059.8, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction".

#### European Union

- Patent No 2876113, priority year 2012, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No 3650457, 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";
- Patent No 3530279, priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions".

#### India

- Patent No 349465, priority year 2013, "Method for Producing a Recombinant Peptide and Resultant Peptide";
- Patent No 531188, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction".

#### 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 6858227, 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";
- Patent No 7046936, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction";
- Patent No 7155116, priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions".

#### Russia

- Patent No 2404793, 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";
- Patent No 10-2494794, priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions";
- Patent No 10-2499473, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction".

#### 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".



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

Country	Filed*	Serial No.
Brazil	02.10.2017	<b>BR1120200083138</b>
Canada	02.10.2017	<b>3041456</b>
EU	02.10.2017	<b>17 866053.6</b>
Israel	02.10.2017	<b>266167</b>

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

Country	Filed*	Serial No.
Brazil	23.10.2017	<b>BR112019008311</b>
India	23.10.2017	<b>201917017497</b>
Israel	23.10.2017	<b>266163</b>

*\*Dates are in DD.MM.YYYY format.*

The Company plans to maintain the patents and PCT applications while investigating opportunities to further commercialize the Intellectual Property related to Orenetide (e.g., through sale or other options to monetise these assets).

## Future Development of Orenetide Asset

All Orenetide development activities have been suspended following untoward results of the Phase II study conducted by the Company in Australia and New Zealand.

2.

# Directors & Corporate Information

## Directors and corporate information

### Directors

**Kirill Golovanov**

Interim chairman & CEO  
(Executive Director)

**Timothy McCutcheon**

Non-Executive Director

**Anastasia Levashova**

Non-Executive Director

**Kristina Zakurdaeva**

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

### Web site

[www.ovocabio.com](http://www.ovocabio.com)

### Principal banker

**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

3.

# Directors' Report

## Directors' Report

The Directors present their annual report and audited financial statements for the financial year ended 31 December 2023 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 and Future Developments

The Group's activity is that of a biotechnology company while the Company's primary 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.

A detailed business review is included in the Company information and overview, and in going concern section of this Directors' report.

## 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 to its operations. The KPIs for the Group are as follows:

### Financial KPIs

- Shareholder return – the performance of the share price; and
- Gross burn rate – the rate at which available funding is used.

### Non-financial KPIs

- Market research insights – gathering of qualitative data; and
- Development and commercialisation partnerships formed with third parties.

## Results and Dividends

The results of the Group are disclosed on page 26 of the financial statements. The directors did not recommend the payment of a dividend (2022: €NIL/US\$ NIL). Meanwhile, the Company resulted to a net loss of €'0004,702/US\$'000 5,086 in 2023 (2022: net loss of €'0005,612/US\$'000 5,916).

## Principal Risks and Uncertainties

The Group's operating activities are global, with primary operations in Ireland. Accordingly, the principal risks and uncertainties are identified below. 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 investigating strategic opportunities 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. Risks related to Russia-Ukraine military conflict are outlined in a separate section below.

### 3. DIRECTORS' REPORT (CONTINUED)

- **Legal Risk:** As a consequence of the Group business portfolio of pharmaceutical interests, the Group may have numerous legal risks, particularly in the areas of product liability, competition, and patent disputes.
- **Pre-clinical studies and 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. Due to the clinical study formally closing in 2024, the Group continuously monitors the costs of ongoing clinical trials.
- **Regulatory risks:** Compliance with laws, AML regulation, sanctions and stock exchange requirements.
- The tragic events in Ukraine and subsequent international sanctions imposed on the Russian economy and financial system, have completely changed paradigm of the Company's operations in Russia. In February 2022, the company has received Russian Marketing Authorisation and commercial sales authorisation for Orenetide under the trade name of "Desirix", for the treatment of hypoactive sexual desire disorder in premenopausal women. However, the Company found itself unable to finance any activities related to the manufacturing, marketing and sale of Orenetide in Russia due to the disruption of financial transactions between EU and Russia.

To realise the value of the Orenetide Marketing Authorisation, the Board decided to dispose of the licence and wind up its Russian based subsidiary. The sale generated proceeds of €000 986/US\$'000 1,052.

- Despite the difficulties that have arisen, these events have not affected Ovoca's global operations with a truly international team and presence in Ireland, UK, Australia, as well as Russia. The subsidiaries in Russia accounted for less than 1% of the Group's cashflows in 2023, and their activity was suspended through 2023. No member of the Board, management or any of the Company's significant shareholders are on the list of sanctioned individuals.
- **Supply and partner risks:** The Board took action to mitigate all such risk by disposing where profitable of intellectual property and licences necessary to reduce the exposure to the Russian market to a minimum. Per the Board's assessment, there's no material supply and partner risk in 2023.
- **Balance sheet & financial risks:** The management of the Group actively monitors the Group's liquidity position, financial and non-financial health, and equity levels on a regular and continuous basis both at the group and daughter companies' levels. The Group has sufficient liquidity to satisfy our obligations in the foreseeable future.
- **Cross-border financial operations with Russian subsidiaries risks:** Due to the already introduced sanctions, possible sanctions and related restrictions, during the period of its validity, it is impossible to properly finance Russian operational and commercial activities.
- **Political risks of operating in Russia for the Group's subsidiaries:** Ireland is stated as "unfriendly" jurisdiction by Russian government. This may result in a number of restrictions to financial and operational activity of subsidiaries of Irish-based (as well as other "unfriendly" jurisdictions-based) companies in Russia.
- **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 and Sterling Pounds against the Euro may have a significant impact on the Company'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	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
United States Dollar	369	957	296	123
Russian Rouble	1	1,235	466	1,335
Sterling Pounds	1,773	1,995	-	-
Australian Dollar	1,145	581	5	1

The following table details the Group's sensitivity to a 10% increase and decrease in the Euro against United States 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:

	United States Dollar Impact		Russian Rouble Impact	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
Profit or loss	34	87	(39)	(9)

  

	Sterling Pounds Impact		Australian Dollar Impact	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
Profit or loss	161	181	104	53

- 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 31/12/2023 €'000	Group 31/12/2022 €'000	Group 31/12/2023 US\$'000	Group 31/12/2022 US\$'000
Other debtors (Note 21)	106	1,218	117	1,300
Cash and cash equivalents (Note 22)	3,337	3,703	3,683	3,953
<b>Total</b>	<b>3,443</b>	<b>4,921</b>	<b>3,800</b>	<b>5,253</b>

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.

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	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
Balances due within 1 year				
Trade and other payables and provisions (Note 26)	528	1,556	582	1,663

  

Company	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
Balances due within 1 year				
Trade and other payables and provisions (Note 26)	9,309	9,179	10,273	9,799

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

## Directors, Secretary and 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 2023 and their families in the share capital of the Company were:

Director	Ordinary shares of 12.5 cents each			Options over Ordinary shares		
	31/05/2021	31/12/2021	01/01/2021	31/05/2021	31/12/2021	01/01/2021
Kirill Golovanov	19,506,203	19,506,203	19,506,203	2,200,000	2,200,000	-
Timothy McCutcheon	-	-	-	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 2020	2,200,000	€0.125	3 years
Timothy McCutcheon	27 March 2020	200,000	€0.125	3 years

## 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 2023 was €0.01 (2022: €0.06). During the financial year ended 31 December 2023, the market price of the Company's shares ranged from €0.01 to €0.06 (2022: €0.06 to €0.16).

The market price of the Company's share on AIM (OVB.LSE) at 31 December 2023 was £0.0009 (2022: £0.04875). During the financial year ended 31 December 2023, the market price of the Company's shares ranged from £0.0009 to £0.0472 (2022: £0.145 to £0.04875).

## 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 27 May 2024 are as follows:

	Ordinary shares of €1.25c each	% of issued share capital
Euroclear Nominees Limited	54,065,193	61.12
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 27.

## Political Donations

The Group made no political donations during the financial year (2022: €NIL/US\$ NIL).

## Research and Development Activities

The Group's research and development activities are discussed in the Company Information Overview section of the



Annual Report. Research and development costs was recognised as administrative expenses in 2023 amounted to €'000 423/US\$'000 457 (2022: €'000 2,456/US\$'000 2,588) refer to Note 5. During the financial year, the Group's capitalised research and development costs amounting to €NIL/US\$ NIL (2022: €'000 22/US\$'000 24) refer to Note 16. Following the unfavourable study results all R&D activities have been suspended.

## Going Concern

As at 31 December 2023, the Company incurred a loss of €'000 2,716/US\$'000 2,939 (2022: loss of €'000 20,717/US\$'000 21,832), had net current liabilities of €'000 8,834/US\$'000 9,749 (2022: €'000 8,198/US\$'000 8,752) and is in net liability position of €'000 7,040/US\$'000 7,769 (2022: net liability position of €'000 4,324/US\$'000 4,617). At the same date, the Group incurred a loss of €'000 5,134/US\$'000 5,439 (2022: loss of €'000 5,809/US\$'000 7,073), had net assets position of €'000 2,501/US\$'000 2,762 (2022: €'000 7,635/US\$'000 8,201), and had significant liquid resources in the form of cash and cash equivalent of €'000 3,337/US\$'000 3,683 (2022: €'000 3,703/US\$'000 3,953).

The Directors note that majority of the Company's current liabilities at financial year-end relates to a debt with a group Company which has been a feature for the Group where the debt structure is fluid and is driven by current business objectives of the Group. The Directors regularly review the Group structure and involve advisors to optimise and complete future operational and business objectives. Furthermore, the Company's subsidiary undertaking, Silver Star Ltd., will show forbearance, if required, in demanding repayment of the amounts due to it until such time that the Company has sufficient funds to repay it.

The Board is reviewing the Group and Company financial and strategic position in light of unfavourable study results for Orenetide, as well as the current economic and political climate and assessing the potential of the Company in its current state to realise value for its shareholders. The Board re-evaluated the Company's current ability to continue R&D activities and the potential benefits the Company can derive from these. Consequently, Management has agreed not to pursue immediate development plans for Orenetide as the future economic benefits to the Company remain unclear.

The Board is investigating potential strategic opportunities that fit with the skillset and competences of the Company's Management. A number of options are under consideration and reviews and discussions are ongoing.

