
PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**



PHARMASPECTRA GROUP LTD

COMPANY INFORMATION

Directors	B Long (appointed 3 July 2019) J Moulding (appointed 4 October 2019) A Murrell (appointed 4 October 2019) S Nightingale (appointed 20 September 2019)
Registered number	12084283
Registered office	2 Eastbourne Terrace London W2 6LG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

PHARMASPECTRA GROUP LTD

CONTENTS

	Page
Directors' Report	1 - 3
Independent Auditor's Report	4 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 29

PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

The company was incorporated on 3 July 2019.

The directors present their report and the financial statements for the 18 month period ended 31 December 2020.

Principal activity

The principal activity of the company is the provision of scientific data, key opinion leader mapping and analytics.

Results and dividends

The loss for the 18 month period, after taxation, amounted to \$19,452,545.

Directors

The directors who served during the 18 month period were:

B Long (appointed 3 July 2019)
J Moulding (appointed 4 October 2019)
A Murrell (appointed 4 October 2019)
S Nightingale (appointed 20 September 2019)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

Going concern

Pharmaspectra Group Ltd is a subsidiary which forms part of the wider Pharmaspectra Topco Ltd Group. The Group's financial statements have been prepared using the going concern basis of accounting, the performance of the Group is relevant to the ability of the subsidiary to continue in operational existence. The directors have reviewed the Group's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance.

As at 31 December 2020 the Group had current assets of \$7,293,515. The Group's net cash position has increased as at 31 May 2021 to \$661,716.

The Group meets its operational working capital requirements through available cash resources and an overdraft facility which is due for renewal. The Group has a strong product portfolio, long term client relationships and is experiencing growth in turnover. There is nonetheless uncertainty in demand for the Group's products and services. The Group's forecast and projections, which have been prepared for a period of at least 12 months from the date of approval of these financial statements, taking into account reasonably possible changes in trading performance show that the Group is able to operate with the level of available resources.

The directors regularly review the Group's liquidity and produce detailed cash forecasts over a short-term period to manage liquidity. These forecasts indicate that the Group and therefore the company is expecting to be able to continue to meet its liabilities as they fall due for the foreseeable future.

The directors have, at the time of approving the financial statements, a reasonable expectation that the business has adequate cash resources available to continue for the foreseeable future, being a period of not less than 12-months from the date of approval of these financial statements. The directors have received confirmation from the ultimate parent company, Pharmaspectra Topco Ltd that the necessary financial support will be available to each of its subsidiaries and therefore, the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

Qualifying third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Andrew Murrell

A Murrell
Director
Date: 2 July 2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD

Opinion

We have audited the financial statements of Pharmspectra Group LTD (the 'company') for the 18 month period ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the 18 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our Auditor's Report thereon. 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 or apparent material misstatements, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial 18 month period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

In the light of the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Grant Thornton UK LLP

Joanne Love LLB FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

2 July 2021

PHARMASPECTRA GROUP LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

	Note	18 month Period ended 31 December 2020 \$
Turnover	4	9,903,067
Cost of sales		(1,475,061)
Gross profit		<u>8,428,006</u>
Administrative expenses		(20,779,147)
Operating loss	5	<u>(12,351,141)</u>
Interest receivable and similar income		251
Interest payable and similar expenses	8	(7,639,131)
Loss before tax		<u>(19,990,021)</u>
Tax on loss		537,476
Loss for the financial 18 month period		<u>(19,452,545)</u>
Other comprehensive income		-
Total comprehensive income for the 18 month period		<u><u>(19,452,545)</u></u>

The notes on pages 11 to 29 form part of these financial statements.

PHARMASPECTRA GROUP LTD
REGISTERED NUMBER:12084283

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$
Fixed assets		
Intangible assets	10	26,819,977
Tangible assets	11	28,038
Investments	12	13,271,497
		<u>40,119,512</u>
Current assets		
Debtors: amounts falling due within one year	13	5,632,065
Cash at bank and in hand	14	70,496
		<u>5,702,561</u>
Creditors: amounts falling due within one year	15	<u>(65,274,617)</u>
Net current liabilities		<u>(59,572,056)</u>
Total assets less current liabilities		<u>(19,452,544)</u>
Net liabilities		<u><u>(19,452,544)</u></u>
Capital and reserves		
Called up share capital	17	1
Profit and loss account	18	(19,452,545)
		<u><u>(19,452,544)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Andrew Murrell

A Murrell
Director

Date: 2 July 2021

The notes on pages 11 to 29 form part of these financial statements.

