Registered number: 11514538

ASTRO BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ASTRO BIDCO LIMITED

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ASTRO BIDCO LIMITED

COMPANY INFORMATION

DIRECTORS	T Castellano M Neaves M Stober
SECRETARY	M Neaves
COMPANY NUMBER	11514538
COMPANY STATUS	Private company limited by shares
REGISTERED OFFICE	Babraham Research Campus Babraham Cambridge United Kingdom CB22 3AT
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP The Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS

ASTRO BIDCO LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL ACTIVITIES

The results for the Group, being Astro Bidco Limited and its subsidiaries, as detailed on page 9, show revenue for the year ended 31 December 2022 from operations of £23,464,000 (year ended 31 December 2021: £19,278,000) and profit before tax of £2,266,000 (year ended 31 December 2021: £519,000). The net assets of the Group amounted to £21,588,000 as at 31 December 2022 (31 December 2021: £19,946,000).

The principal activity of the Group has been to provide integrated biopharmaceutical drug discovery, design, optimization and manufacture services in biologics early development. The Group also provides comprehensive chemistry services to pharmaceutical, biotech companies, governmental and academic research institutes.

BUSINESS ENVIRONMENT & STRATEGY

The Group is dependent upon the continuing drive to develop and manufacture better biopharmaceutical products, providing better treatments for patients.

With a presence in both established biologics through monoclonal antibodies and antibody drug conjugates and emerging biologics mAb-conjugates, Astro Bidco Limited is well positioned to build on its strong early stage integrated offering and further expansion into additional technologies. With a total addressable market for Discovery services in the region of $2.2B and for pre-clinical ADC services in excess of $1.0B, there is a significant opportunity for growth.

The Group's management team and scientific experts have considerable experience across discovery, design and lead selection of novel drug candidates for manufacture, supported by significant expertise, encompassing immunogenicity, protein engineering, bioassays and analytics. Further with expertise in cell line development, the Group can work with partners at the earliest stage of development, providing a fully integrated service partnership.

FUTURE OUTLOOK

The strategy of management continues to be the investment in its talent, expanding capacity and capabilities in Developability and Cell Line Development and building a strong sales pipeline. Significant progress has been made in these areas and remains the focus for the year ahead.

GOING CONCERN

At 31 December 2022, the Group had £8.2m of cash balances (31 December 2021: £6.4m).

The Group is, and is projected to remain, profitable and cash generative, and it maintains a positive net cash position. Cash on hand and forecast receipts from trading are expected to be sufficient to enable the Group to meet its obligations for a period of at least twelve months from the date of approval of the financial statements, including in the downside scenarios (with significant reductions to forecast revenues) which have been modelled by the directors.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group positions itself as a leading provider of outsourced and integrated services in the biologics early development space

This is reliant on the Group delivering high quality scientific expertise within compressed timelines. Failure to deliver could potentially damage the Group's reputation. The Group has an excellent reputation with current and former clients, as well as competitors. Further, the Group has a very high satisfaction rating with an NPS Score superior to its peers driven by its technical capabilities, customer service and responsiveness.

Talent Acquisition and Retention

The Group recognises that its success is largely due to its employees and depends on its ability to attract and retain qualified scientific and technical employees, as well as a number of key executives. The Group may not be able to retain key personnel or attract and retain qualified employees which could have a material adverse effect on the business.

As a result, the Group supports business growth by seeking to attract and retain top talent. Whilst the employment market is extremely competitive, particularly for employees with STEM skills (Science, Technology, Engineering and Mathematics) due to the large number of pharmaceutical and biotechnology companies in Cambridge, our recruitment team uses internal and external resources and tools to recruit highly skilled candidates. These include an employee referral program, a strong and visible reputation in the local community and collaborative relationships with national universities and colleges for identifying talented under-graduates and graduates.

We provide employees with competitive compensation packages including base salary, annual discretionary incentive bonus, defined contribution pension scheme and employee benefits including death-in-service, and private medical and dental care. Certain employee also participate in the equity incentive programme.

Such resources and tools have been essential in the Group's ability to attract and retain key personnel throughout all levels of the Group that play an important role in the Group's success and future growth.

KEY PERFORMANCE INDICATORS

The key performance metrics of the Group are set out below. Metrics are reviewed on a monthly basis. Management is satisfied with the performance of the Group taking into account actions taken to address employee under-performance in the year.

		Progress	
KPI	Aim	Year ended 2022	Year ended 2021
Sales orders	Achieve sales growth year on year to support the growth in revenue	£23.0m	£20.4m
Service Revenue	Achieve service revenue growth year on year	£23.4m	£19.1m
Adjusted EBITDA*	Achieve Adjusted EBITDA growth year on year	£4.1m	£1.9m
Quality Compliance	Remain compliant with documented Quality Management Systems and Human Tissue Authority (HTA) License (No 12627). No major or critical client/HTA audits findings.	No major or critical audit findings	No major or critical audit findings
Employee Retention	To attract and retain the right people to deliver the Group's strategy, maintaining employee retention at or above industry average (80%).	73%	81%

* Adjusted EBITDA calculated as operating profit before IFRS 16 'Leases' adjustment (2022: £1.0m; 2021: £0.9m), less licence income, add back depreciation, amortization and Management Incentive Plan charge.

On behalf of the Board

M Neaves
Director
26 September 2023

ASTRO BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited consolidated financial statements for the year 1 January 2022 to 31 December 2022.

Astro Bidco Limited is a private limited company, incorporated in England and Wales, United Kingdom. The company's registered office is detailed under Company Information on page 1.

Please refer to the Strategic Report for the review of the business and future developments of the Group.

FINANCIAL RISK MANAGEMENT

The Group's financial risk management policies are detailed in note 25 in the accompanying financial statements.

RESULTS AND DIVIDENDS

The Group profit for the year ended 31 December 2022, after taxation was £1,614,000 (year ended 31 December 2021: £3,608,000).

No dividend has been recommended for the year.

GOING CONCERN

See Strategic Report on page 2.

RESEARCH AND DEVELOPMENT

The Group invests in R&D activities to drive short and long-term revenue growth, developing the Group's existing services and technological offerings.

DIRECTORS

The Directors who were in office during the year ended 31 December 2022 and up to the date of signing the financial statements, unless otherwise stated, were:

M Stober (appointed 12 December 2022)
T Castellano (appointed 5 June 2023)
M Neaves
G Glass (appointed 13 October 2022, resigned 12 December 2022)
J Goldman (resigned 13 October 2022)
R Milbank (resigned 8 February 2022)
K Lundquist (appointed 8 February 2022, resigned 5 June 2023)

DIRECTORS' INSURANCE AND INDEMNITIES

The Group has maintained, throughout the year ended 31 December 2022 and to the date of the Board approval of the financial statements, Directors' liability insurance, a qualifying third party indemnity provision, for the benefit of the Group, Company and its Directors.