The Board's focus is on investigating potential strategic opportunities, as well as monitoring the budgeted expenditure and revenue forecasts. The Board notes the low expenditure requirements for 2024 due to the R&D activities being suspended. In these circumstances the Board believes the Company has sufficient funding to cover administrative and advisory fees expenditure as required. Based on the 24-month cash flow forecast prepared by Management, the Board is satisfied that there are sufficient levels of funding within the Group and Company to enable operations for the foreseeable future, and to explore further investment opportunities.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore the entity might be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group continues to avail of the generous R&D refund relief available in Australia (at a rate of 43.5%), and the expected refund for 2023 is AU\$'000 300. This translates to €'000 185/US\$'000 205 during the year.

The Group and Company continue to operate safely and are fully focused on ensuring continuity and long-term viability, as well as explore options to protect, and if suitable opportunities arise realise value for its shareholders, adjust asset ownership structure and address the current economic challenges as they arise.

### 3. DIRECTORS' REPORT (CONTINUED)

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 a going concern basis.

## Details of Executive Directors

### **Kirill Golovanov, Interim Chairman & CEO**

Mr. Golovanov joined Ovoca as a corporate advisor in 2007 and was appointed Chief Executive Officer of Ovoca in May 2012. He has extensive experience in the development of venture businesses. 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.

## Details of Non-Executive Directors

### **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.

### **Anastasia Levashova, Non-Executive Director**

Ms. Levashova has 20+ years of experience of long-term investing in Europe, Middle East and Africa and Latin America and has served on a number of company boards of directors across the UK and Russia. Currently at Blackfriars Asset Management in London, Anastasia oversees several portfolios investing in global equities and high yield securities. Prior roles include leading BNP Paribas EMEA equity sales business, managing research sales and capital transactions at Citibank, and establishing Bank of America Merrill Lynch's equity sales/trading and research teams in Russia. Anastasia holds a PhD from Moscow Lomonosov State University and a Masters from Columbia University, NYC. She does regular interviews on investments for Bloomberg and is a member of EM Power – global charity supporting disadvantaged youth in emerging countries.

### **Kristina Zakurdaeva, Non-Executive Director**

Ms. Zakurdaeva has 10+ years of experience in the international pharma industry and biotech projects development in US, Russia and globally. Kristina now serves as CEO of Incuron, a New York-based drug development company in the oncology sector. Before Incuron, she served as Chief Medical Officer at Gero (Singapore/Russia), a drug discovery company focused on aging and aging-related diseases, where she developed clinical strategy for the company's pipeline. Prior to that Kristina worked as a Scientific Advisor at Bristol-Myers Squibb and later headed oncology and immunology R&D projects in the Skolkovo Foundation (Moscow) where she successfully launched the Cancer Center of Excellence.

Ms. Zakurdaeva is a Founder and Chair of the Board of the Foundation for Cancer Research Support (RakFond, Russia) and has authored numerous, recent, peer-reviewed publications and co-authored a scientific discovery in genetics. He holds a MD degree in internal medicine and haematology, as well as a PhD in genetics of acute leukaemia.

## 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 four directors, comprising one Executive Director and three Non-Executive Directors. The Board met formally on 10 occasions during 2022. An agenda and supporting documentation were 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](http://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](http://www.ovocabio.com), particularly the Company’s Corporate Governance Statement: <https://ovocabio.com/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;

### 3. DIRECTORS' REPORT (CONTINUED)

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.

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

### Taymura litigation

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 (E TEK) 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 into 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.

In December 2019, Alliance LLC (a legal successor of Taymura), filed a petition to the court for changing the method of enforcing the decision under which the court granted to repay the received US\$ ` 000 1,000, should change the manner and the method of court order enforcement and provide for the seizure of the share held by the debtor, Ovoca Bio Plc in the share capital of Comtrans LLC with the nominal value of 32,400,400 Rubles.

A subsequent ruling made by the Court in April 2022, granted the claim of Alliance LLC and directing for the share capital of Comtrans LLC to be seized and the share representing 59,94% of the share capital of IVIX LLC (subsidiary of Silver Star Ltd.) to be seized in order to fully recover the amount recovered in 2016.

Ovoca Bio Plc rigorously contested this decision, but as noted the current volatile political situation was not in favour of Ovoca Bio Plc and a ruling was made directing Ovoca to repay the amounts recovered in 2016. In 2021, Ovoca Bio Plc had cautiously considered the latest developments in the courts and obtained extensive legal advice on the matter. In previous year, the Board believes, it is prudent to make a provision of in relation to the possible outflow of resources connected with the Alliance LLC claim.

The court decision was enforced in July 2022. In September 2022 the claim of Alliance LLC was discharged and Ovoca made the payments in cash through one of its subsidiaries for the amount of the claim that had been provided for in the prior year.

Alliance LLC appealed to the court for the recovery of interest for the use of funds, as well as reimbursement of court costs for a total amount of 12.4 Million Russian Roubles (approximately €'000 159 at the exchange rate by the time of release of this report). Ovoca contested this requirement on appeal, but the court left the decision unchanged. Ovoca Bio Plc is currently taking steps to appeal this last ruling.

### 3. DIRECTORS' REPORT (CONTINUED)

On March 11, 2024, Ovoca Bio Plc filed a cassation appeal, On May 15th the Arbitration Court terminated the Cassation appeal. A meeting of the Arbitration Court regarding the case of procedural succession is rescheduled for August 15th.

## 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 20 June 2024 and signed on its behalf.

**Timothy McCutcheon**  
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 20 June 2024

**Timothy McCutcheon**  
Director

**Kirill Golovanov**  
Director

**4.**

**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 Consolidated financial statements of Ovoca Bio Plc (the "Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of profit or loss and other comprehensive income, Consolidated statement of other comprehensive income/(loss), 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 and Company statement of cash flows for the financial year ended 31 December 2023, and the related notes to the financial statements, including the summary of material 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 2023 and of the Group's financial performance and cash flows for the financial year then ended;
- gives 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 2023 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.

## Material uncertainty relating to going concern

In forming our opinion, which is not modified, we draw attention to the disclosures made in the Directors' report and Note 3 in the financial statements concerning the Group's and Company's ability to continue as a going concern. The Company incurred a comprehensive loss of €'000 2,716/US\$'000 2,939 (2022: loss of €'000 20,717/US\$'000 21,832), had net current liabilities of €'000 8,834/US\$'000 9,749 (2022: net current liabilities of €'000 8,198/US\$'000 8,752) and is in net liability position of €'000 7,040/US\$'000 7,769 (2022: net liability of €'000 4,324/US\$'000 4,617). As at the same date, The Group incurred a comprehensive loss of €'000 5,134/US\$'000 5,441 (2022: loss of €'000 5,809/US\$'000 7,073), was in a net assets position of €'000 2,501/US\$'000 2,762 (2022: net assets of €'000 7,635/US\$'000 8,201). As disclosed in Note 3 the clinical study of Orenetide has return into to unfavourable results. Management has ceased the trials and further R&D studies in this area. As of the reporting date, the Group and Company has no current active projects. However, the Board is investigating potential strategic opportunities that fit with the skillset and competences of the Company's Management. Several options are under consideration and reviews and discussions are ongoing. These conditions, along with other matters as set forth in Note 3, indicate the existence of a

#### 4. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVOCA BIO PLC (CONTINUED)

material uncertainty which may cast significant doubt on the Group and Company's ability to continue as a 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 to adopt the going concern basis of accounting included:

- Evaluated management investigations for potential strategic opportunities that fit with the skillset and competences of the Company's Management by understanding their plans and actions undertaken to-date through inquiries with the Management and Board of Directors and assessment of available documentation and written communication. Several options are under consideration and reviews and discussions are ongoing.
- Reviewed of management's 24-month cash flow forecast and its planned source of funding to enable them to trade for the foreseeable future by evaluating management's future cash flow forecasts, understanding the process by which they were prepared, and assessed the calculations are mathematically accurate and challenging the underlying key assumptions such as expected significant cash inflows, outflows, and other operating expenses.
- For Company only, assessed the forbearance of the related parties to demand payments on the amounts owed to subsidiary undertakings.
- Assessing the completeness and appropriateness of management's going concern disclosures in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue in existence.

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. 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 and Bio-pharmaceutical activities are primarily operated in Australia, and minimal activity in the Russian Federation, whereas the investments activities are operated from Bermuda, and administrative activities in the Republic of Ireland.

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 99% of the Group's total assets. Components' represent business units across the Group considered for audit scoping purposes. 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 1% of total assets for the financial year ended 31 December 2023. We determined materiality for the Company based on a weighted allocation which is 13.47% of 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 65% of materiality, having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the entity and it's the 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.

Other than the matter described in "Material uncertainty related to going concern", we did not determine key audit matters to be communicated in our report.

### **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 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 Company and its 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**

The objectives of an auditor 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Irish Stock Exchange Euronext Growth Dublin (XESM) and London Stock Exchange's Alternative Investment Market (AIM) Rules and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014 and Irish tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management including the Board, risk and compliance and legal functions on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the Group's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, as disclosed in Note 2 of the financial statements;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management;
- the engagement partner have assessed that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation;
- involvement of experienced engagements team, which includes the engagement of internal expert, with sufficient; and knowledge of the industry and had the competence to challenge and test the relevant controls and assumptions relating to the valuation of Goodwill and other intangible assets.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

## **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.

### **Michael Shelley**

For and on behalf of  
Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13 – 18 City Quay  
Dublin 2  
Ireland

Date: 21 June 2024

## Consolidated Income Statement

	Notes	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Administration expenses	5	(1,866)	(5,423)	(2,019)	(5,716)
Other losses	7	(3,233)	(154)	(3,498)	(163)
<b>Operating loss</b>		<b>(5,099)</b>	<b>(5,577)</b>	<b>(5,517)</b>	<b>(5,879)</b>
Finance income	8	-	4	-	4
Finance costs	8	(5)	(39)	(5)	(41)
<b>Loss for the financial year before tax</b>		<b>(5,104)</b>	<b>(5,612)</b>	<b>(5,522)</b>	<b>(5,916)</b>
Income tax	13	-	-	-	-
<b>Loss for the financial year from continuing operations</b>		<b>(5,104)</b>	<b>(5,612)</b>	<b>(5,522)</b>	<b>(5,916)</b>
Gain for the financial year from discontinued operations	30	402	-	436	-
<b>Loss for the financial year</b>		<b>(4,702)</b>	<b>(5,612)</b>	<b>(5,086)</b>	<b>(5,916)</b>
<b>Loss for the financial year attributable to:</b>					
Owners of the parent		(4,702)	(5,612)	(5,086)	(5,916)
		(4,702)	(5,612)	(5,086)	(5,916)
<b>Basic loss per share:</b>					
From continuing operations (cents)	14	(€6.26)	(€6.88)	(US\$6.77)	(US\$7.25)
From continuing and discontinued operations (cents)	14	(€5.76)	(€6.88)	(US\$6.24)	(US\$7.25)
<b>Fully diluted loss per share:</b>					
From continuing operations (cents)	14	(€6.26)	(€6.88)	(US\$6.77)	(US\$7.25)
From continuing and discontinued operations (cents)	14	(€5.76)	(€6.88)	(US\$6.24)	(US\$7.25)

The accompanying notes on pages 37 to 72 form an integral part of these consolidated financial statements.