PHARMASPECTRA GROUP LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

	Called up share capital \$	Profit and loss account \$	Total equity \$
Comprehensive income for the 18 month period			
Loss for the 18 month period	-	(19,452,545)	(19,452,545)
Shares issued during the 18 month period	1	-	1
At 31 December 2020	1	(19,452,545)	(19,452,544)

The notes on pages 11 to 29 form part of these financial statements.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

1. General information

Pharmaspectra Group Ltd is a private company limited by shares & incorporated in England and Wales. Its registered office is located at 2 Eastbourne Terrace, London, England, W2 6LG. The company was incorporated on 3 July 2019. The period covered by these financial statements is from 3 July 2019 to 31 December 2020.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

Pharmaspectra Group Ltd is a subsidiary which forms part of the wider Pharmaspectra Topco Ltd Group. The Group's financial statements have been prepared using the going concern basis of accounting, the performance of the Group is relevant to the ability of the subsidiary to continue in operational existence. The directors have reviewed the Group's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance.

As at 31 December 2020 the company had current assets of \$7,293,515. The Group's net cash position has increased as at 31 May 2021 to \$661,716.

The Group meets its operational working capital requirements through available cash resources and an overdraft facility which is due for renewal. The Group has a strong product portfolio, long term client relationships and is experiencing growth in turnover. There is nonetheless uncertainty in demand for the Group's products and services. The Group's forecast and projections, which have been prepared for a period of at least 12 months from the date of approval of these financial statements, taking into account reasonably possible changes in trading performance show that the Group is able to operate with the level of available resources.

The directors regularly review the Group's liquidity and produce detailed cash forecasts over a short-term period to manage liquidity. These forecasts indicate that the Group and therefore the company is expecting to be able to continue to meet its liabilities as they fall due for the foreseeable future.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Going concern (continued)

The directors have, at the time of approving the financial statements, a reasonable expectation that the business has adequate cash resources available to continue for the foreseeable future, being a period of not less than 12-months from the date of approval of these financial statements. The directors have received confirmation from the ultimate parent company, Pharmaspectra Topco Ltd that the necessary financial support will be available to each of its subsidiaries and therefore, the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'.

PHARMASPECTRA GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Revenue

The Group typically provides subscription services over a defined contract period. Revenue is recognised over the contract period to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the 18 month period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

PHARMASPECTRA GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

Other intangible assets

Intangible assets acquired separately from a business are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired in business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably, the intangible asset arises from contractual or other legal rights and the intangible asset is separable from the entity.

Costs associated with maintaining software or database are recognised as an expense as incurred. Development expenditure on software controlled by the company is capitalised where the costs are directly associated with identifiable and unique projects controlled by the company and where it is probable that future economic benefits will flow to the company

All other intangible assets are considered to have a finite useful life of 5 years.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.13 Impairment of non-current assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years 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 proceeds with the carrying amount and are recognised in profit or loss.

PHARMASPECTRA GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

PHARMASPECTRA GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.20 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Certain of the amounts included in the financial statement involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience but actual results may differ from the amount in the financial statements. Information about such judgements and estimates is contained in the accounting policies or notes to the financial statements and the key areas are summarised below:

Functional and presentational currency

The functional currency of the company has been determined by the directors to be the US dollar. This assessment has been made after due consideration of the factors set out within FRS 102 in determining the primary economic environment in which the entity operates.

Impairment

The directors must determine whether there are indicators of impairment of the company's intangible assets, including goodwill. Factors taken into consideration are the future economic value of the assets and where it is a component on a larger cash generating unit the viability and expected future performance of that unit. The recoverable amount is a source of significant estimation uncertainty and has involved judgement over future cashflows, appropriate discount rates and multiples which have been determined by reference to the cost of borrowing and external reference points.