ASTRO BIDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANICAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 are 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

INDEPENDENT AUDITORS

Under section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP have been appointed as auditors and will have been deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

On behalf of the Board

MNeaves

M Neaves
Director
26 September 2023

ASTRO BIDCO LIMITED

Independent auditors' report to the members of Astro Bidco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Astro Bidco Limited's group financial statements and company financial statements (the "financial statements"):

• give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's profit and the group's and company's cash flows for the year then ended;

• have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2022; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Cash Flow Statements and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

ASTRO BIDCO LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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. 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 the Companies Act 2006 and tax law, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

• discussions with management and those charged with governance, including known or suspected instances of non-compliance with laws and regulation and fraud;
• identifying and testing journal entries meeting specified criteria considered to be unusual or indicative of potential fraud;
• designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
• testing the appropriateness of key accounting estimates made by management. to identify any deliberate *misstatements in the financial statements; and*
• reviewing meeting minutes, including those of the board of directors;

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

• we have not obtained *all* the information and explanations we require for our audit; or
• adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
• certain disclosures of directors' remuneration specified by law are not made; or
• the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Simon Ormiston

Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
26 September 2023

ASTRO BIDCO LIMITED

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Continuing Operations			
Revenue	3	23,464	19,278
Cost of sales		(7,445)	(6,508)
Gross profit		**16,019**	12,770
Other operating income	7	814	779
Research and development		(1,257)	(868)
Laboratory operating expenses		(2,632)	(2,482)
Sales and marketing		(2,044)	(1,619)
Administrative expenses	4	(7,678)	(7,219)
Operating profit		3,222	1,361
Finance income	5	552	358
Finance expense	5	(1,508)	(1,200)
Profit before income tax		2,266	519
Income tax (charge)/credit	7	(652)	3,089
Profit for the year		**1,614**	3,608
Total comprehensive income for the year ended 31 December		**1,614**	3,608

The accompanying notes are an integral part of these consolidated financial statements.

ASTRO BIDCO LIMITED

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	At 31 December 2022 £'000	At 31 December 2021 £'000
Assets			
Non–Current Assets			
Intangible assets	9	5,266	5,359
Property, plant and equipment	10a	4,798	4,181
Right-of-use assets	10b	8,624	7,449
Deferred tax asset	7	2,740	3,237
Trade and other receivables	13	-	182
Total Non–Current Assets		21,428	20,408
Current Assets			
Inventories	12	522	459
Trade and other receivables	13	22,311	18,913
Current income tax assets	7	1,278	1,081
Cash and cash equivalents	15	8,178	6,396
Total Current Assets		32,289	26,849
Total Assets		53,717	47,257
Equity and Liabilities			
Equity attributable to owners of the parent			
Ordinary shares	16	-	-
Share premium		12,947	12,947
Share based payment reserve		*178*	*150*
Accumulated losses		(38,254)	(39,868)
Capital reduction reserve		46,717	46,717
Total Equity		21,588	19,946
Liabilities			
Non-current liabilities			
Lease liabilities	18	8,209	6,946
Total Non-Current Liabilities		8,209	6,946
Current liabilities			
Trade and other payables	17	22,823	19,410
Lease liabilities	18	1,097	955
Total Current Liabilities		23,920	20,365
Total Liabilities		32,129	27,311
Total Equity and Liabilities		53,717	47,257

Company Registered Number: 11514538

The financial statements on pages 9 to 44 were approved by the Board of Directors on 26 September 2023 and signed on its behalf by M Neaves:

M Neaves

ASTRO BIDCO LIMITED

Consolidated Cash Flow Statement

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Cash flows from continuing operating activities			
Profit before income tax		2,266	519
Adjustments to reconcile profit before income tax to net cash flows generated from operating activities:			
Share based payments	26	28	47
Depreciation of property, plant and equipment	10a, 10b	1,601	1,483
Loss on disposal of fixed assets		12	35
Amortisation of intangible assets	9	790	580
Allowance for expected credit loss		1,034	266
Net finance expense	5	956	842
		6,687	3,772
Working Capital Adjustments			
Increase in trade and other receivables		(3,971)	(11,233)
Increase in inventories		(63)	(1)
Increase in trade and other payables		1,711	10,374
Net working capital movements		(2,323)	(860)
Cash generated from operating activities		4,364	2,912
Taxation received		462	-
Net cash inflow from operating activities		4,826	2,912
Cash flows from investing activities			
Purchase of intangible assets	9	(697)	(493)
Purchase of property, plant and equipment	10a	(1,325)	(1,445)
Net cash outflow from investing activities		(2,022)	(1,938)
Cash flows from financing activities			
Capital and interest repayment of property lease liabilities	19	(969)	(926)
Capital element of equipment lease repayments	19	(30)	(124)
Interest paid	5	(23)	(37)
Net cash outflow from financing activities		(1,022)	(1,087)
Net increase/(decrease) in cash and cash equivalents		1,782	(113)
Cash and cash equivalents at beginning of the year		6,396	6,509
Cash and cash equivalents at end of the year	15	8,178	6,396

ASTRO BIDCO LIMITED

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Attributable to owners of the parent	Ordinary shares £'000	Share based payment reserve £'000	Share Premium £'000	Retained earnings £'000	Capital Reduction reserve £'000	Other Distributable reserve £'000	Total £'000
Balance at 1 January 2022	-	150	12,947	1,001	46,717	(40,869)	19,946
Profit for the year ended 31 December 2022	-	-	-	1,614	-	-	1,614
Total comprehensive profit for the year	-	-	-	1,614	-	-	1,614
Transactions with Owners							
Share based payments	-	28	-	-	-	-	28
Total transactions with owners, *recognised directly in equity*	-	28	-	-	-	-	28
Balance at 31 December 2022	-	178	12,947	2,615	46,717	(40,869)	21,588

On 29 March 2019, Astro Bidco Limited distributed 100% of its holding in Abzena Holdings Inc. to Abzena Holdings (US) LLC. by means of a dividend in specie and resulting in the formation of the other distributable reserve.