## Consolidated Statement of other Comprehensive Loss

	Notes	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Loss for the financial year		(4,702)	(5,612)	(5,086)	(5,916)
Other comprehensive income/(loss):					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Fair value movement on equity securities designated at fair value through other comprehensive income (FVOCI)	25	-	(2,006)	-	(2,114)
Exchange movement on equity securities designated at FVOCI	25	-	124	-	277
<i>Net other comprehensive loss that will not be reclassified subsequently to profit or loss</i>		-	(1,882)	-	(1,837)
<i>Items that will be reclassified subsequently to profit or loss</i>					
Foreign exchange (loss)/gain/arising from translating foreign operations		(432)	1,685	(353)	680
<i>Net other comprehensive (loss)/income that will be reclassified subsequently to profit or loss</i>		(432)	1,685	(353)	680
Other comprehensive loss for the financial year		(432)	(197)	(353)	(1,157)
Total comprehensive loss for the financial year		(5,134)	(5,809)	(5,439)	(7,073)
Total comprehensive loss attributable to:					
Owners of the parent		(5,134)	(5,809)	(5,439)	(7,073)
		(5,134)	(5,809)	(5,441)	(7,073)

The accompanying notes on pages 37 to 72 form an integral part of these consolidated financial statements.



## Consolidated Statement of Changes in Equity

	Notes	Share capital €'000	Treasury share reserve €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Other reserves €'000	Accumulated losses €'000	Total attributable to owners of parent €'000
At 1 January 2023		11,057	(547)	5,525	46	1,288	(9,734)	7,635
<b>Comprehensive loss:</b>								
Loss for the financial year		-	-	-	-	-	(4,702)	(4,656)
<b>Other comprehensive (loss)/income:</b>								
Fair value movement on equity securities designated at FVOCI		-	-	-	-	-	-	-
Exchange movement on equity securities designated at FVOCI		-	-	-	-	-	-	-
Transfer to accumulated losses as a result of sale of equity securities designated at FVOCI		-	-	-	-	-	-	-
Foreign exchange gain arising from translation of financial statements of a foreign operations		-	-	(432)	-	-	-	(432)
<b>Total comprehensive loss</b>		-	-	(432)	-	-	(4,702)	(5,134)
<b>Transactions with owners of the Company</b>								
Share based payments	10, 11 & 29	-	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	-	-
<b>Changes in ownership interest</b>								
Disposal of a subsidiary (retained earnings written off)		-	-	-	-	-	-	-
<b>Total changes in ownership interests</b>		-	-	-	-	-	-	-
Balance at 31 December 2023		11,057	(547)	5,093	46	1,288	(14,436)	2,501
At 1 January 2022		11,057	(547)	3,840	42	1,478	(2,440)	13,430
<b>Comprehensive loss:</b>								
Loss for the financial year		-	-	-	-	-	(5,612)	(5,612)
<b>Other comprehensive (loss)/income:</b>								
Fair value movement on equity securities designated at FVOCI		-	-	-	-	(2,006)	-	(2,006)
Exchange movement on equity securities designated at FVOCI		-	-	-	-	124	-	124
Transfer to retained earnings as a result of sale of equity securities designated at FVOCI		-	-	-	-	1,692	(1,692)	-
Foreign exchange gain arising from translation of financial statements of a foreign operations		-	-	1,685	-	-	-	1,685
<b>Total comprehensive (loss)/income</b>		-	-	1,685	-	(190)	(7,304)	(5,809)
<b>Transactions with owners of the Company</b>								
Share based payments	10, 11 & 29	-	-	-	4	-	-	4
<b>Total transactions with owners of the Company</b>		-	-	-	4	-	-	4
<b>Changes in ownership interest</b>								
Purchase of additional interest in a subsidiary with NCI		-	-	-	-	-	10	10
<b>Total changes in ownership interests</b>		-	-	-	-	-	10	10
Balance at 31 December 2022		11,057	(547)	5,525	46	1,288	(9,734)	7,635

The accompanying notes on pages 37 to 72 form an integral part of these consolidated financial statements.

## Company Statement of Changes in Equity

	Ordinary Share capital €'000	Other reserves €'000	Share based payments reserve €'000	Accumulated losses €'000	Total (attributable to owners of the parent) €'000
At 1 January 2023	11,057	1,305	46	(16,732)	(4,324)
Comprehensive loss					
Loss for the financial year	-	-	-	(2,716)	(2,716)
Total comprehensive loss	-	-	-	(2,716)	(2,716)
Transactions with owners of the Company					
Share based payments (Note 10, 11 & 29)	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 31 December 2023	11,057	1,305	46	(19,448)	(7,040)
At 1 January 2022	11,057	1,305	42	3,985	16,389
Comprehensive loss					
Loss for the financial year	-	-	-	(20,717)	(20,717)
Total comprehensive loss	-	-	-	(20,717)	(20,717)
Transactions with owners of the Company					
Share based payments (Note 10, 11 & 29)	-	-	4	-	4
Total transactions with owners of the Company	-	-	4	-	4
At 31 December 2022	11,057	1,305	46	(16,732)	(4,324)

The accompanying notes on pages 37 to 72 form an integral part of these financial statements.

## Consolidated Statement of Financial Position

	Notes	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	15	-	4,237	-	4,575
Other intangible assets	16	-	189	-	202
Property, plant, and equipment	17	-	-	-	-
Equity securities designated at FVOCI	19	-	-	-	-
<b>Total non-current assets</b>		-	4,426	-	4,777
<b>Current assets</b>					
Inventories	20	-	43	-	46
Trade and other receivables	21	121	1,233	134	1,316
Cash and cash equivalents	22	3,337	3,703	3,683	3,953
<b>Total current assets</b>		3,458	4,979	3,817	5,315
Assets held for sale	30	10	-	11	-
<b>Total assets</b>		3,468	9,405	3,828	10,092
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Ordinary shares	23	11,057	11,057	15,586	15,586
Treasury share reserve	23	(547)	(547)	(607)	(607)
Other reserves	25	1,288	1,288	1,774	1,774
Foreign currency translation reserve	25	5,093	5,525	279	632
Share based payment reserve	25	46	46	52	52
Accumulated losses	24	(14,436)	(9,734)	(14,322)	(9,236)
<b>Equity attributable to owners of the parent</b>		2,501	7,635	2,762	8,201
<b>Total equity</b>		2,501	7,635	2,762	8,201
<b>Current liabilities</b>					
Trade and other payables	26	369	1,388	407	1,484
Provisions	33	159	168	175	179
<b>Total current liabilities</b>		528	1,556	582	1,663
Liabilities included in the disposal group classified as held for sale	30	439	214	484	228
<b>Total equity and liabilities</b>		3,468	9,405	3,828	10,092

The accompanying notes on pages 37 to 72 form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors on 20 June 2024

**Timothy McCutcheon**  
Director

**Kirill Golovanov**  
Director

## Company Statement of Financial Position

	Notes	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Financial assets	18	1,794	3,874	1,980	4,135
<b>Total non-current assets</b>		<b>1,794</b>	<b>3,874</b>	<b>1,980</b>	<b>4,135</b>
<b>Current assets</b>					
Trade and other receivables	21	120	66	132	70
Cash and cash equivalents	22	355	915	392	977
<b>Total current assets</b>		<b>475</b>	<b>981</b>	<b>524</b>	<b>1,047</b>
<b>Total assets</b>		<b>2,269</b>	<b>4,855</b>	<b>2,504</b>	<b>5,182</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Ordinary shares	23	11,057	11,057	15,586	15,586
Accumulated losses	24	(19,448)	(16,732)	(15,975)	(13,036)
Other reserves	25	1,305	1,305	1,780	1,780
Share based payment reserve	25	46	46	52	52
Foreign currency translation reserve	25	-	-	(9,212)	(8,999)
<b>Total equity</b>		<b>(7,040)</b>	<b>(4,324)</b>	<b>(7,769)</b>	<b>(4,617)</b>
<b>Current liabilities</b>					
Trade and other payables	26	9,150	9,020	10,098	9,629
Provisions	33	159	159	175	170
<b>Total current liabilities</b>		<b>9,309</b>	<b>9,179</b>	<b>10,273</b>	<b>9,799</b>
<b>Total equity and liabilities</b>		<b>2,269</b>	<b>4,855</b>	<b>2,504</b>	<b>5,182</b>

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 2,716/US\$'000 2,939 (2022: loss €'000 20,717/US\$'000 21,832).

The accompanying notes on pages 37 to 72 form an integral part of these financial statements.

Approved on behalf of the Board of Directors on 20 June 2024

**Timothy McCutcheon**  
Director

**Kirill Golovanov**  
Director

## Consolidated Statement of Cash Flows

	Notes	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
<b>Cash flows from operating activities</b>					
<b>Continuing operations</b>					
Loss for the financial year before tax		(4,702)	(5,612)	(5,086)	(5,916)
<i>Adjustments for:</i>					
Loss on disposal of investments	7, 18 & 19	-	19	-	20
Share based payment	25	-	4	-	4
Depreciation and amortisation	16 & 17	300	531	325	560
Loss on disposal of assets	7	-	313	-	330
Impairment of assets	8	4,296	-	4,649	-
<i>Changes in:</i>					
Decrease in inventories		43	51	47	54
Decrease/(increase) in trade and other receivables		1,102	(899)	1,216	(960)
Increase in trade and other payables and provision		76	429	112	373
<b>Net cash generated from/(used in) operating activities</b>		<b>1,115</b>	<b>(5,164)</b>	<b>1,263</b>	<b>(5,535)</b>
<b>Cash flows from financing activities</b>					
Proceeds from loan/borrowings	26	40	900	44	961
Payments of loan/borrowings	26	(919)	-	(981)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(879)</b>	<b>900</b>	<b>(937)</b>	<b>961</b>
<b>Cash flows from investing activities</b>					
Additions of research and development costs internally developed	16	-	(22)	-	(24)
Additions of patents acquired	16	(49)	(20)	(53)	(22)
Proceeds from disposal of assets		-	1,201	-	1,287
Proceeds from disposal of equity securities at FVOCI	19	-	347	-	366
<b>Net cash (used in)/generated from investing activities</b>		<b>(49)</b>	<b>1,506</b>	<b>(53)</b>	<b>1,607</b>
<b>Effects of foreign exchange</b>					
Net decrease in cash and cash equivalents		(366)	(2,891)	(270)	(3,515)
Cash and cash equivalents at the beginning of financial year	22	3,703	6,594	3,953	7,468
<b>Cash and cash equivalents at the end of financial year</b>	<b>22</b>	<b>3,337</b>	<b>3,703</b>	<b>3,683</b>	<b>3,953</b>
Cash and cash equivalents included in the disposal group	30	-	-	-	-
<b>Cash and cash equivalents for continuing operation</b>	<b>22</b>	<b>3,337</b>	<b>3,703</b>	<b>3,683</b>	<b>3,953</b>

The accompanying notes on pages 37 to 72 form an integral part of these consolidated financial statements.

