

# Ovoca Bio Public Limited Company

Interim Unaudited Consolidated Financial Statements  
for the six months ended 30 June 2023

**Ovoca Bio plc**  
**Interim results for the six months ended 30 June 2023**

CONDENSED CONSOLIDATED INCOME STATEMENT	Unaudited 6 Months ended 30/06/2023 €'000	Unaudited 6 Months ended 30/06/2022 €'000	Unaudited 6 Months ended 30/06/2023 \$'000	Unaudited 6 Months ended 30/06/2022 \$'000
<b>Continuing Operations</b>				
Administration expenses	(1,022)	(2,965)	(1,106)	(3,132)
Other losses	(1,334)	(2,682)	(1,446)	(2,834)
<b>Operating loss</b>	<b>(2,356)</b>	<b>(5,647)</b>	<b>(2,552)</b>	<b>(5,966)</b>
Finance costs	(18)	(7)	(20)	(7)
Finance income	1	2	1	2
<b>Loss for the period before tax</b>	<b>(2,373)</b>	<b>(5,652)</b>	<b>(2,571)</b>	<b>(5,971)</b>
Income tax	-	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(2,373)</b>	<b>(5,652)</b>	<b>(2,571)</b>	<b>(5,971)</b>
<b>Discontinued operations</b>	-	-	-	-
<b>Loss from discontinued operations net of tax</b>	-	-	-	-
<b>Loss for the period</b>	<b>(2,373)</b>	<b>(5,652)</b>	<b>(2,571)</b>	<b>(5,971)</b>
<b>Loss for the period attributable to:</b>				
Owners of the parent	(2,373)	(5,652)	(2,571)	(5,971)
	(2,373)	(5,652)	(2,571)	(5,971)
<b>Loss per share</b>				
Basic loss per share from continuing operations	(2.91)	(6.93)	(3.15)	(7.32)
Basic loss per share from discontinued operations	-	-	-	(0.04)
Fully diluted loss per share from continuing operations	(2.91)	(6.93)	(3.15)	(7.32)
Fully diluted loss per share from discontinued operations	-	-	-	(0.04)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME	Unaudited 6 Months ended 30/06/2023 €'000	Unaudited 6 Months ended 30/06/2022 €'000	Unaudited 6 Months ended 30/06/2023 \$'000	Unaudited 6 Months ended 30/06/2022 \$'000
<b>Loss for the period</b>	<b>(2,373)</b>	<b>(5,652)</b>	<b>(2,571)</b>	<b>(5,971)</b>
<b>Other comprehensive income/(expense):</b>				
<i>Items that may not be reclassified subsequently to profit or loss</i>				
Fair value movement on equity securities designated as at FVOCI	-	(2,120)	-	(2,240)
Exchange movement on equity securities designated as at FVOCI	-	286	-	302
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange gain/(loss) arising from translation of financial statements of a foreign operation	(206)	2,725	(127)	(1,918)
<b>Total comprehensive loss for the period</b>	<b>(2,579)</b>	<b>(4,761)</b>	<b>(2,698)</b>	<b>(9,821)</b>
<b>Total comprehensive loss for the period attributable to:</b>				
Owners of the parent	(2,579)	(4,761)	(2,698)	(9,821)
	(2,579)	(4,761)	(2,698)	(9,821)

There is no income tax impact in respect of components recognised within the consolidated statement of comprehensive income.

**Ovoca Bio plc**  
**Interim results for the six months ended 30 June 2023**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY							
Unaudited	Share capital €'000	Treasury Shares €'000	Share based payment reserve €'000	Other reserves €'000	Foreign Currency translation reserve €'000	Retained earnings €'000	Total (attributable to owners of the parent) €'000
<b>At 1 January 2023</b>	<b>11,057</b>	<b>(947)</b>	<b>46</b>	<b>1,288</b>	<b>5,325</b>	<b>(9,734)</b>	<b>7,635</b>
<b>Comprehensive loss</b>							
Loss for the period	-	-	-	-	-	(2,373)	(2,373)
<b>Other comprehensive loss</b>							
Foreign exchange gain arising from translation of financial statements of a foreign operation	-	-	-	-	(206)	-	(206)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(206)	(2,373)	(2,579)
<b>Balance at 30 June 2023</b>	<b>11,057</b>	<b>(947)</b>	<b>46</b>	<b>1,288</b>	<b>5,320</b>	<b>(12,107)</b>	<b>5,057</b>
<b>Unaudited</b>							
<b>At 1 January 2022</b>	<b>11,057</b>	<b>(947)</b>	<b>42</b>	<b>1,478</b>	<b>3,840</b>	<b>(2,440)</b>	<b>13,430</b>
<b>Comprehensive loss</b>							
Loss for the period	-	-	-	-	-	(5,652)	(5,652)
<b>Other comprehensive loss</b>							
Movement on equity securities designated as at FVOCI	-	-	-	(2,120)	-	-	(2,120)
Exchange movement on equity securities designated as at FVOCI	-	-	-	286	-	-	286
Foreign exchange gain arising from translation of financial statements of a foreign operation	-	-	-	-	2,725	-	2,725
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	<b>(1,834)</b>	<b>2,725</b>	<b>(5,652)</b>	<b>(4,761)</b>
<b>Transactions with owners of the Company</b>							
Share based payments	-	-	4	-	-	-	4
<b>Balance at 30 June 2022</b>	<b>11,057</b>	<b>(947)</b>	<b>46</b>	<b>(356)</b>	<b>6,566</b>	<b>(8,092)</b>	<b>8,673</b>