For the year ended 31 December 2021

Attributable to owners of the parent	Ordinary shares £'000	Share based payment reserve £'000	Share Premium £'000	(Accumulated losses)/ Retained earnings £'000	Capital Reduction reserve £'000	Other Distributable reserve £'000	Total £'000
Balance at 1 January 2021	-	103	12,947	(2,607)	46,717	(40,869)	16,291
Profit for the year ended 31 December 2021	-	-	-	3,608	-	-	3,608
Total comprehensive profit for the year	-	-	-	3,608	-	-	3,608
Transactions with Owners							
Share based payments	-	47	-	-	-	-	47
Total transactions with owners, recognised directly in equity	-	47	-	-	-	-	47
Balance at 31 December 2021	-	150	12,947	1,001	46,717	(40,869)	19,946

ASTRO BIDCO LIMITED

Company Financial Statements

Company Statement of Financial Position

	Note	At 31 December 2022 £'000	At 31 December 2021 £'000
Assets			
Non–Current Assets			
Investments	11	17,675	17,675
Total Non–Current Assets		17,675	17,675
Current Assets			
Deferred tax asset		18	18
Cash and cash equivalents	15	-	-
Total Current Assets		18	18
Total Assets		17,693	17,693
Equity and Liabilities			
Equity attributable to owners of the parent			
Ordinary shares	16	-	-
Share premium		12,947	12,947
Retained earnings		(40,855)	(40,855)
Accumulated losses		(1,679)	(1,629)
Capital reduction reserve		46,717	46,717
Total Equity		17,130	17,180
Liabilities			
Non-current liabilities		-	-
Total Non-Current Liabilities		-	-
Current liabilities			
Trade and other payables	17	563	513
Total Current Liabilities		563	513
Total Liabilities		563	513
Total Equity and Liabilities		17,693	17,693

The Company's result for the year ended 31 December 2022 was a loss of £50,000 (year ended 31 December 2021: profit of £14,000).

Company Registered Number: 11514538

The financial statements were approved by the Board 26 September 2023 and are signed on its behalf by M Neaves, Director:

M Neaves

ASTRO BIDCO LIMITED

Company Cash Flow Statement

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Cash flows from operating activities			
Loss before income tax	8	(50)	(4)
Net cash outflow from operating activities		(50)	(4)
Working Capital Adjustments			
Increase in trade and other payables		50	4
Net working capital movements		50	4
Net cash used in operating activities		-	-
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Net cash generated from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at end of the year	15	-	-

ASTRO BIDCO LIMITED

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Ordinary shares £'000	Share Premium £'000	Accumulated Losses £'000	Capital Reduction reserve £'000	Total £'000
Balance at 1 January 2022		-	12,947	(42,484)	46,717	17,180
Loss for the financial year		-	-	(50)	-	(50)
Total comprehensive loss for the year		-	-	(50)	-	(50)
Transactions with owners						
Total transactions with owners, recognised directly in equity		-	-	-	-	-
Balance at 31 December 2022		-	12,947	(42,534)	46,717	17,130

For the year ended 31 December 2021

	Note	Ordinary shares £'000	Share Premium £'000	Accumulated Losses £'000	Capital Reduction reserve £'000	Total £'000
Balance at 1 January 2021		-	12,947	(42,498)	46,717	17,166
Profit for the financial year		-	-	14	-	14
Total comprehensive income for the year		-	-	14	-	14
Transactions with owners						
Total transactions with owners, recognised directly in equity		-	-	-	-	-
Balance at 31 December 2021		-	12,947	(42,484)	46,717	17,180

ASTRO BIDCO LIMITED

Notes to the financial statements

1. Summary of significant accounting policies

General information

Astro Bidco Limited is a private limited company incorporated on 13 August 2018 and domiciled in the United Kingdom with registered number 11514538.

The Company's registered office is Babraham Research Campus, Babraham, Cambridge, CB22 3AT, England, United Kingdom.

The principal activity of the Group is that of providing life science technological services to the biopharmaceutical industry. The consolidated financial statements comprise a consolidation of the Company and the following subsidiary companies;

Company	*Country of Incorporation*
Abzena Limited	England & Wales
Abzena (Cambridge) Limited	England & Wales
Abzena (UK) Limited	England & Wales

All the subsidiaries of the Group are 100% owned by the Group and have been included in the consolidated financial statements from the date of acquisition.

The Group's financial statements presented are as at 31 December 2022 and for the year ended. The comparatives are as at 31 December 2021 and for the year ended.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

Basis of preparation

The consolidated Financial Statements and the Financial Statements of the parent company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards ("IFRS"). The Financial Statements have been prepared on a going concern basis and under the historical cost convention.

The preparation of the Financial Statements in conformity with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Financial Statements are rounded to the nearest thousand pounds sterling.

Recent accounting developments

New standards, amendments and interpretations

(a) Standards, amendments and interpretations effective from 1 January 2022 and applied by the Group:

The Company has adopted the following revision and amendment to IFRS, which is relevant to and effective for the Group's financial statements for the year beginning 1 January 2022.

- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39 and IFRS 7
- Onerous contracts – cost of fulfilling a contract Amendments to IAS 37
- Property, plant and equipment: proceeds before intended use – Amendments to IAS 16
- Annual improvements to IFRS Standards 2018–2020 -IFRS 9, IFRS 16

The Directors have assessed that the adoption of these revisions and amendments did not have a material impact on the financial position or performance of the Company. The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Revenue recognition over time

Revenue, which excludes value added tax, represents the income generated by the Group from services provided to external parties and licensing activities.

In respect of service contracts, the Group's contractual obligations are performed over time and this is supported by contractual termination clauses that the Group has right to payment for work performed and non-cancellable costs incurred to date to deliver services that do not have an alternative use to the Group. In line with IFRS 15, revenue is recognized upon satisfaction of performance obligations and the transfer of control over time.

The stage of completion is determined by utilizing the input method which requires a degree of estimation and judgement by management. The extent of progress towards completion is based on the expected duration and completion date of contract stages. Usually obligations are discharged evenly over individual contract stages and revenue is recognized on a straight-line basis over the estimated duration of the project. A groupwide monthly project update detailing estimated completion dates for project stages is prepared by technical leads, detailing progress and completion of performance obligations. As part of this process, weekly operational meetings review information including but not limited to: any outstanding contractual matters, operational progress, risks and opportunities, including management's judgement regarding the ability to meet the project time scales and the related impact to revenue. The stage of completion and the *apportioned transaction price, may not be in line with the stage payments specified within contractual agreements,* resulting in contract assets (accrued income) and contract liabilities (deferred revenue). Where there are options for further work, management evaluates whether such options constitute a material right. The Group's contracts are such that further work performed under such options is priced at stand-alone selling price, such that no material right in respect of such options arises.

Revenue in respect of licensing activities typically comprises an initial up–front fee receivable on signature of the agreement, followed by subsequent payments when certain milestone conditions are met. In addition, future sales royalties arising on sales of products based on the licensed intellectual property may also be due. The initial up–front fee receivable on the signature of a licence agreement is generally recognised in full on the date the agreement is executed, if all the Group's obligations required to enter into the right-to-use licence have been completed and at the point that the up-front fee becomes non-refundable. Milestone payments are recognised as revenue when it is deemed highly probable that such revenue will not be reversed.

Sales-based royalties are recognised when the customer makes the related sale.