## Company Statement of Cash Flows

	Notes	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
<b>Cash flows from operating activities</b>					
Loss for the financial year before tax	24	(2,716)	(20,717)	(2,939)	(21,832)
<i>Adjustments for</i>					
Share based payment reserve movement	25	-	4	-	4
Additions of impairment of investment in a subsidiary	18	2,080	20,813	2,155	23,837
Loss on financial asset written off	18	-	10	-	11
Foreign currency exchange gain		-	-	96	(1,904)
<i>Changes in</i>					
Increase in trade and other receivables		(54)	(36)	(60)	(38)
(Decrease)/increase in trade and other payables and provisions		130	(102)	143	(109)
<b>Net cash used in operating activities</b>		<b>(560)</b>	<b>(28)</b>	<b>(605)</b>	<b>(31)</b>
<b>Effects of foreign exchange</b>					
Net decrease in cash and cash equivalents		(560)	(28)	(585)	(91)
Cash and cash equivalents at the beginning of year		915	943	977	1,068
<b>Cash and cash equivalents at the end of year</b>	22	<b>355</b>	<b>915</b>	<b>392</b>	<b>977</b>

The accompanying notes on pages 37 to 72 form an integral part of these financial statements.

# 5.

## Notes to the Financial Statements

# 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 2023 consolidate the individual financial statements of the Company and its subsidiaries (together 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 while the Company’s primary 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 Irish Stock Exchange 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*. On 28 June 2019 and 24 March 2020, the Group further acquired 9.92% and 40.06 interest in IVIX LLC, respectively (see Note 34). Consequently, IVIX LLC became a wholly owned subsidiary of the Group.

In 2023, as a result of the unfavourable outcome of the clinical trial, the Management of the Group had decided to dispose of IVIX LLC and eventually cease operations in Russia.

## 2 Statement of Material Accounting Policies

The following material 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.

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 2023.

### 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 2023.

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.

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 in Euro, which is also the Group and Company's functional currency, and rounded in Euro Thousand (€'000) unless otherwise stated. The US\$ Thousand (US\$'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.

## 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.

## 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.

## Borrowing costs

Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

## 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.

Operating lease rentals are charged to the income statement.

## 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

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

### **Research and development refund**

The clinical studies Ovoca Bio Plc is conducting in Australia qualify for the generous Research and Development (R&D) relief offered by the Australian Government. The credit is calculated at 43.5% of the R&D work performed in a 12-month period.

These R&D incentives in Australia are only 'refundable' in cash to the extent that the current income tax liability is insufficient to utilise the R&D incentive. Ovoca Bio Plc's Australian subsidiary is purely an R&D vehicle and as such does not have any local tax liabilities, thus the cash refund allows the company to reduce the net R&D costs year-on-year, increase its cash flows and reinvest the cash back into the business to foster growth.

The R&D refund acts as a compensation for expenditure incurred and is not associated with future costs. OVB Australia complies with all requirements attaching to R&D relief in Australia and as such the cash is recognized in the period in which it is received and is reported as other income in the Income Statement.

## 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 licences	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:

Office furniture and equipment	- 10% 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 with the proceeds, if any, 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.

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 the 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 and losses (debt instruments) 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 corporation 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 and Company's cash and cash equivalents and other debtors under trade and other receivables 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 IFRS 9 Financial Instruments. 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. The entire portfolio was sold in 2022.

## 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.

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 and other 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 provisions fall into this category of financial instruments while the Company's trade and other payables and provisions fall 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 principal or the most advantageous market must be accessible by the Group.

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 Group determines when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting date.

Equity securities were designated at FVOCI are measured at Level 1. There were no transfers between Levels as there are no longer any equity securities in 2023 and 2022. All equity securities designated at FVOCI have already been disposed of in 2022.

### **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 represent 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 any transfers relating expired share-based payments and its related foreign exchange movement.

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 29 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 amounts immediately prior to their classification as held for sale 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. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

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.

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.

### **Profit or loss from discontinued operations**

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal groups constituting the discontinued operation.

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 30. 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 favourable and unfavourable, 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:

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### *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.

On 21 February 2023, the Board of Directors approved the disposal of the intangible assets (MA and patents) for the Orenetide (Desirix) held by IVIX LLC in Russia to a third-party investor (Desirix LLC) and subsequent cease of Russian operations. Consequently, on 4 October 2023, the Board of Directors approved the proposed strategy for leveraging the Orenetide patents and termination of the alienation agreement regarding exclusive rights to the inventions between OVB (Ireland) Ltd. and IVIX LLC. At the end of 2023, to follow through the plane to cease operations in Russia, the Board of Directors approved the decision to dispose of the Russian-based subsidiary.

The Board considered the subsidiaries to meet the criteria to be classified as held for sale for the following reasons:

- The subsidiaries are available for immediate sale and can be sold to the buyer in its current condition
- The actions required to complete the sale were initiated and negotiations with potential buyers have been identified and monitored
- Sale of material portions of significant assets have already taken place with plans already in place to sell the remainder
- The Group remains committed to its plan to sell the disposal group

For more details on the discontinued operation, refer to Note 30.

### *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.

### *Going concern*

The Directors note that although the Company is in net liability position, majority of the Company's current liabilities at financial year-end relates to a debt with a group Company which has been a feature for the Group where the debt structure is fluid and is driven by current business objectives of the Group. The Directors regularly review the Group structure and involve advisors to optimise and complete future operational and business objectives. Furthermore, the Company's subsidiary undertaking, Silver Star Ltd., will show forbearance, if required, in demanding repayment of the amounts due to it until such time that the Company has sufficient funds to repay it.

The Board's focus is on investigating potential strategic opportunities, as well as monitoring the budgeted. Based on the 24-month cash flow forecast prepared by Management, they expect low expenditure requirements for 2024 due to the R&D activities being suspended. Hence, the Board is satisfied that there are sufficient levels of funding within the Group and Company to cover administrative and advisory fees expenditure as required for the foreseeable future while they explore further investment opportunities.

### *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. There were no capitalised research and development costs in 2023 (capitalised in 2022: €'000 22/US\$'000 24). All of the Group's research and development costs which amounted to €'000 423/US\$'000 457 in 2023 (portion of research and development costs expensed in 2022: €'000 2,456/US\$'000 2,588) was recognised as administrative expenses. Refer to Note 16.

#### *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 provisions and contingencies*

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events (see Note 32).

#### *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. Goodwill has been fully impaired at the end of 2023 amounting to €'000 4,237/US\$'000 4,585 (2022: no impairment loss €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. Impairment loss of €'000 59/US\$'000 64 is recognised in other intangible assets in 2023 (2022: €NIL/US\$NIL). Refer to Note 16 and Note 17 for the carrying value of other intangible assets and property, plant and equipment, respectively.

#### *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 17 for the carrying value of property, plant and equipment.

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### *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. In 2023, all remaining inventory not utilised in research and development were sold as by-product at an amount higher than the cost (Note 7). 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 and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. Refer to Note 21 for the carrying value of trade and other receivables and Note 28 for details of credit risk. Impairment loss was recognised, in respect of amounts due from subsidiary undertakings, in 2023 amounting to €'000 1/US\$'000 2 (2022: €'000 118/US\$'000 124). Refer to Note 27 for the disclosure on related party transactions.

### *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 and liabilities. 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.

### **New Standards adopted as at 1 January 2023**

The Group applied for the first time certain standards, which are effective for annual periods beginning on or after 1 January 2023. The nature and the impact of each amendment is described below:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 'Insurance Contracts' (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

These amendments do not have a significant impact on the consolidated financial statements of the Group.

### **New or revised Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group**

Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the consolidated financial statements of the Group in the period of initial application and therefore no disclosures have been made.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

### 3 Going concern

As at 31 December 2023, the Company incurred a loss of €'000 2,716/US\$'000 2,939 (2022: loss of €'000 20,717/US\$'000 21,832), had net current liabilities of €'000 8,834/US\$'000 9,749 (2022: €'000 8,198/US\$'000 8,752) and is in net liability position of €'000 7,040/US\$'000 7,769 (2022: net liability position of €'000 4,324/US\$'000 4,617). At the same date, the Group incurred a loss of €'000 5,134/US\$'000 5,439 (2022: loss of €'000 5,809/US\$'000 7,073), had net assets position of €'000 2,501/US\$'000 2,762 (2022: €'000 7,635/US\$'000 8,201), and had significant liquid resources in the form of cash and cash equivalent of €'000 3,337/US\$'000 3,683 (2022: €'000 3,703/US\$'000 3,953).

The Directors note that majority of the Company's current liabilities at financial year-end relates to a debt with a group Company which has been a feature for the Group where the debt structure is fluid and is driven by current business objectives of the Group. The Directors regularly review the Group structure and involve advisors to optimise and complete future operational and business objectives. Furthermore, the Company's subsidiary undertaking, Silver Star Limited, will show forbearance, if required, in demanding repayment of the amounts due to it until such time that the Company has sufficient funds to repay it.

The Board is reviewing the Group and Company financial and strategic position in light of unfavourable study results for Orenetide, as well as the current economic and political climate and assessing the potential of the Company in its current state to realise value for its shareholders. The Board re-evaluated the Company's current ability to continue R&D activities and the potential benefits the Company can derive from these. Consequently, Management has agreed not to pursue immediate development plans for Orenetide as the future economic benefits to the Company remain unclear.