**Ovoca Bio plc**  
as at 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited 30/06/2023 €'000	Audited 31/12/2022 €'000	Unaudited 30/06/2023 \$'000	Audited 31/12/2022 \$'000
<b>Assets</b>				
<b>Non current assets</b>				
Goodwill	2,755	4,237	3,000	4,575
Other intangible assets	85	189	89	202
Property, plant and equipment	-	0	0	0
Equity investments at fair value through other comprehensive income	-	0	0	0
	<b>2,840</b>	<b>4,426</b>	<b>3,089</b>	<b>4,777</b>
<b>Current assets</b>				
Inventories	26	43	28	46
Trade and other receivables	211	1,233	230	1,316
Cash and cash equivalents	2,800	3,703	3,049	3,953
	<b>3,037</b>	<b>4,979</b>	<b>3,307</b>	<b>5,315</b>
Assets included in disposal group classified as held for sale	-	-	-	-
<b>Total assets</b>	<b>5,877</b>	<b>9,405</b>	<b>6,396</b>	<b>10,092</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Ordinary shares	11,057	11,057	15,586	15,586
Treasury shares	(547)	(547)	(607)	(607)
Other reserves	1,288	1,288	1,774	1,774
Foreign currency translation reserve	5,320	5,525	505	632
Share based payment reserve	46	46	52	82
Retained earnings	(12,107)	(9,734)	(11,807)	(9,236)
	<b>5,057</b>	<b>7,635</b>	<b>5,503</b>	<b>8,201</b>
Non controlling interest	-	-	-	-
	<b>5,057</b>	<b>7,635</b>	<b>5,503</b>	<b>8,201</b>
<b>Current liabilities</b>				
Trade and other payables	481	1,388	524	1,494
Provisions	162	168	176	179
	<b>643</b>	<b>1,556</b>	<b>700</b>	<b>1,673</b>
Liabilities included in the disposal group classified as held for sale	177	214	193	228
<b>Total equity and liabilities</b>	<b>5,876</b>	<b>9,405</b>	<b>6,395</b>	<b>10,092</b>

**Ovoca Bio plc**  
Interim results for the six months ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 30/06/2023 €'000	Unaudited 30/06/2022 €'000	Unaudited 30/06/2023 \$'000	Unaudited 30/06/2022 \$'000
<b>Cash flows from operating activities</b>				
Loss for the period before tax	(2,373)	(5,652)	(2,571)	(5,971)
Depreciation and amortisation	121	219	131	232
Finance income	-	-	-	-
Decrease/(Increase) in inventories	17	(38)	18	(32)
Decrease/(Increase) in trade and other receivables	1,023	(115)	1,087	(105)
(Decrease)/increase in trade and other payables	(913)	1,100	(963)	1,045
Net decrease in assets & liabilities included in the disposal group	(37)	293	(36)	83
Goodwill impairment	1,482	-	1,575	-
<b>Net cash used in operating activities</b>	<b>(680)</b>	<b>(4,189)</b>	<b>(758)</b>	<b>(4,744)</b>
<b>Cash flow from financing activities</b>				
Finance costs	(17)	(5)	(19)	(5)
<b>Net cash generated from financing activities</b>	<b>(17)</b>	<b>(5)</b>	<b>(19)</b>	<b>(5)</b>
<b>Cash flows from investing activities</b>				
Additions of research and development costs internally developed	-	(20)	(151)	(21)
Revaluation of intangible assets	4	-	-	-
Additions to property, plant and equipment	-	(3)	-	(3)
<b>Net cash generated from investing activities</b>	<b>4</b>	<b>(23)</b>	<b>(151)</b>	<b>(24)</b>
<b>Effects of foreign exchange</b>	<b>(211)</b>	<b>2,001</b>	<b>25</b>	<b>2,559</b>
Net decrease in cash and cash equivalents	(903)	(2,215)	(904)	(2,214)
Cash and cash equivalents at the beginning of period	3,703	6,594	3,953	7,468
<b>Cash and cash equivalents at the end of the period</b>	<b>2,800</b>	<b>4,379</b>	<b>3,049</b>	<b>5,254</b>
Cash and Cash equivalents included in the disposal group	-	-	-	-
<b>Cash and Cash Equivalents for Continuing operations</b>	<b>2,800</b>	<b>4,379</b>	<b>3,049</b>	<b>5,254</b>