Other income

The Group is entitled to claim tax credits in the United Kingdom for certain R&D expenditure, which are recorded as other operating income.

Business combinations

IFRS 3 (revised) "Business Combinations" requires that goodwill arising on the acquisition of subsidiaries is capitalised and included in intangible assets. IFRS 3 (revised) also requires the identification of other intangible assets at acquisition. The assumptions involved in valuing these intangible assets requires the use of estimates and judgements which may differ from the actual outcome. These estimates and judgements cover future growth rates, expected inflation rates and the discount rate used. Changing the assumptions selected by management could significantly affect the allocation of the purchase price paid between goodwill and other acquired intangibles.

Basis of consolidation

The Group's consolidated Financial Statements consist of Astro Bidco Limited and all its subsidiaries.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The Group controls an entity when the Group is expected to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of acquisition is measured at fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are initially measured at their fair values at acquisition date, irrespective of the extent of any non–controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill.

Inter–company transactions, balances and unrealised gains / losses on transactions between Group companies are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

The consolidated Financial Statements are presented in pounds sterling, which is the Group's presentational currency. The Group determines the functional currency of each entity. Transactions undertaken in foreign currencies are translated into the functional currency of the subsidiary at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated into the functional currency at the rates of exchange ruling at the period-end date. Any exchange differences arising are included within 'Administrative expenses' in the Consolidated Statement of Comprehensive Income, except for foreign exchange gains and losses that relate to borrowings and cash and cash equivalents which are presented in the Consolidated Statement of Comprehensive Income within 'Finance income' or 'Finance expenses'.

Financial instruments

The Group uses financial instruments comprising cash and cash equivalents and various other short–term instruments such as trade receivables and trade payables which arise from its operations. The main purpose of these financial instruments is to fund the Group's business strategy and the short–term working capital requirements of the Group.

Trade and other receivables

Trade receivables are recognised initially at fair value. The Group applies the IFRS 9 simplified approach to measure the expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. The amount of the total life expected credit loss is recognized in the Consolidated Statement of Comprehensive Income within administrative expenses. Amounts due from subsidiaries are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost, less a provision for expected lifetime credit loss. The Group measures the loss provision on amounts due from subsidiaries by estimating the likelihood of a loss.

Trade payables

Trade payables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, bank overdrafts and other short–term highly liquid investments with original maturities of less than 3 months. Short term liquid investments with a maturity of over three months would be included in a separate category, 'Short term liquidity investments'.

Research and development

Research costs are written off to the Consolidated Statement of Comprehensive Income in the period in which they are incurred. All research costs, whether funded by grant or not, are included within R&D costs on the face of the income statement.

Ongoing development expenditure is either expensed in the period in which it is incurred or, where the criteria for internal development costs to be recognised as an asset, as prescribed by IAS 38, "Intangible assets", are met, is capitalised as intangible assets.

The Group is entitled to claim tax credits in the United Kingdom for certain R&D expenditure and these are recognised in the financial statements on an accruals basis.

Pensions

The Group makes payments to defined contribution schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions made by the Group are charged to the Consolidated Statement of Comprehensive Income in the period to which they relate. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure directly attributable to bringing each product to its present location and condition on a first in first out basis, unless separately identified. Net realisable value is based on estimated selling price, or value in use less further costs expected to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow moving and defective inventories.

Current and deferred income tax

Income tax on the result for the period comprises current and deferred tax. Income tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which *case it is recognised in equity.*

Current tax is the expected tax payable or receivable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets are only recognised in the Statement of Financial Position to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

Leases

The Group leases various premises, including office, warehouse, laboratory space and equipment leases. The Group has elected not to separate lease, buildings, and non-lease, land, components, accounting for these as a single lease component. The lease terms are negotiated on an individual basis and are not deemed to be onerous.

IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. Assets and liabilities arising from the lease are measured on a present value basis. The remaining lease payments at the date of adoption of IFRS 16 Leases are discounted using the Group's incremental borrowing rate, being the rate that the Group would pay to borrow funds. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease. After the commencement date, the Group reviews the carrying amount of lease liabilities which is remeasured if there is a significant modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset. The carrying amounts of right-of-use assets are also remeasured to reflect a significant change in lease liabilities.

The finance cost and depreciation are charged to the Consolidated Statement of Comprehensive Income. Exemptions for low value assets or short-term leases have not been applied.

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate potential impairment. The carrying value of goodwill is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense, separately disclosed in the intangible fixed asset note to the financial statements and is not subsequently reversed.

Impairment

The carrying value of non-current assets is reviewed whenever events or changes in circumstances indicate that the carrying value may not be recoverable to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Intangible assets initially recognised during the current annual period which are not yet available for use are also tested for impairment by reference to the asset's recoverable amount at the Statement of Financial Position date.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows over the remaining useful economic life of the asset in question 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 risks specific to the asset. The Directors review annually previously impaired assets, excluding goodwill, and to the extent that the impairment is no longer appropriate, the previous impairment is adjusted.

Exceptional Items

The Group discloses separately items of income or expenditure which are by nature not expected to recur as part of the normal operational activity of the business. Such items are shown separately on the face of the Consolidated Statement of Comprehensive Income.

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation, together with any incidental costs of acquisition. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all property, plant and equipment at rates calculated to write each asset down to its estimated residual value on a straight-line basis over its expected useful life, as follows:

- Leasehold property improvements: over the life of the lease
- Fixtures, fittings and equipment: 4 years - 7 years straight-line

The assets' residual lives are reviewed annually and at any given time where there is an event which may indicate potential impairment and are adjusted as appropriate.

Acquired intangible assets

Acquired intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the entity, and are amortised as follows:

Existing customer relationships	Straight line over expected useful economic life estimated to be 7-10 years
Order backlog	Straight line over expected useful economic life estimated to be 2 years
Current technology	Straight line over expected useful economic life estimated to be 15 years

They are subsequently measured at cost less accumulated amortisation and impairment. At each Statement of Financial Position date, these assets are assessed for indicators of impairment and, in the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately through the Consolidated Statement of Comprehensive Income.

Other intangibles

Development costs that are directly attributable to the development and implementation of identifiable software products and development costs controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the project so that it will be available for use;
- management intends to complete the project and use or sell it;
- it can be demonstrated how the project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development; and
- the expenditure attributable to the project during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the project include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Equity and Reserves

Ordinary shares are classified as equity and issued share capital represents the nominal value of shares that have been issued.

The share premium account represents premiums received on the issuance of share capital. No incremental costs directly attributable to the issue of new share capital were incurred.

Retained earnings include all current results as disclosed in the Consolidated Statement of Comprehensive Income.