The Board is investigating potential strategic opportunities that fit with the skillset and competences of the Company's Management. A number of options are under consideration and reviews and discussions are ongoing.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore the entity might be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board's focus is on investigating potential strategic opportunities, as well as monitoring the budgeted expenditure and revenue forecasts. The Board notes the low expenditure requirements for 2024 due to the R&D activities being suspended. In these circumstances the Board believes the Company has sufficient funding to cover administrative and advisory fees expenditure as required. Based on the 24-month cash flow forecast prepared by Management, the Board is satisfied that there are sufficient levels of funding within the Group and Company to enable operations for the foreseeable future, and to explore further investment opportunities.

The Group continues to avail of the generous R&D refund relief available in Australia (at a rate of 43.5%), and the expected refund for 2023 is AU\$'000 300. This translates to €'000 185/US\$'000 205 during the year.

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Group and Company continue to operate safely and are fully focused on ensuring continuity and long-term viability, as well as explore options to protect, and if suitable opportunities arise realise value for its shareholders, adjust asset ownership structure and address the current economic challenges as they arise.

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 a 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 2023, the Group had three business segments. Bio-pharmaceutical activities are carried out by OVB (Australia) Pty, while investing activities are carried out by the subsidiary, Silver Star Limited, a company located in Bermuda. The investments held were sold in 2022 as discussed in Note 19. Administrative activities represent group administration costs, primarily incurred in Ireland.

#### (b) Segment revenues and results

Segment results represent operating profit earned or operating losses incurred from continuing operations 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 Bio-pharma segment is composed of a company in Australia and a company in Russia. The Russian Federation entity is presented as being discontinued, hence, the Bio-pharma segment below presents only the Australian company.

#### CONTINUING OPERATIONS – 31 December 2023

	Bio-pharma €'000	Investment €'000	Admin €'000	Total €'000	Bio-pharma US\$'000	Investment US\$'000	Admin US\$'000	Total US\$'000
Depreciation and amortisation	-	-	(296)	(296)	-	-	(320)	(320)
Other administration expenses	(445)	(318)	(807)	(1,570)	(482)	(344)	(873)	(1,699)
Other gains/(losses)	1,017	746	(4,996)	(3,233)	1,101	857	(5,406)	(3,498)
<b>Operating loss</b>	<b>572</b>	<b>428</b>	<b>(6,099)</b>	<b>(5,099)</b>	<b>619</b>	<b>463</b>	<b>(6,599)</b>	<b>(5,517)</b>
Finance costs	-	(1)	(4)	(5)	-	(1)	(4)	(5)
Finance income	-	-	-	-	-	-	-	-
<b>Loss before tax</b>	<b>572</b>	<b>427</b>	<b>(6,103)</b>	<b>(5,104)</b>	<b>619</b>	<b>462</b>	<b>(6,603)</b>	<b>(5,522)</b>
Income tax	-	-	-	-	-	-	-	-
<b>Loss after tax</b>	<b>572</b>	<b>427</b>	<b>(6,103)</b>	<b>(5,104)</b>	<b>619</b>	<b>462</b>	<b>(6,603)</b>	<b>(5,522)</b>
Segment assets	1,144	1,838	476	3,458	1,263	2,028	526	3,817
Segment liabilities	(5)	(296)	(227)	(528)	(6)	(327)	(249)	(582)
<b>Net assets</b>	<b>1,139</b>	<b>1,542</b>	<b>249</b>	<b>2,930</b>	<b>1,257</b>	<b>1,701</b>	<b>277</b>	<b>3,235</b>



Included in the other gains/(losses) is a loss on impairment of goodwill and other intangible assets amounting to €'000 4,237/US\$'000 4,585 and €'000 59/US\$'000 64.

## CONTINUING OPERATIONS – 31 December 2022

	Bio-pharma €'000	Investment €'000	Admin €'000	Total €'000	Bio-pharma US\$'000	Investment US\$'000	Admin US\$'000	Total US\$'000
Depreciation and amortisation	(243)	–	(288)	(531)	(256)	–	(304)	(560)
Other administration expenses	(3,481)	(234)	(1,177)	(4,892)	(3,668)	(248)	(1,240)	(5,156)
Other gains/(losses)	1,444	(1,875)	277	(154)	1,521	(1,976)	292	(163)
<b>Operating loss</b>	<b>(2,280)</b>	<b>(2,109)</b>	<b>(1,188)</b>	<b>(5,577)</b>	<b>(2,403)</b>	<b>(2,224)</b>	<b>(1,252)</b>	<b>(5,879)</b>
Finance costs	(22)	(1)	(16)	(39)	(23)	(2)	(16)	(41)
Finance income	4	–	–	4	4	0	0	4
<b>Loss before tax</b>	<b>(2,298)</b>	<b>(2,110)</b>	<b>(1,204)</b>	<b>(5,612)</b>	<b>(2,422)</b>	<b>(2,226)</b>	<b>(1,268)</b>	<b>(5,916)</b>
Income tax	–	–	–	–	–	–	–	–
<b>Loss after tax</b>	<b>(2,298)</b>	<b>(2,110)</b>	<b>(1,204)</b>	<b>(5,612)</b>	<b>(2,422)</b>	<b>(2,226)</b>	<b>(1,268)</b>	<b>(5,916)</b>
Segment assets	1,883	2,137	5,385	9,405	2,063	2,281	5,748	10,092
Segment liabilities	(1,336)	(123)	(97)	(1,556)	(1,427)	(131)	(105)	(1,663)
<b>Net assets</b>	<b>547</b>	<b>2,014</b>	<b>5,288</b>	<b>7,849</b>	<b>636</b>	<b>2,150</b>	<b>5,643</b>	<b>8,429</b>

At 31 December 2023, intangibles assets of €'000 59/US\$'000 64 (2022: €'000 20/US\$'000 21) were held in Russia but were fully impaired at the end of the year (2022: no impairment), while the property, plant and equipment held in Russia were fully depreciated in 2023 (2022: €NIL/US\$NIL). At 31 December 2023, intangible assets held in Ireland are fully amortised (2022: €'000 169/US\$'000 181) while the property, plant and equipment held in Ireland have been fully depreciated since 2020.

## 5 Administration expenses

	Continuing 31/12/2023 €'000	Discontinued 31/12/2023 €'000	Continuing 31/12/2023 US\$'000	Discontinued 31/12/2023 US\$'000
<b>Administration expenses</b>				
Employee expense	(97)	(95)	(107)	(103)
Directors remuneration (Note 11)	(214)	–	(231)	–
<b>Employment costs (Note 10)</b>	<b>(311)</b>	<b>(95)</b>	<b>(337)</b>	<b>(103)</b>
Depreciation and amortisation (Notes 16 and 17)	(296)	(4)	(321)	(4)
Services provided by the Group's auditors (Note 6)	(103)	(19)	(113)	(19)
Operating lease rentals – property	–	–	–	–
Research and development (Note 16)	(419)	(4)	(453)	(4)
Other administration expenses	(737)	(191)	(795)	(208)
<b>Total administration expenses</b>	<b>(1,866)</b>	<b>(313)</b>	<b>(2,019)</b>	<b>(338)</b>

	Continuing 31/12/2022 €'000	Discontinued 31/12/2022 €'000	Continuing 31/12/2022 US\$'000	Discontinued 31/12/2022 US\$'000
<b>Administration expenses</b>				
Employee expense	(194)	–	(204)	–
Directors remuneration (Note 11)	(174)	–	(184)	–
<b>Employment costs (Note 10)</b>	<b>(368)</b>	<b>–</b>	<b>(388)</b>	<b>–</b>
Depreciation and amortisation (Notes 16 and 17)	(531)	–	(562)	–
Services provided by the Group's auditors (Note 6)	(150)	–	(158)	–
Operating lease rentals – property	(15)	–	(16)	–
Research and development (Note 16)	(2,456)	–	(2,588)	–
Other administration expenses	(1,903)	–	(2,004)	–
<b>Total administration expenses</b>	<b>(5,423)</b>	<b>–</b>	<b>(5,716)</b>	<b>–</b>

## 6 Services provided by the Group's auditors

	Continuing 31/12/2023 €'000	Discontinued 31/12/2023 €'000	Continuing 31/12/2023 US\$'000	Discontinued 31/12/2023 US\$'000
Audit services – group audit	55	–	60	–
Audit services – statutory entities	–	1	–	1
Tax advisory services	48	–	52	–
Other services	–	18	–	19
<b>Total auditors remuneration</b>	<b>103</b>	<b>19</b>	<b>112</b>	<b>20</b>

	Continuing 31/12/2022 €'000	Discontinued 31/12/2022 €'000	Continuing 31/12/2022 US\$'000	Discontinued 31/12/2022 US\$'000
Audit services – group audit	63	–	66	–
Audit services – statutory entities	3	–	3	–
Tax advisory services	36	–	38	–
Other services	48	–	51	–
<b>Total auditors remuneration</b>	<b>150</b>	<b>–</b>	<b>158</b>	<b>–</b>

## 7 Other (losses)/gain

	Continuing 31/12/2023 €'000	Discontinued 31/12/2023 €'000	Continuing 31/12/2023 US\$'000	Discontinued 31/12/2023 US\$'000
Other income	1,017	12	1,101	13
Impairment loss on assets	(4,296)	–	(4,649)	–
Foreign exchange gain	46	720	50	779
<b>Total other (losses)/gain</b>	<b>(3,233)</b>	<b>732</b>	<b>(3,498)</b>	<b>792</b>

Impairment loss on assets is comprised of €'000 4,237/US\$'000 4,585 (Note 15) and €'000 59/US\$'000 64 (Note 16) provisions for impairment of goodwill and other intangible assets following the unfavourable outcome of the clinical trials in relation to the development of the Orenetide drug.

	Continuing 31/12/2022 €'000	Discontinued 31/12/2022 €'000	Continuing 31/12/2022 US\$'000	Discontinued 31/12/2022 US\$'000
Other income	1,456	–	1,534	–
Loss on disposal of assets	(313)	–	(330)	–
Loss on sale of investments	(19)	–	(20)	–
Foreign exchange loss	(1,278)	–	(1,347)	–
<b>Total other losses</b>	<b>(154)</b>	<b>–</b>	<b>(163)</b>	<b>–</b>

Other income is composed of R&D relief refund of €'000 1,017/US\$'000 1,101 (2022: €'000 1,412/US\$'000 1,488) and proceeds from by-products sold amounting to €'000 12/US\$'000 13 (2022: €'000 44/US\$'000 46).