**Ovoca Bio plc**  
**Interim results for the six months ended 30 June 2023**

**1 Basis of Preparation**

The interim consolidated financial statements for the six months ended 30 June 2023 are presented in €'000, which is the functional currency of the Group. The US\$'000 are shown for information purposes only. The Financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board as adopted by European Union.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the financial year ended 31 December 2022.

**2 Accounting Policies**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the financial year ended 31 December 2022.

**Other pronouncements**

Some accounting pronouncements which have become effective from 1 January 2022 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

**3 Going concern**

The directors have reviewed the current state of the Group's finances, taking into account resources currently available and the negative impact of the results of the clinical studies on the Groups overall strategy and ability to continue as a going concern. The Board considered the decrease in expenditure following on from the conclusion of the trials and the inflow of funds from the R&D refund of AU\$ 1.6m (US\$1m) due in Australia and the directors are satisfied that at the current level of activity sufficient funding will be available to the Group to enable it to trade for the foreseeable future. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis. The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available.

**4 Estimates**

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual Financial Statements for the financial year ended 31 December 2022.

**5 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.

At 30 June 2023 and 31 December 2022, the Group had three business segments, Bio-pharmaceutical, Investing and Administrative. Bio-pharmaceutical activities are exclusively carried out in Australia. Investing activities are carried out by another subsidiary, Silver Star Ltd., a company located in Bermuda. Administrative costs represent group administration costs, incurred in primarily in Ireland.

The Exploration segment is presented as being discontinued as reported in the 31 December 2022 Annual Report.

Period ended 30 June 2023	Bio-pharmaceutical	Investment	Administrative	Total
	€'000	€'000	€'000	€'000
Depreciation & amortisation	0	-	-	-
Administration expenses	(611)	(100)	(311)	(1,022)
Other gains/(losses)	(751)	76	(660)	(1,335)
<b>Operating loss</b>	<b>(1,362)</b>	<b>(24)</b>	<b>(971)</b>	<b>(2,357)</b>
Finance costs	(15)	0	(2)	(17)
Finance income	-	-	-	-
<b>Loss before tax</b>	<b>(1,377)</b>	<b>(24)</b>	<b>(973)</b>	<b>(2,373)</b>
Income Tax	-	-	-	-
<b>Loss after tax</b>	<b>(1,377)</b>	<b>(24)</b>	<b>(973)</b>	<b>(2,373)</b>
Segment assets	3,117	1,937	822	5,877
Segment liabilities	(245)	(167)	(408)	(820)
<b>Net assets</b>	<b>2,872</b>	<b>1,770</b>	<b>414</b>	<b>5,057</b>

Period ended 30 June 2022	Bio-pharmaceutical	Investment	Administrative	Total
	€'000	€'000	€'000	€'000
Depreciation & amortisation	(92)	-	-	(92)
Administration expenses	(2,030)	(100)	(743)	(2,873)
Other gains/(losses)	(1,045)	(2,167)	530	(2,682)
<b>Operating loss</b>	<b>(3,167)</b>	<b>(2,267)</b>	<b>(213)</b>	<b>(5,647)</b>
Finance costs	-	(1)	(6)	(7)
Finance income	2	-	-	2
<b>Loss before tax</b>	<b>(3,165)</b>	<b>(2,268)</b>	<b>(219)</b>	<b>(5,652)</b>
Income Tax	-	-	-	-
<b>Loss after tax</b>	<b>(3,165)</b>	<b>(2,268)</b>	<b>(219)</b>	<b>(5,652)</b>
Segment assets	6,517	4,069	821	11,407
Segment liabilities	(1,189)	(47)	(1,205)	(2,441)
<b>Net assets</b>	<b>5,328</b>	<b>4,022</b>	<b>(384)</b>	<b>8,966</b>

**6 Goodwill Impairment**

The market value of the Goodwill has been reviewed by the Board in light of the results of the Orenetide Study conducted in Australia and New Zealand which were announced on 31 August 2023. The Study did not show statistically significant superiority of Orenetide. The company is also the holder of a number patents and patent applications which are the base for the fair value attributed to the Goodwill, and which had been negatively impacted by the study results. The Board reviewed the value of the Goodwill and its value to the business, and have estimated and accounted for an impairment resulting in a write down of the Goodwill by €1.48m (\$1.58) to \$3m.