Share-based payment arrangements

Astro Group Holdings Limited (Cayman), an intermediate holding company, set up an equity incentive programme to allow certain individuals in the Abzena Group the opportunity to participate in the future appreciation of the Abzena Holdings (US) LLC Group's equity value by being granted Incentive Shares. The incentive shares have been accounted for as equity-settled awards under IFRS 2.

Equity-settled awards are measured at fair value at the date of grant. The fair value is calculated using an appropriate option pricing model. As the awards vest in instalments over the vesting period, each instalment is treated as a separate award grant which vests on a straight-line basis over its respective vesting period after allowing for an estimate of shares that will eventually vest. The level of vesting is reviewed annually and the charge adjusted to reflect actual and estimated levels of vesting.

Abzena (Cambridge) Limited is required to recognize share-based payment arrangements involving equity instruments where the company has remunerated those individuals providing services to the entity in this way. Astro Group Holdings Limited (Cayman) makes contributions to the employing entities equal to the charge for the share-based payment arrangement which is reflected as an increase in Astro Group Holdings Limited (Cayman)'s investment in each of these companies.

Impairment of investments

Investments are measured at cost less any impairment. At each Statement of Financial Position date, the carrying value of investments are assessed for indicators of impairment and, in the event that the carrying value is determined to be greater than the recoverable amount, the investment is immediately written down through the Consolidated Statement of Comprehensive Income and through the parent company's Income Statement.

Finance cost

Finance costs of debt are recognized in the Consolidated Statement of Comprehensive Income over the term of the agreement on an effective interest rate on the carrying amount.

Significant accounting estimates

The preparation of Financial Statements requires management to make judgments, estimations, and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. The process of making accounting estimates involves selecting and applying a method using assumptions and data, which requires judgment by management and can give rise to complexity in measurement.

In respect of the impairment requirements relating to the accounting of the Group's lifetime expected credit losses on trade receivables, management forms opinions on the credit risk relating to specific receivable balances at each reporting date. In carrying out this assessment, management considers the Group's historical credit loss experience, adjusted for factors that are specific to the receivable and both the current and forecasted general economic conditions.

There are not considered to be any significant estimates which might result in a material change in the carrying amounts of assets or liabilities in the coming year. Information about critical judgements and other areas in which estimates are made are contained in the accounting policies and the notes to the Financial Statements.

Significant accounting judgements

The following area involves a higher degree of judgement and is significant to the Consolidated Financial Statements:

Deferred taxation

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that management believe it is not yet probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Directors only recognise cumulative losses as an asset where they are sufficiently certain of its recoverability. In 2021 the Directors considered the requirement of IAS 12 and determined that the Group had demonstrated a sustained track record of taxable profit generation to provide sufficient evidence that future taxable profits will be available. This judgement was re-assessed in 2022, and it was determined that the judgement made in the prior year remained appropriate.

2. GOING CONCERN

At 31 December 2021, the Group had £8.2m of cash balances (31 December 2021: £6.4m).

The Group is, and is projected to remain, profitable and cash generative, and it maintains a positive net cash position. Cash on hand and forecast receipts from trading are expected to be sufficient to enable the Group to meet its obligations for a period of at least twelve months from the date of approval of the financial statements, including in the downside scenarios (with significant reductions to forecast revenues) which have been modelled by the directors.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

3. Revenue

Analysis of revenue by location of customer:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
North America	14,883	12,917
Europe	4,002	2,883
United Kingdom	2,560	1,669
Asia	1,311	920
Other	708	889
Total	23,464	19,278

Analysis of revenue:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Service revenue	23,440	19,091
Licence income	24	187
Total	23,464	19,278

Expected profile of revenue recognition from signed contracts:

The table below shows the expected profile of revenue recognition from contracts signed as at 31 December 2022 and 2021:

	6 months ended 30 June 2023 £'000	6 months ended 31 December 2023 £'000	6 months ended 30 June 2024 £'000	6 months ended 31 December 2024 £'000	18 months ended 30 June 2026 £'000
Total as at 31 December 2022	11,111	3,153	605	176	-

	6 months ended 30 June 2022 £'000	6 months ended 31 December 2022 £'000	6 months ended 30 June 2023 £'000	6 months ended 31 December 2023 £'000	18 months ended 30 June 2025 £'000
Total as at 31 December 2021	7,470	1,565	402	274	86

No customer individually generated revenue greater than 10% of the total revenue of continuing operations. In the year ended 31 December 2021, there was one customer who individually generated revenue greater than 10% of the total revenue.

4. Administrative expenses

Included in administrative expenses are:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Services provided by Group's auditors		
- Fees payable to the company's auditors and its associates for the audit of parent company and consolidated financial statements	130	98
- Fees payable for tax compliance	49	40

5. Finance income and expense

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Interest receivable from associated undertakings	549	358
Interest receivable	3	-
Finance Income	552	358
Bank charges	(25)	(26)
Interest expense on equipment lease liabilities	(1)	(11)
Interest expense on property leased liabilities	(697)	(699)
Interest payable to associated undertakings	(785)	(464)
Finance Expense	(1,508)	(1,200)

6. Employees and Directors

Analysis of payroll costs by category:	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Wages and salaries	7,308	5,823
Social security costs	704	630
Management incentive plan	28	47
Other pension costs	672	565
Total	8,712	7,065

Average monthly number of persons (including Executive Directors but excluding non-executive Directors) employed:

By activity	Year ended 31 December 2022 Headcount Number	Year ended 31 December 2021 Headcount Number
Laboratory staff	88	77
Sales, marketing, business development, administration and management	35	32
Total	123	109

The average full time equivalent (FTE) over the year ended 31 December 2022 is 120 (year ended 31 December 2021: 107 FTE). There are no employees of the Company (2021: nil).

Directors' emoluments are as follows:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Aggregate emoluments	573	894
Compensation for loss office	122	124
Company contributions to defined contribution pension schemes	31	29
Total	726	1,047

The remuneration of J Goldman, M Stober, G Glass and K Lundquist was paid by a US affiliated company. An allocation of their remuneration is included in the Directors' emoluments table above. During the year, Abzena (San Diego) Inc. re-charged the Group a total of £188,000 (2021: £153,000) for services provided by directors paid by a US affiliated company.

The allocated amounts that relate to the highest paid Director:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Aggregate emoluments	303	581
Compensation for loss office	-	124
Company contributions to defined contribution pension schemes	25	4
Total	328	709

7. Income Tax

Analysis of taxation charge/(credit) in the year

The Group is entitled to claim tax credits in the United Kingdom for certain R&D expenditure, which are recorded as other operating income. The amount included in the Statement of Comprehensive Income represents the charge payable/(credit receivable) by the Group for the year.