## 8 Finance income and finance costs

	Continuing 31/12/2023 €'000	Discontinued 31/12/2023 €'000	Continuing 31/12/2023 US\$'000	Discontinued 31/12/2023 US\$'000
<b>Finance income</b>				
Bank interest income	-	-	-	-
<b>Total finance income</b>	-	-	-	-
<b>Finance costs</b>				
Bank interest and charges	(5)	(17)	(5)	(18)
<b>Total finance costs</b>	(5)	(17)	(5)	(18)
<b>Net finance costs</b>	(5)	(17)	(5)	(18)

  

	Continuing 31/12/2022 €'000	Discontinued 31/12/2022 €'000	Continuing 31/12/2022 US\$'000	Discontinued 31/12/2022 US\$'000
<b>Finance income</b>				
Bank interest income	4	-	4	-
<b>Total finance income</b>	4	-	4	-
<b>Finance costs</b>				
Bank interest and charges	(39)	-	(41)	-
<b>Total finance costs</b>	(39)	-	(41)	-
<b>Net finance cost</b>	(35)	-	(37)	-

## 9 Number of employees

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

	31/12/2023 Number	31/12/2022 Number
Administration and operational staff	5	5

## 10 Employment costs

	Continuing 31/12/2023 €'000	Discontinued 31/12/2023 €'000	Continuing 31/12/2023 US\$'000	Discontinued 31/12/2023 US\$'000
Staff costs (inclusive of directors) during the financial year were as follows:				
Wages and salaries	311	85	337	92
Social insurance costs	-	10	-	11
Share-based payments (Note 11 & 29)	-	-	-	-
<b>Total employment costs</b>	311	95	337	103

  

	Continuing 31/12/2022 €'000	Discontinued 31/12/2022 €'000	Continuing 31/12/2022 US\$'000	Discontinued 31/12/2022 US\$'000
Staff costs (inclusive of directors) in the prior financial year were as follows:				
Wages and salaries	335	-	353	-
Social insurance costs	29	-	31	-
Share-based payments (Note 11 & 29)	4	-	4	-
<b>Total employment costs</b>	368	-	388	-

## 11 Directors' remuneration

	Short-term benefits			
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
Kirill Golovanov	185	146	200	154
Kristina Zakurdaeva	12	11	13	12
Timothy McCutcheon	17	17	18	18
Nikolay Myasodev	-	-	-	-
<b>Directors remuneration</b>	<b>214</b>	<b>174</b>	<b>231</b>	<b>184</b>

	2023		2022		Share-based payments	
	Number of options	€'000	Number of options	€'000	2023 US\$'000	2022 US\$'000
Kirill Golovanov	2,200,000	-	2,200,000	2	-	2
Kristina Zakurdaeva	-	-	-	-	-	-
Timothy McCutcheon	200,000	-	200,000	1	-	1
Nikolay Myasodev	200,000	-	200,000	1	-	1
<b>Directors remuneration</b>	<b>2,600,000</b>	<b>-</b>	<b>2,600,000</b>	<b>4</b>	<b>-</b>	<b>4</b>

The share-based benefits relate to the number of exercisable share options held by directors at the year end. Please refer to Note 29 for further details on share options granted, exercised, forfeited and expired in the financial year and the expense recognised.

## 12 Retirement benefit costs

The Group does not operate a pension scheme (2022: €NIL/US\$ NIL).

## 13 Income tax costs

	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
<b>Analysis of income tax charge for the financial year</b>				
Income tax	-	-	-	-

### Factors affecting tax charge for the financial year

The tax for the financial year is higher than (2022 – higher than) the standard rate of corporation tax in Ireland of 12.5% (2022: 12.5%). The differences are explained below:

	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
Loss for the financial year	(4,702)	(5,612)	(5,086)	(5,916)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax at in Ireland of 12.5% (2022: 12.5%)	(638)	(702)	(690)	(739)
<b>Effects of</b>				
Ineligible costs and losses carried forward to future periods	638	702	690	739
<b>Total income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 and items on other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss.

## 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 2023 and 2022, 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.

	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
<b>Basic and diluted loss per share</b>				
Loss for the financial year attributable to the equity holders of the parent:				
Continuing operations	(5,104)	(5,612)	(5,522)	(5,916)
Discontinued operations	402	-	436	-
Loss for the financial year attributable to the equity holders of the parent	(4,702)	(5,612)	(5,086)	(5,916)
Weighted average number of ordinary shares (thousands)	81,564	81,564	81,564	81,564
<b>Basic and diluted loss per share from continuing operations (cents)</b>	<b>(€6.26)</b>	<b>(€6.88)</b>	<b>(US\$6.77)</b>	<b>(US\$7.25)</b>
<b>Basic and diluted loss per share from discontinued operations (cents)</b>	<b>(€0.49)</b>	<b>-</b>	<b>(US\$0.53)</b>	<b>-</b>
<b>Basic and diluted loss per share from continuing and discontinued operations (cents)</b>	<b>(€6.75)</b>	<b>(€6.88)</b>	<b>(US\$6.24)</b>	<b>(US\$7.25)</b>

On 27 March 2019, the Company approved a number of share options incentive schemes for Directors and employees. As at 31 December 2023 the total number of share options is 2,600,000 (2022: 2,600,000). Refer further to Note 29 for details on movement on share options exercised, forfeited and expired in the financial year and the expense recognised.

### Dividends

The directors did not recommend the payment of a dividend (2022: € NIL/US\$ NIL).

## 15 Goodwill

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

	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
<b>Gross carrying amount</b>				
Balance 1 January	4,237	3,994	4,575	4,575
Net exchange difference	-	243	-	-
<b>Balance at 31 December</b>	<b>-</b>	<b>4,237</b>	<b>-</b>	<b>4,575</b>
<b>Accumulated impairment</b>				
Balance 1 January	-	-	-	-
Impairment charged during the year	4,228	-	4,575	-
Net exchange difference	9	-	-	-
<b>Balance at 31 December</b>	<b>4,237</b>	<b>-</b>	<b>4,575</b>	<b>-</b>
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>4,237</b>	<b>-</b>	<b>4,575</b>

### 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

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

recoverable value. The recoverable value is based on fair value of the Group's bio-pharmaceutical segment at year-end. A report was performed by an independent valuer not related to the Group for 2022. The assumptions have been reviewed and the 2022 valuation was performed by an internal expert of the Group.

However, in 2023, due to the unfavourable results of the clinical trials, the Management and Directors have fully impaired the value of goodwill.

	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Recoverable amount of bio-pharmaceutical segment	-	4,731	-	5,109
Goodwill allocated to bio-pharmaceutical segment	-	4,237	-	4,575
Excess of recoverable amount over carrying amount of goodwill	-	494	-	534

In 2022, the market value of the goodwill was estimated based on the results of the income approach using the Relief from Royalty method. The cash flows backed by reasonable and acceptable assumptions that reflect the management's most accurate estimate of economic conditions prevailing throughout the product lifecycle and that can be verified by external information sources were factored. The market value analysis was carried out based on the information available as of the date of analysis. This means that the cash flows should reflect the "as-is" state of the project.

## 16 Other intangible assets

Other intangible assets of the Group are as follows:

	Patents and licences €'000	Capitalised development costs €'000	Total €'000	Patents and licences US\$'000	Capitalised development costs US\$'000	Total US\$'000
<b>Cost</b>						
At 1 January 2022	1,168	750	1,918	1,354	851	2,205
Additions	20	22	42	22	24	46
Disposal	(1,105)	(854)	(1,959)	(1,179)	(912)	(2,091)
Exchange difference	94	82	176	50	37	87
<b>At 31 December 2022</b>	<b>177</b>	<b>-</b>	<b>177</b>	<b>247</b>	<b>-</b>	<b>247</b>
Additions	49	-	49	53	-	53
Exchange difference	47	-	47	54	-	54
<b>At 31 December 2023</b>	<b>273</b>	<b>-</b>	<b>273</b>	<b>354</b>	<b>-</b>	<b>354</b>
<b>Amortisation</b>						
At 1 January 2022	(135)	-	(135)	(186)	-	(186)
Amortisation	(344)	(181)	(525)	(363)	(193)	(556)
Disposal	538	181	719	574	193	767
Exchange difference	(47)	-	(47)	(70)	-	(70)
<b>At 31 December 2022</b>	<b>12</b>	<b>-</b>	<b>12</b>	<b>(45)</b>	<b>-</b>	<b>(45)</b>
Amortisation	(300)	-	(300)	(325)	-	(325)
Impairment	(59)	-	(59)	(64)	-	(64)
Exchange difference	74	-	74	80	-	80
<b>At 31 December 2023</b>	<b>(273)</b>	<b>-</b>	<b>(273)</b>	<b>(354)</b>	<b>-</b>	<b>(354)</b>
<b>Net book value</b>						
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2022</b>	<b>189</b>	<b>-</b>	<b>189</b>	<b>202</b>	<b>-</b>	<b>202</b>

All intangible assets are attributable to the bio-pharmaceutical segment of the Group. All intangible assets from the bio-pharmaceutical segment of the Group are included in the disposal group.

Research and development costs of €'000 423/US\$'000 457 (2022: €'000 2,456/US\$'000 2,588) was recognised as administrative expenses, refer to Note 5.

No staff costs were capitalised during the financial year (2022: €'000 22/US\$'000 24).

Amortisation of intangible assets amounting to €'000 300/US\$'000 325 was included in the administration expenses during the financial year (2022: €'000 525/US\$'000 556).

There are no other material contractual commitments at 31 December 2023 (2022: None).