Intangible assets

Intangible assets are amortised over their useful economic lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Goodwill has been assessed as a 10 year economic life and other intangible assets acquired at acquisition a 5 year economic life, reflecting the period over which value is expected to accrue.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies (continued)

Recoverability of amounts owed by group undertakings

Amounts owed by group undertakings are stated at recoverable amounts, after appropriate provision for bad and doubtful debts. Intercompany balances are not expected to be repaid within the next 12 months reflecting the nature of the Group's external shareholder loan. Calculation of the requirement for a bad debt provision requires judgement from management on the financial performance of the group company. No provision for bad debts against amounts owed by group undertakings is currently recognised in these financial statements.

4. Turnover

The whole of the turnover is attributable to the provision of scientific data, key opinion leader mapping and analytics.

Analysis of turnover by country of destination:

	18 month Period ended 31 December 2020 \$
United Kingdom	1,259,213
Europe	2,637,690
USA	5,881,026
Rest of World	125,138
	9,903,067

5. Operating loss

The operating loss is stated after charging:

	18 month Period ended 31 December 2020 \$
Depreciation of tangible fixed assets	10,506
Amortisation of intangible assets	8,409,696
Exchange differences	743,563
	9,153,765

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

6. Employees

	18 month Period ended 31 December 2020 \$
Wages and salaries	2,244,430
Social security costs	315,884
Cost of defined contribution scheme	51,651
	2,611,965
	2,611,965

The average monthly number of employees, including directors, during the 18 month period was 10.

7. Directors' remuneration

	18 month Period ended 31 December 2020 \$
Directors' emoluments	929,697
Company contributions to defined contribution pension schemes	14,361
	944,058
	944,058

The highest paid director received remuneration of \$564,738.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$NIL.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

8. Interest payable and similar expenses

	18 month Period ended 31 December 2020 \$
Bank interest payable	1,690
Loans from group undertakings	7,637,441
	7,639,131
	7,639,131

9. Taxation

	18 month Period ended 31 December 2020 \$
Total current tax	-
Deferred tax	
Origination and reversal of timing differences	(537,476)
Total deferred tax	(537,476)
	(537,476)
Taxation on loss on ordinary activities	(537,476)
	(537,476)

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

9. Taxation (continued)

Factors affecting tax charge for the 18 month period

The tax assessed for the 18 month period is the same as the standard rate of corporation tax in the UK of 19% as set out below:

	18 month Period ended 31 December 2020 \$
Loss on ordinary activities before tax	(19,990,021)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(3,798,104)
Effects of:	
Fixed asset differences	786,263
Expenses not deductible for tax purposes	228,084
Group relief surrendered	2,246,281
Total tax charge for the 18 month period	(537,476)

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

10. Intangible assets

	Customer relationships and contracts \$	Software and data \$	Goodwill \$	Total \$
Cost				
Additions	-	840,420	-	840,420
Additions arising on business combinations (Note 19)	13,718,400	6,091,000	14,579,853	34,389,253
At 31 December 2020	<u>13,718,400</u>	<u>6,931,420</u>	<u>14,579,853</u>	<u>35,229,673</u>
Amortisation				
Charge for the 18 month period	3,429,600	1,662,820	3,317,276	8,409,696
At 31 December 2020	<u>3,429,600</u>	<u>1,662,820</u>	<u>3,317,276</u>	<u>8,409,696</u>
Net book value				
At 31 December 2020	<u><u>10,288,800</u></u>	<u><u>5,268,600</u></u>	<u><u>11,262,577</u></u>	<u><u>26,819,977</u></u>

Amortisation on intangible assets is charged to administrative expenses.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

11. Tangible fixed assets

	Fixtures and fittings \$	Computer equipment \$	Total \$
Cost or valuation			
Additions	255	38,289	38,544
At 31 December 2020	<u>255</u>	<u>38,289</u>	<u>38,544</u>
Depreciation			
Charge for the 18 month period on owned assets	52	10,454	10,506
At 31 December 2020	<u>52</u>	<u>10,454</u>	<u>10,506</u>
Net book value			
At 31 December 2020	<u><u>203</u></u>	<u><u>27,835</u></u>	<u><u>28,038</u></u>

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

12. Fixed asset investments

	Investments in subsidiary companies \$	Amounts owed by group undertakings \$	Total \$
Cost or valuation			
Additions	5,741,651	7,529,846	13,271,497
At 31 December 2020	<u>5,741,651</u>	<u>7,529,846</u>	<u>13,271,497</u>
Net book value			
At 31 December 2020	<u><u>5,741,651</u></u>	<u><u>7,529,846</u></u>	<u><u>13,271,497</u></u>

On 4 October 2019 the Company acquired the entire share capital of Pharmaspectra US LLC and Pharmaspectra Informatics Private Ltd.