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Current tax:		
United Kingdom corporation tax	155	148
Total current tax charge	155	148
Deferred tax:		
Short term timing differences – current year	440	(3,237)
Adjustment in respect of prior period deferred tax	57	-
Total deferred tax charge/(credit)	497	(3,237)
Total tax charge/(credit) in the Statement of Comprehensive Income	652	(3,089)

Included within other operating income is £814,000 (year ended 31 December 2021: £779,000) in respect of R&D expenditure credit. The 2022 computations have not been submitted to the tax authorities. Corporation tax repayments associated with the 2022 and 2021 computations amounted to £1,278,000 as at 31 December 2022 (2021: £1,081,000). The tax charge for the year is higher (31 December 2021: lower) than the charge that would be payable at the standard rate of corporation tax in the UK of 19%. The differences are explained in the following table:

Tax reconciliation

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Profit before income tax	2,266	519
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	430	99
Tax effect of:		
Non-taxable and non-deductible items	45	20
Remeasurement of deferred tax – change in UK tax rate	120	-
Recognition of prior year tax losses	-	(3,208)
Adjustment in respect of prior period deferred tax	57	-
Total tax charge / (credit)	652	(3,089)

Deferred tax asset

	2022 £'000	2021 £'000
Balance as at 1 January	(3,237)	-
Fixed asset timing differences arising in year	89	79
Utilisation of carry-forward losses	388	-
Short term temporary differences	20	-
DTAs on losses recognised to the extent of expected short term reversals	-	(3,316)
Total deferred tax asset	(2,740)	(3,237)
To be recovered or settled within 12 months of the reporting period end	(440)	(497)
To be recovered or settled more than 12 months after the reporting period end	(2,300)	(2,740)
Total deferred tax asset	(2,740)	(3,237)

	2022 £'000	2021 £'000
Fixed asset temporary differences	1,400	1,311
Recognition of deferred tax asset – carried forward losses	(4,091)	(4,479)
Short term temporary differences	(49)	(69)
Total deferred tax asset	(2,740)	(3,237)

Deferred tax assets for brought forward losses have been recognised to the extent of the losses that are expected to be realised in the short term. As at 31 December 2022, the unrecognised deferred tax asset amounted to £nil (31 December 2021: £nil).

The Company has no unprovided deferred tax assets arising from unutilised tax losses (31 December 2021: £nil).

The Government made a number of budget announcements on 3 March 2021. These include confirming that the rate of corporation tax will increase to 25% from 1 April 2023. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. (Loss)/profit of Parent Company

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not included as part of these financial statements. The Parent Company's result for the year ended 31 December 2022 was a loss of £50,000 (year ended 31 December 2021: profit of £14,000).

9. Intangible Assets

For the year ended 31 December 2022 – Goodwill and Intangibles resulting from Business Combinations

	Existing Customer Relationships	Order Backlog	Current Technology	(1) Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2022	3,068	58	3,013	5,036	11,175
At 31 December 2022	3,068	58	3,013	5,036	11,175
Accumulated amortisation					
At 1 January 2022	(960)	(56)	(570)	(5,036)	(6,622)
Amortisation in the year	(340)	(2)	(200)	-	(542)
At 31 December 2022	(1,300)	(58)	(770)	(5,036)	(7,164)
Net book value:					
At 31 December 2022	1,768	-	2,243	-	4,011
At 31 December 2021	2,108	2	2,443	-	4,553

For the year ended 31 December 2021 – Goodwill and Intangibles resulting from Business Combinations

	Existing Customer Relationships	Order Backlog	Current Technology	(1) Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2021	3,068	58	3,013	5,036	11,175
At 31 December 2021	3,068	58	3,013	5,036	11,175
Accumulated amortisation					
At 1 January 2021	(619)	(47)	(369)	(5,036)	(6,071)
Amortisation in the year	(341)	(9)	(201)	-	(551)
At 31 December 2021	(960)	(56)	(570)	(5,036)	(6,622)
Net book value:					
At 31 December 2021	2,108	2	2,443	-	4,553
At 31 December 2020	2,449	11	2,644	-	5,104

(1) In line with the requirements of IAS 38, goodwill is measured as the purchase consideration paid in excess of an acquired business' tangible and separately identifiable intangible assets, less liabilities. Goodwill is not amortised but is assessed for impairment at the end of each accounting period.

The amortisation charge for the respective periods has been included in Administrative expenses in the Consolidated Statement of Comprehensive Income.

The goodwill arose on the purchase of 100% of the share capital of Abzena Limited (previously Abzena plc) on 12 October 2018. The goodwill represents the excess of the fair value of the consideration over the fair value of assets acquired.

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Other Intangibles

For the year ended 31 December 2022

	ERP costs £'000	Internal development £'000	Website £'000	Total £'000
Cost				
At 1 January 2022	353	482	9	844
Additions	2	695	-	697
At 31 December 2022	355	1,177	9	1,541
Accumulated amortisation				
At 1 January 2022	(29)	-	(9)	(38)
Amortisation in the year	(44)	(204)	-	(248)
At 31 December 2022	(73)	(204)	(9)	(286)
Net book value:				
At 31 December 2022	282	973	-	1,255
At 31 December 2021	324	482	-	806

Other Intangibles

For the year ended 31 December 2021

	ERP costs £'000	Internal development £'000	Website £'000	Total £'000
Cost				
At 1 January 2021	123	219	9	351
Additions	230	263	-	493
At 31 December 2021	353	482	9	844
Accumulated amortisation				
At 1 January 2021	-	-	(9)	(9)
Amortisation in the year	(29)	-	-	(29)
At 31 December 2021	(29)	-	(9)	(38)
Net book value:				
At 31 December 2021	324	482	-	806
At 31 December 2020	123	219	-	342

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10(a). Property, plant and equipment

Property, plant and equipment for the year ended 31 December 2022

	Leasehold Property Improvements	Fixtures, Fittings and Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2022	558	4,683	5,241
Additions	20	1,678	1,698
Disposals	-	(66)	(66)
At 31 December 2022	578	6,295	6,873
Accumulated depreciation			
At 1 January 2022	(75)	(985)	(1,060)
Depreciation charge for the year	(31)	(1,038)	(1,069)
Disposals	-	54	54
At 31 December 2022	(106)	(1,969)	(2,075)
Net book value:			
At 31 December 2022	472	4,326	4,798
At 31 December 2021	483	3,698	4,181

Right-of-use assets

The net book value of fixtures, fittings and equipment includes £125,000 (31 December 2021: £259,000) in relation to right-of-use assets. Depreciation charged and interest paid in the year ended 31 December 2022 amounted to £134,000 (year ended 31 December 2021: £130,000) and £1,000 (year ended 31 December 2021: £11,000) respectively.

The Parent Company has no property, plant and equipment.