## 17 Property, plant and equipment

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

	Continuing Office furniture & equipment €'000	Discontinued Land and buildings €'000	Continuing Office furniture & equipment US\$'000	Discontinued Land and buildings US\$'000
<b>Cost</b>				
At 1 January 2022	76	-	86	-
Disposal	(27)	-	(28)	-
Effect of movements in exchange rates	2	-	(4)	-
<b>At 31 December 2022</b>	<b>51</b>	<b>-</b>	<b>54</b>	<b>-</b>
Additions	-	-	-	-
<b>At 31 December 2023</b>	<b>51</b>	<b>-</b>	<b>54</b>	<b>-</b>
<b>Depreciation</b>				
At 1 January 2022	(58)	-	(66)	-
Charge for financial year	(6)	-	(6)	-
Disposal	14	-	15	-
Effect of movements in exchange rates	(1)	-	3	-
<b>At 31 December 2022</b>	<b>(51)</b>	<b>-</b>	<b>(54)</b>	<b>-</b>
Charge for financial year	-	-	-	-
<b>At 31 December 2023</b>	<b>(51)</b>	<b>-</b>	<b>(54)</b>	<b>-</b>
<b>Net book values</b>				
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

## 18 Investments in subsidiaries – Company

	01/01/2023 €'000	Movement during the financial year €'000	31/12/2023 €'000	01/01/2023 US\$'000	Movement during the financial year US\$'000	31/12/2023 US\$'000
Silver Star Limited	3,874	(2,080)	1,794	4,135	(2,155)	1,980
Ovoca Mining Limited	-	-	-	-	-	-
<b>Investment in subsidiaries at cost</b>	<b>3,874</b>	<b>(2,080)</b>	<b>1,794</b>	<b>4,135</b>	<b>(2,155)</b>	<b>1,980</b>

	01/01/2022 €'000	Movement during the financial year €'000	31/12/2022 €'000	01/01/2022 US\$'000	Movement during the financial year US\$'000	31/12/2022 US\$'000
Silver Star Limited	24,687	(20,813)	3,874	27,961	(23,826)	4,135
Ovoca Mining Limited	10	(10)	-	11	(11)	-
<b>Investment in subsidiaries at cost</b>	<b>24,697</b>	<b>(20,823)</b>	<b>3,874</b>	<b>27,972</b>	<b>(23,837)</b>	<b>4,135</b>

At 31 December 2023 and 2022, the Company had the following direct and indirect subsidiary undertakings:

Name	Registered office & country of incorporation	Principal Activity	Proportion holding	
			2023	2022
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 8011506 Nicosia, Cyprus	Written-off	-	-
Silver Star Limited	27 Reid Street, 1st Floor, Hamilton HM11, Bermuda	Investment	100%	100%
OVB (Ireland) Limited	17 Pembroke Street Upper, Dublin 2, Ireland	Support company	100%	100%
OVB (Australia) Pty	Sydney, New South Wales, 2000	Biopharmaceutical	100%	100%
IVIX LLC	Stoloviy Lane 6, office 102, Moscow, 121069, Russian Federation	Biopharmaceutical	100%	100%

All shares are directly held in subsidiaries, with the exception of IVIX LLC, which are held through Silver Star Limited, and comprise of ordinary shares held in the Company.

### Impairment during the financial year

The Company performed its annual impairment review of its investment in subsidiaries. During the financial year, the Company has impaired its shareholding in Silver Star Limited by €'000 2,080/US\$'000 2,251 (2022: €'000 20,813/US\$'000 23,826) due to decrease in the enterprise value of the investment in IVIX LLC which are held by Silver Star Limited which has caused its recoverable amount to fall below its carrying amount. The determined fair value of the investment falls within level 3 of the hierarchy as the subsidiary is not a listed company. The Management had approximated the fair value based on the net assets of subsidiary at year-end after elimination of related party balances within the Group. The Management deems the remaining assets to be realisable and the liabilities repayable at their carrying amount.

The recoverable amount of the investment in subsidiary is determined based on the current standing of the subsidiary. The financial statements do not include any potential adjustment(s) that may be required arising out of the alternative outcomes of any potential strategic business opportunities the Group may undertake after year-end based on the future investments being investigated by the Board of Directors.

### Write-off of Ovoca Mining Ltd.

In the year of 31 December 2022, the Group disposed of its 100% equity interest amounting to €'000 10/US'000 11 in its dormant subsidiary Ovoca Mining Ltd. The subsidiary was part of the group of mining companies dormant since the



previous years. The disposal was in line with the subsidiary's inactivity and lack of probability to be sold as its balances are also €NIL/US\$NIL.

## 19 Equity securities designated at FVOCI

In 2022, all 125,000 shares of the Group's equity investments were sold for €'000 347/US\$'000 366. As result of the sale, the Group realised a total loss of €'000 1,692/US\$'000 1,783, including a loss on sale of €'000 9/US\$'000 9, and the remaining which had already been included in OCI. This loss had been transferred to Accumulated losses (see Note 24). The Group did not receive any dividends from these equity securities (see Note 8). As a result, there were no transfers between Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring and non-recurring basis of the Group.

## 20 Inventories

	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Finished goods	-	43	-	47
	-	43	-	47

The Group has not recognised an inventory write down during the financial year (2022: €NIL/US\$NIL).

In the opinion of the directors the replacement cost of the stock did not differ significantly from the figure shown (2022: €NIL/US\$NIL). Inventory recognised as expense during the financial year amounted to €'000 43/US\$'000 47 (2022: €'000 51/US\$'000 60).

## 21 Trade and other receivables

	Group				Company			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Tax refundable	15	15	17	16	15	15	16	16
Other debtors	106	1,218	117	1,300	105	51	116	54
	121	1,233	134	1,316	120	66	132	70
Trade and other receivables classified as held for resale (Note 30)	10	-	11	-	-	-	-	-
	131	1,233	145	1,316	120	66	133	70

All amounts are short term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

## 22 Cash and cash equivalents

	Group				Company			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Cash at bank	3,337	3,605	3,683	3,847	356	915	392	977
Short term deposits	-	98	-	106	-	-	-	-
	3,337	3,703	3,683	3,953	356	915	392	977
Cash classified as held for resale (Note 30)	-	-	-	-	-	-	-	-
	3,337	3,703	3,683	3,953	356	915	392	977

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 capital

Group and company	2023 €	2022 €	2023 US\$	2022 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 and company	Number of ordinary shares	Share capital €'000	Share capital US\$'000	
Issued, called up and fully paid				
At 1 January 2022 and 31 December 2022	88,458,806	11,057	15,586	
At 1 January 2023 and 31 December 2023	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 2023 and 2022, the Company has a total of 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% (2022: 7.8%) of its own share capital under this approved share buyback programme.

## 24 Accumulated losses

	Group				Company			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
(Accumulated losses)/retained earnings at 1 January	(9,734)	(2,440)	(9,236)	(1,548)	(16,732)	3,985	(13,036)	8,796
Transfers to accumulated losses	-	(1,692)	-	(1,783)	-	-	-	-
Written-off from dormant subsidiary	-	10	-	11	-	-	-	-
Share of loss for the financial year	(4,702)	(5,612)	(5,086)	(5,916)	(2,716)	(20,717)	(2,939)	(21,832)
<b>Accumulated losses at 31 December</b>	<b>(14,436)</b>	<b>(9,734)</b>	<b>(14,322)</b>	<b>(9,236)</b>	<b>(19,448)</b>	<b>(16,732)</b>	<b>(15,975)</b>	<b>(13,036)</b>

In 2022, Ovoca Mining Ltd.'s retained earnings balance was written off due to inactivity of the company for several years (refer to Note 18).

In accordance with the provisions of the Companies Act 2014, Section 304(2), the Company has not presented an income statement. A loss for the financial year of €'000 2,716/US\$'000 2,939 (2022: loss of €'000 20,717/US\$'000 21,832) has been recognised in the income statement of the Company. Included in this amount is an impairment provision on investment in subsidiaries of €'000 2,080/US\$'000 2,155 (2022: €'000 20,813/US\$'000 23,826), respectively, per Note 18.

## 25 Other reserves

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

	Other reserves €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Total €'000	Other reserves US\$000	Foreign currency translation reserve US\$000	Share based payment reserve US\$000	Total US\$000
At 1 January 2023	1,288	5,525	46	6,859	1,774	632	52	2,458
<b>Other comprehensive income/(loss):</b>								
Fair value movement on equity securities designated at FVOCI	-	-	-	-	-	-	-	-
Exchange movement on equity securities designated at FVOCI	-	-	-	-	-	-	-	-
Foreign exchange gain arising from translation of financial statements of foreign operations	-	(432)	-	(432)	-	(353)	-	(353)
Transfer to accumulated losses as a result of sale of equity securities designated at FVOCI	-	-	-	-	-	-	-	-
<b>Transactions with owners of the Company</b>								
Share based payments	-	-	-	-	-	-	-	-
Balance at 31 December 2023	1,288	5,093	46	6,427	1,774	279	52	2,105
At 1 January 2022	1,478	3,840	42	5,360	1,828	(46)	48	1,830
<b>Other comprehensive income/(loss):</b>								
Fair value movement on equity securities designated at FVOCI	(2,006)	-	-	(2,006)	(2,114)	-	-	(2,114)
Exchange movement on equity securities designated at FVOCI	124	-	-	124	277	-	-	277
Foreign exchange gain arising from translation of financial statements of foreign operations	-	1,685	-	1,685	-	678	-	678
Transfer to accumulated losses as a result of sale of equity securities designated at FVOCI	1,692	-	-	1,692	1,783	-	-	1,783
<b>Transactions with owners of the Company</b>								
Share based payments	-	-	4	4	-	-	4	4
Balance at 31 December 2022	1,288	5,525	46	6,859	1,774	632	52	2,458

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

	Other reserves €'000	Share based payment reserve €'000	Total €'000	Other reserves US\$000	Foreign currency translation reserve US\$000	Share based payment reserve US\$000	Total US\$000
At 1 January 2023	1,305	46	1,351	1,780	(8,999)	52	(7,167)
<b>Other comprehensive income:</b>							
Exchange movement on translation from functional currency	-	-	-	-	(213)	-	(213)
<b>Transactions with owners of the Company</b>							
Share based payments	-	-	-	-	-	-	-
Balance at 31 December 2023	1,305	46	1,351	1,780	(9,212)	52	(7,380)

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Other reserves €'000	Share based payment reserve €'000	Total €'000	Other reserves US\$000	Foreign currency translation reserve US\$000	Share based payment reserve US\$000	Total US\$000
At 1 January 2022	1,305	42	1,347	1,780	(7,647)	48	(5,819)
<b>Other comprehensive income:</b>							
Exchange movement on translation from functional currency	-	-	-	-	(1,352)	-	(1,352)
<b>Transactions with owners of the Company</b>							
Share based payments	-	4	4	-	-	4	4
Balance at 31 December 2022	1,305	46	1,351	1,780	(8,999)	52	(7,167)

## 26 Trade and other payables

	Group				Company			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Trade payables	301	1,173	332	1,253	-	34	-	36
Amounts owed to group undertakings (Note 27)	-	-	-	-	9,082	8,924	10,023	9,526
Provisions (Note 32)	159	168	175	179	159	159	175	170
Other taxes	-	113	-	121	-	-	-	-
Accruals	68	102	75	110	68	62	75	67
	528	1,556	582	1,663	9,309	9,179	10,273	9,799
Liabilities classified as held for resale (Note 30)	439	214	484	228	-	-	-	-
	967	1,770	1,066	1,891	9,309	9,179	10,273	9,799

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. All other amounts are short term and non-interest bearing. The net carrying value of trade payables is considered a reasonable approximation of fair value.