## 7 Intangible assets

Licenses, Patents and Patent applications acquired by the Group's subsidiaries, IVIX LLC and Ovoca Bio (Ireland) Ltd. qualify for separate recognition and are recognised as Intangible assets. Based on the successful completion of the Clinical Trials in Russia and the stage of preparation of the files for the registration of the drug Ovoca Bio Plc has begun to capitalise development expenses as Intangible assets. The development costs not meeting the criteria for capitalisation are expensed as incurred. The total capitalised amount as at 30 June 2023 amounted to €21 thousand (US\$22 thousand).

Intangible Assets	Patents & Licenses	Development costs	Total	Patents & Licenses	Development costs	Total
	€'000	€'000	€'000	US\$'000	US\$'000	US\$'000
<b>Cost</b>						
1 January 2022	1168	750	1918	1,354	851	2,205
Additions	20	22	42	22	24	46
Disposals	(1,105)	(854)	(1,959)	(1,179)	(912)	(2,091)
Translation adjustments	34	82	116	50	37	87
31 December 2022	177	0	177	247	0	247
Additions	-	21	21	-	23	23
Disposal	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Translation adjustments	-	17	17	-	16	16
30 June 2023	177	38	215	247	39	286
<b>Amortisation</b>						
<b>€'000</b>						
1 January 2022	(135)	-	(135)	(186)	-	(186)
Amortisation	(344)	(181)	(525)	(363)	(193)	(556)
Disposal	538	181	719	574	193	767
Translation adjustments	(47)	-	(47)	(70)	-	(70)
31 December 2022	12	-	12	(45)	-	(45)
Amortisation	(119)	(2)	(121)	(129)	(2)	(131)
Disposal	-	-	-	-	-	-
Translation adjustments	(21)	-	(21)	(21)	-	(21)
30 June 2023	(128)	(2)	(130)	(155)	(2)	(157)
<b>Balance at June 30, 2023</b>	<b>49</b>	<b>36</b>	<b>85</b>	<b>52</b>	<b>37</b>	<b>89</b>
Balance at December 31, 2022	189	0	189	202	0	202

## 8 Financial Instruments

The Group monitors relevant aspects of financial instrument risk on an ongoing basis. Financial instrument risks primarily relates to foreign exchange risk, credit ri

	Unaudited	Audited	Unaudited	Audited
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	€'000	€'000	US\$'000	US\$'000
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	2,800	3,703	3,049	3,953
Other debtors	211	1218	230	1300
	<b>3,011</b>	<b>4,921</b>	<b>3,279</b>	<b>5,253</b>
<b>Financial assets measured at fair value</b>				
Equity securities designated at FVOCI	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	820	1443	893	1542
	<b>820</b>	<b>1443</b>	<b>893</b>	<b>1542</b>

The carrying amount of the financial assets and liabilities is considered a reasonable approximation of fair value:

- Other debtors
- Cash and cash equivalents
- Trade and other payables.

## 9 Dividends

The company made no distributions during the period.

## 10 Events after the reporting period

The results of the Orenetide Study conducted in Australia and New Zealand were announced on 31 August 2023. The Study did not show statistically significant superiority of Orenetide and the effect of this unfavourable result will have to be evaluated by the Board as well as whether the Company should continue with its development of the product. The company is the holder of a number patents and patent applications which are the base for the fair value attributed to the Goodwill, and which had been negatively impacted by the study results. An assessment of the relevant circumstances had been made by the Board and although the Directors are not in a position to obtain an accurate valuation (in time for the publication of the interim results) to reflect the economic value to the business, they have taken a prudent view and estimated an impairment resulting in a write down of the Goodwill by €1.48mln (\$1.58). There has been no developments in relation to the Disposal of Russian assets nor the Taymura litigation since the year end.

## 11 Approval of the financial statements

The interim report was approved by the Board of Directors on 27 Sept 2023 and is included on the Company's website, [www.ovocabio.com](http://www.ovocabio.com).