Property, plant and equipment for the year ended 31 December 2021

	Leasehold Property Improvements	Fixtures, Fittings and Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2021	534	4,641	5,175
Additions	24	1,548	1,572
Disposals	-	(1,506)	(1,506)
At 31 December 2021	558	4,683	5,241
Accumulated depreciation			
At 1 January 2021	(46)	(1,468)	(1,514)
Depreciation charge for the year	(29)	(988)	(1,017)
Disposals	-	1,471	1,471
At 31 December 2021	(75)	(985)	(1,060)
Net book value:			
At 31 December 2021	483	3,698	4,181
At 31 December 2020	488	3,173	3,661

10(b). Right-of-use assets

The Group leases various premises, including office, warehouse and laboratory space and also leases equipment.

The Group utilises the simplified transition approach, and as such leases are recognised as a right-of-use asset and a corresponding liability. The Group has elected not to separate leased buildings and non-leased land and components, accounting for these as a single lease component. The lease terms are negotiated on an individual basis and are not deemed to be onerous.

Assets and liabilities arising from the lease are measured on a present value basis. The remaining lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would pay to borrow funds. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease. The finance cost and depreciation are charged to the Consolidated Statement of Comprehensive Income.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). A rent increase during the year-end 31 December 2022, gave rise to an addition to right-of-use assets amounting to £1,474,000 (2021: £nil).

Amounts recognised in the Consolidated Statement of Financial Position

	As at 31 December 2022	As at 31 December 2021
	£'000	£'000
Right-of-use assets		
Buildings	8,624	7,449
Equipment (included in PPE)	125	259
	8,749	7,708

Amounts recognised in the Consolidated Statement of Comprehensive Income

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Depreciation charge on right-of-use assets		
Buildings	532	466
Equipment	134	130
	666	596
Interest expense		
Buildings	697	699
Equipment	1	11
	698	710

Total cash outflows associated with lease liabilities for the year ended 31 December 2022 amounted to £1,000,000 (year ended 31 December 2021: £1,061,000).

11. Investments

Group

The full list of subsidiary companies is shown in note 1.

Company

Investments in subsidiary undertakings	2022 £'000	2021 £'000
Abzena Limited		
Balance as at 1 January and 31 December	17,675	17,675

The Company has, by virtue of its investment and ownership of Abzena Limited, indirect holdings in the following entities:

	Ownership
Abzena (Cambridge) Limited, Services to the biopharmaceutical industry Babraham Research Campus, Babraham, Cambridge CB22 3AT	100%
Abzena (UK) Limited Services to the biopharmaceutical industry Babraham Research Campus, Babraham, Cambridge CB22 3AT	100%

12. Inventories

Group	31 December 2022 £'000	31 December 2021 £'000
Raw materials and consumables	779	629
Total inventories	779	629
Provision for impairment of inventories	(257)	(170)
Total inventories – net	522	459

Inventory recognised as an expense in the year ended 31 December 2022 was £4,271,000 (year ended 31 December 2021: £3,547,000). There were no write down of inventories in the year ended 31 December 2022 (year ended 31 December 2021: £nil).

The Company has no inventories as at 31 December 2022 (31 December 2021: £nil).

13. Trade and other receivables

Group		31 December 2022 £'000	31 December 2021 £'000
Current:			
Trade receivables		4,388	1,597
Provision for impairment of trade receivables		(1,191)	(269)
Trade receivables – net		3,197	1,328
Amounts owed by fellow subsidiary undertakings	22	15,100	6,944
Amount owed by intermediate holding company		748	-
Other receivables		31	1
Value Added Tax		481	416
Prepayments		794	877
Contract assets	14	2,392	9,347
Provision for impairment of contract assets		(432)	-
Contract assets - net		1,960	9,347
Total current receivables		22,311	18,913
Non-current			
Prepayments		-	182
Total non-current receivables		-	182
Total receivables		22,311	19,095

The Company has no trade receivables as at 31 December 2022 (31 December 2021: £nil).

The amounts owed by fellow subsidiary are interest bearing at a rate of 6.63% and are payable on demand. Amounts owed by intermediate holding company are interest free and payable on demand.

Trade receivables by currency at the reporting date were as follows:

Group	31 December 2022 £'000	31 December 2021 £'000
US Dollars	3,828	1,347
Provision for impairment of trade receivables	(871)	(269)
	2,957	1,078
Pounds Sterling	544	133
Provision for impairment of trade receivables	(320)	-
	224	133
Euros	16	104
Canadian Dollars	-	13
Total	3,197	1,328

The Group had trade receivables, net of impairment, totalling £3,197,000 at 31 December 2022 (31 December 2021: £1,328,000). More than 96% of these accounts receivable at 31 December 2022 were in US Dollars and 75% were with customers in the United States. The Group estimates an allowance for expected credit losses based on significant indicators that an account is at risk of default, including whether it is past due, any ongoing renegotiations and both internal and external communications. The majority of the accounts receivable comprise of small amounts due from many different customers with no concentrated credit risk. There are some specific provisions relating to known issues. The remaining balances have been reviewed and are considered to have good credit standings, have made regular payments for services and have no history of delinquent payments. The Group recognized £352,000 (2021: £26,000) write-offs related to its trade receivables in 2022. The Group will continue to monitor its customers' credit risk as its commercial operations and customer base continue to grow.

Trade receivables past due are as follows:

Group	31 December 2022 £'000	31 December 2021 £'000
Not yet due	1,679	467
Provision for impairment of trade receivables	(145)	-
	1,534	467
Past due: 0–30 days	1,443	603
Provision for impairment of trade receivables	(521)	(241)
	922	362
Past due: 31–60 days	291	264
Provision for impairment of trade receivables	(207)	-
	84	264
Past due: 61–90 days	76	124
Provision for impairment of trade receivables	(26)	(28)
	50	96
Past due: More than 91 days	899	139
Provision for impairment of trade receivables	(292)	-
	607	139
Total	3,197	1,328

14. Contract Assets and Liabilities

Contract assets consist of unbilled amounts resulting from sales contracts where the input method of revenue recognition results in revenue recognized exceeding the amounts invoiced to customers. Contract liabilities consist of billings in excess of the revenue recognized. Contract assets and liabilities similarly arise in relation to revenue recognised in fellow subsidiary entities. No contract liabilities are expected to be recognized in revenue after 12 months and are all treated as current liabilities in the Consolidated Statement of Financial Position.

Reconciliation of movement in contract asset and liabilities for the year ended 31 December 2022:

Group	Contract Assets £'000	Contract Liabilities £'000
Balance at 1 January 2022	9,347	(736)
Billings from performance obligations satisfied in previous year	(8,616)	-
Performance obligations satisfied in current year	-	603
Billings in excess of recognised revenue in current year	-	(2,161)
Revenue recognised in excess of billings in current year	1,661	-
	2,392	(2,294)
Provision for impairment of contract assets	(432)	-
Balance at 31 December 2022	1,960	(2,294)

The Company has no contract assets and contract liabilities as at 31 December 2022 (31 December 2021: £nil).