In 2023, included in the liabilities classified as held for resale are unsecured short-term loans totalling to €'000 27/US\$'000 30 with interest rates of 10% and 11% repayable in 2024.

During the year, proceeds from the loans amounted to €'000 40/US\$'000 44 (2022: €'000 900/US\$'000 961) and repayments made totalling to €'000 919/US\$'000 981 (2022: €NIL/US\$ NIL).

## 27 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:

	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Salaries and wages, including capitalised cost	31	94	34	101
Unpaid salaries and wages	-	-	-	-

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

	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Consultancy fees	-	7	-	8

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

	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Consultancy fees	40	40	43	43

## Company

Included in amounts owed to group undertaking is shown below:

	Company			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Silver Star Limited	(9,082)	(8,924)	(10,023)	(9,526)
Amounts owed to group undertakings	(9,082)	(8,924)	(10,023)	(9,526)

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 2023, the Company had receivable of €'000 4,261/US\$'000 4,702 (2022: €'000 4,132/US\$'000 4,411) from its subsidiaries offset with payable of €'000 13,343/US\$'000 14,725 (2022: €'000 13,056/US\$'000 13,937) to the same subsidiaries. Total provision in respect of amounts due from subsidiary undertakings in 2023 amounted to €'000 1/US\$'000 2 (2022: €'000 118/US\$'000 124).

Refer to Note 28 for further details under credit risk section.

## 28 Financial instruments

The Group and the 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, interest 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			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
<b>Financial assets not measured at fair value</b>								
Investments (Note 18)	-	-	-	-	1,794	3,874	1,884	4,135
Cash and cash equivalents (Note 22)	3,337	3,703	3,683	3,953	356	915	393	977
Other debtors (Note 21)	106	1,218	117	1,300	105	51	116	54
	3,443	4,921	3,800	5,253	2,255	4,840	2,393	5,166
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables (Note 26)	528	1,443	582	1,542	9,309	9,179	10,273	9,799
	528	1,443	582	1,542	9,309	9,179	10,273	9,799

## 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

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

affect the cost that the Group incurs with its operations. Any fluctuations of the US Dollar, Russian Rouble 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	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
United States Dollar	369	957	296	123
Russian Rouble	1	1,235	426	1,335
Sterling Pounds	1,773	1,995	-	-
Australian Dollar	1,145	581	5	1

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	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
United States Dollar	288	807	-	-
Sterling Pounds	16	6	-	-
Russian Rouble	-	-	159	159

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	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
Group profit or loss	34	87	(39)	(9)
Company profit or loss	26	73	(14)	(14)

  

	Sterling Pounds Impact		Australian Dollar	
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 €'000	31/12/2022 €'000
Group profit or loss	161	181	104	53
Company profit or loss	1	1	-	-

### Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's does not have exposure to the risk of changes in market interest rates as the Group does not have long-term debt obligations nor liabilities with floating interest rates.

## 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				Company			
	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000	2023 €'000	2022 €'000	2023 US\$'000	2022 US\$'000
Other debtors (Note 21)	106	1,218	117	1,300	105	51	116	54
Cash and cash equivalents (Note 22)	3,337	3,703	3,683	3,953	356	915	393	977
<b>Total</b>	<b>3,443</b>	<b>4,921</b>	<b>3,800</b>	<b>5,253</b>	<b>461</b>	<b>966</b>	<b>509</b>	<b>1,031</b>

The Group and the Company continuously monitors other counterparties, identified either individually, by the Company 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 and Company's management considers that all of the above financial assets are of good credit quality, as the Group's and Company's policy is to deal only with creditworthy counterparties.

## 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 operations. 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			
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
<b>Balances due within 1 year</b>				
Trade and other payables and provisions (Note 26)	528	1,556	582	1,663

  

	Company			
	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
<b>Balances due within 1 year</b>				
Trade and other payables and provisions (Note 26)	9,309	9,179	10,273	9,799

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. The Group's current cash resources (Note 22) includes balances with a Russian bank which is unrestricted and will be used to settle existing liabilities and administrative expenses in Russia, and trade and other receivables (Note 21) significantly exceed the current cash outflow requirements.

## 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. The Group seek to minimise this risk by closely monitoring stock market movements on an ongoing basis.

## 5. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Capital management

The Group 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 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 for the reporting periods are as summarised as follows:

	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
Total Equity – Group	2,501	7,635	2,762	8,201
Total Equity – Company	(7,040)	(4,324)	(7,865)	(4,617)

### 29 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 2023, there were no expense incurred for arising from equity settled share-based payment transactions included in employee expenses (2022: €'000 4/US\$'000 4). See Note 5 and 11 for more details. In 2023, no granted options were forfeited due to resignation of grantees (2022: 700,000).

	2023		2022	
	Number of options	Weighted average exercise price (€cent per share)	Number of options	Weighted average exercise price (€cent per share)
Outstanding at 1 January	2,600,000	12.5	3,300,000	12.5
Forfeited	-	-	(700,000)	-
Expired during the financial year	-	-	-	-
Outstanding at 31 December	2,600,000	12.5	2,600,000	12.5
<i>Of which:</i>				
Exercisable at 31 December	2,600,000	12.5	2,600,000	12.5

### 30 Disposal group classified as held for sale and discontinued operations

Management of the Group has commenced the plan and currently looking for interested parties with respect to the sale of its subsidiary, Comtrans LLC and IVIX LLC, which are involved in the exploration of mining and Bio-pharmaceutical activities, respectively, in the Russian Federation. The disposal is consistent with the Group's on-going strategy to cease its activities related to Russia and the Group's long-term policy to focus on exploring further investment and business opportunities for the Group's development. On 2020 and 2023, respectively, the shareholders approved the plan to dispose and sell.



The sale process had encountered some difficulties and delays due to the current geo-political situation. However, Management is working to find alternatives to dispose of these subsidiaries and fully focus on other opportunities and new business ventures aligned with the expertise of the directors.

Consequently, assets and liabilities allocated the Russian Federation segments of the Group were classified as a disposal group. Revenues and expenses, gains and losses relating to the discontinuation of these segments 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.

	31/12/2023 €'000	31/12/2022 €'000	31/12/2023 US\$'000	31/12/2022 US\$'000
Administration expenses (Note 5)	(313)	-	(338)	-
Other gains (Note 7)	732	-	792	-
Operating gain	419	-	454	-
Finance costs	(17)	-	(18)	-
Finance income	-	-	-	-
Gain before tax	402	-	436	-
Income tax	-	-	-	-
Gain after tax for the financial year from discontinued operations	402	-	436	-

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

	2023 €'000	2022 €'000	Group 2023 US\$'000	2022 US\$'000
Current assets:				
Other receivables (Note 21)	10	-	11	-
Assets classified as held for resale	10	-	11	-
<i>Liabilities classified as held for resale:</i>				
Current liabilities (Note 26):	439	214	484	228
Liabilities classified as held for resale	439	214	484	228

## Disposal of Comtrans LLC

As of 31 December 2022, the only remaining liability under disposal Group relates to Comtrans LLC. The disposal process had encountered some difficulties and delays due to the current geo-political situation. However, Management is working to find alternatives to dispose of this subsidiary and fully refocus on new projects.

## Disposal of IVIX LLC

On 21 February 2023, the Board of Directors approved the disposal of the intangible held by IVIX LLC in Russia to a third-party investor (Desirix LLC) and the cessation of Russian operations. At the end of 2023, the Board of Directors expressed their decision to dispose of the Russian-based subsidiary.

# 31 Subsequent events

## Taymura litigation

On 30 January 2024, the Company held an amount in escrow with its solicitors, OBH Partners, to cover the debt owed to Alliance provisioned in the Company's liabilities, in relation to the preliminary court hearing. Please refer further to Note 32 for the updates subsequent to year-end regarding the Company's court proceedings.

## 32 Provision for legal costs

In 2014, the Company entered into a loan agreement with a third party. In return for a US\$'000 6,300 loans, the Company (formerly Ovoca Gold plc) received an exclusive period to complete due diligence on JSC Evenkiya Fuel and Energy Company (E TEK) 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 into 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.

In December 2019, Alliance LLC (a legal successor of Taymura), filed a petition to the court for changing the method of enforcing the decision under which the court granted to repay the received US\$` 000 1,000, should change the manner and the method of court order enforcement and provide for the seizure of the share held by the debtor, Ovoca Bio Plc in the share capital of Comtrans LLC with the nominal value of 32 400 400 Rubles.

A subsequent ruling made by the Court in April 2022, granted the claim of Alliance LLC and directing for the share capital of Comtrans LLC to be seized and the share representing 59,94% of the share capital of IVIX LLC (subsidiary of Silver Star Ltd.) to be seized in order to fully recover the amount recovered in 2016.

Ovoca Bio Plc rigorously contested this decision, but as noted the current volatile political situation was not in favour of Ovoca Bio Plc and a ruling was made directing Ovoca to repay the amounts recovered in 2016. In 2021, Ovoca Bio Plc had cautiously considered the latest developments in the courts and obtained extensive legal advice on the matter. In previous year, the Board believes, it is prudent to make a provision of in relation to the possible outflow of resources connected with the Alliance LLC claim. See Note 26.

The court decision was enforced in July 2022. On 11 August 2022, the claim of Alliance LLC was partially discharged while the remainder was made in 14 September 2022 and Ovoca made the payments in cash through one of its subsidiaries for the amount of the claim that had been provided for in the prior year (Note 26).

Alliance LLC appealed to the court for the recovery of interest for the use of funds, as well as reimbursement of court costs for a total amount of 12.4M Rubles (approximately €'000 159). Ovoca contested this requirement on appeal, but the court left the decision unchanged. Ovoca Bio Plc is currently taking steps to appeal this last ruling.

On March 11, 2024, Ovoca Bio Plc filed a cassation appeal. On May 15th the Arbitration Court terminated the Cassation appeal. A meeting of the Arbitration Court regarding the case of procedural succession has been rescheduled for August 15th.

## 33 Non-controlling interest

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.

## 34 Approval of the financial statements

These financial statements were approved by the Board of Directors 20 June 2024.





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