The amounts owed by group undertakings are repayable on demand and incur interest at 12% per annum.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Pharmaspectra US LLC	USA	Provision of scientific data, key opinion leader mapping and analytics	Ordinary	100%
Pharmaspectra Informatics Private Ltd	India	Data processing	Ordinary	100%

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

13. Debtors

	2020 \$
Trade debtors	4,575,712
Other debtors	38,389
Prepayments and accrued income	480,488
Deferred taxation	537,476
	5,632,065
	5,632,065

14. Cash and cash equivalents

	2020 \$
Cash at bank and in hand	70,496
Less: bank overdrafts	(885,220)
	(814,724)
	(814,724)

15. Creditors: Amounts falling due within one year

	2020 \$
Bank overdrafts	885,220
Trade creditors	1,317,310
Amounts owed to group undertakings	54,777,158
Other taxation and social security	454,758
Other creditors	75,612
Accruals and deferred income	7,764,559
	65,274,617
	65,274,617

The amounts owed to group undertakings are repayable on demand and incur interest at 12% per annum.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

16. Deferred taxation

	2020 \$
Charged to profit or loss	537,476
At end of year	<u>537,476</u>

The deferred tax asset is made up as follows:

	2020 \$
Fixed asset timing differences	509,092
Short term timing differences	25,365
Losses and other deductions	3,019
	<u>537,476</u>

17. Share capital

	2020 \$
Allotted, called up and fully paid	
1 Ordinary share of £1 (shares are denominated in GBP)	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

18. Reserves**Profit and loss account**

Includes all current and prior periods retained profits & losses.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

19. Business combinations

On 4 October 2019 Pharmaspectra Group Limited, Pharmaspectra US LLC and Pharmaspectra Informatics Private Limited, all subsidiaries of the company acquired trade and assets Medmeme LLC, Pharmaspectra LLC and Medical Intelligence Solutions LLC. The acquisition was financed by the issue of shares and loan notes to the management of the group and to Inflexion Enterprise Fund IV Guernsey Limited.

Management consider the trade and assets purchase meets the definition of a business and therefore has been accounted for as a business combination. The intangible assets identified on acquisition are customer relationships, customer contracts and software and data as detailed below.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value \$	Fair value adjustment \$	Fair value \$
Fixed assets			
Intangible	-	19,809,400	19,809,400
	-	19,809,400	19,809,400
Creditors			
Deferred revenue	-	(1,001,036)	(1,001,036)
Total identifiable net assets	-	18,808,364	18,808,364
Total purchase consideration			<u>18,808,364</u>
Consideration			\$
Cash			28,849,730
Transaction costs			4,538,487
Goodwill			(14,579,853)
Total purchase consideration			<u>18,808,364</u>
Cash outflow on acquisition			\$
Purchase consideration settled in cash, as above			28,849,730
Net cash outflow on acquisition			<u>28,849,730</u>

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2020**

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to \$51,651. Contributions totalling \$4,606 were payable to the fund at the reporting date and are included in creditors.

21. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020
	\$
Not later than 1 year	70,144
Later than 1 year and not later than 5 years	77,001
	147,145
	147,145

22. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 section 1A not to disclose transactions with certain group companies on the grounds that the subsidiaries party to the transactions are wholly owned members of the group. There are no other related party transactions.

23. Parent undertaking and controlling party

The immediate parent company is Pharmaspectra Midco 2 Ltd. At 31 December 2020 and subsequently, the company was ultimately owned by Pharmaspectra Topco Ltd, a company incorporated in the United Kingdom which was the parent company of the largest and smallest group of which the company is a member and in which the results of the company are consolidated. Its financial statements can be obtained from 2 Eastbourne Terrace, London, England, W2 6LG.

At 31 December 2020 and subsequently, the company was owned by a number of private shareholders, Inflexion Enterprise Fund (No.1) Limited Partnership and Inflexion Enterprise Fund IV (No.2) Partnership Guernsey Limited, both registered in Guernsey. Inflexion Private Equity managed funds which owned 77.2% of the issued share capital at the year end. Accordingly, in the opinion of the directors there is no immediate or ultimate controlling party at 31 December 2020.