Reconciliation of movement in contract asset and liabilities for the year ended 31 December 2021:

Group	Contract Assets £'000	Contract Liabilities £'000
Balance at 1 January 2021	4,490	(979)
Billings from performance obligations satisfied in previous year	(3,136)	-
Performance obligations satisfied in current year	-	948
Billings in excess of recognised revenue in current year	-	(705)
Revenue recognised in excess of billings in current year	7,993	-
Balance at 31 December 2021	9,347	(736)

15. Cash and cash equivalents

The Group retains cash and cash equivalents on instant access current and deposit accounts in the following currencies:

Group	31 December 2022 £'000	31 December 2021 £'000
Sterling	1,530	999
US Dollars	6,425	5,122
Euro	205	271
Other	18	4
Total	8,178	6,396

The Company has not retained cash and cash equivalents as at 31 December 2022 (31 December 2021: £nil).

16. Ordinary shares

A schedule of the issued share capital of the Company at the year end was as follows.

	31 December 2022 Number	31 December 2021 Number	31 December 2022 £	31 December 2021 £
Ordinary shares of £1 each	6	6	6	6
Total	6	6	6	6

17. Trade and other payables

	Note	Group 31 December 2022 £'000	Group 31 December 2021 £'000	Company 31 December 2022 £'000	Company 31 December 2021 £'000
Current:					
Trade payables		1,543	813	–	–
Amounts owed to Group undertakings		–	–	563	513
Amounts owed to fellow subsidiary undertakings	22	16,865	15,513	–	–
Tax and social security		196	165	–	–
Other payables		156	57	–	–
Accruals		1,769	2,126	–	–
Contract liabilities	14	2,294	736	–	–
Total		22,823	19,410	563	513

The amounts owed to fellow subsidiary are interest bearing at a rate of 6.63% and are payable on demand. Amounts owed to Group undertakings are interest free and payable on demand.

18. Lease liabilities

Group	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Lease liabilities		
Current		
Buildings	1,097	925
Equipment	-	30
	1,097	955
Non-current		
Buildings	8,209	6,946
	8,209	6,946
Total lease liabilities	9,306	7,901

The Company has no lease liabilities as at 31 December 2022 (31 December 2021: £nil).

19. Net debt and reconciliation of movement in net debt

Net debt:

	Note	31 December 2022 £'000	31 December 2021 £'000
Cash and cash equivalents	15	8,178	6,396
Lease liabilities on equipment		-	(30)
Lease liabilities on property		(9,306)	(7,871)
Net debt		(1,128)	(1,505)
Cash and cash equivalents		8,178	6,396
Gross debt – fixed interest rates	18	(9,306)	(7,901)
Net debt		(1,128)	(1,505)

Reconciliation of movements in net debt during year:

	Note	Lease liabilities on Equipment £'000	Property £'000	Sub-total £'000	Cash £'000	Total £'000
Net debt as at 1 January 2022		(30)	(7,871)	(7,901)	6,396	(1,505)
Additions – lease amendment		-	(1,707)	(1,707)	-	(1,707)
Interest arising in year	5	(1)	(697)	(698)	-	(698)
Cash flows		31	969	1,000	1,782	2,782
Balance as at 31 December 2022		-	(9,306)	(9,306)	8,178	(1,128)

Reconciliation of movements in net debt during the year ended 31 December 2021:

	Note	Lease liabilities on Equipment £'000	Property £'000	Sub-total £'000	Cash £'000	Total £'000
Net debt as at 1 January 2021		(154)	(8,098)	(8,252)	6,509	(1,743)
Interest arising in year	5	(37)	(699)	(736)	-	(736)
Cash flows		161	926	1,087	(113)	974
Balance as at 31 December 2021		(30)	(7,871)	(7,901)	6,396	(1,505)

20. Provisions

The Group and Company have no provisions as at 31 December 2022 (31 December 2021: £nil).

21. Ultimate parent undertaking

Abzena Holdings (US) LLC is the direct parent. The registered office is Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808.

WCAS XII-Astro L.P, a fund managed by Welsh, Carson, Anderson & Stowe, is the ultimate parent and controlling party.

The largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Abzena Holdings (US) LLC, which are not publicly available.

Astro Bidco Limited is the smallest group of undertakings for which a consolidation is performed.

22. Related party disclosures

Group

Abzena Holdings (US) LLC is the immediate parent undertaking.

Balances with fellow subsidiaries of the Abzena Holdings (US) LLC Group were as follows:

	Receivable 31 December 2022 £'000	Receivable 31 December 2021 £'000
Short-term cash advances / receipts	4,306	1,647
Revenue reallocation	(930)	(924)
Management re-charges	8,711	5,757
Costs recharged	1,913	(84)
Interest	1,100	548
Amounts owed by fellow subsidiary undertakings	15,100	6,944

	Payable 31 December 2022 £'000	Payable 31 December 2021 £'000
Short-term cash advances / receipts	(3,338)	(890)
Revenue reallocation	(7,822)	(10,709)
Management re-charges	(4,787)	(2,942)
Costs recharged	755	(206)
Interest	(1,673)	(766)
Amounts owed to fellow subsidiary undertakings	(16,865)	(15,513)

Included in Trade and other receivables is £748,000 (31 December 2021: £nil) owed by the intermediate holding company in respect of a MIP award settlement.

Company

There were no transactions between Astro Bidco Limited and fellow subsidiaries of the Abzena Holdings (US) LLC Group.

23. Transactions involving Directors

Disclosure of compensation provided to Directors is given in note 6 Employees and Directors.

The Board of Directors is considered to be key management personnel. The total expense relating to key management personnel was £673,000 for the year ended 31 December 2022 (31 December 2021: £1,134,000).

24. Capital and other commitments

The Group has future capital commitments of £159,000 contracted as at 31 December 2022 (31 December 2021: £413,000) that are not provided in the financial statements. There are no other future commitments that the Group has contracted for at 31 December 2022 (2021: £nil) that are not provided in the financial statements.

On August 15, 2019, Abzena (San Diego) Inc. and Abzena (Bristol) LLC entered into a Loan and Security Agreement with Oxford Finance LLC. On May 7, 2021, a $130 million debt facility with Ares Capital Corporate ("Ares") was completed and the $40 million Oxford Finance debt was repaid in full. A security interest has been granted to Ares in the shares and assets of the Group. The loan with Ares was extinguished on 6 February 2023 following receipt of the disposal proceeds from the sale of Abzena (North Carolina) LLC, an associated group company.

Under the terms of the agreement with Oxford Finance LLC and within the Success Fee Letter, amended 31 December 2020, on the occurrence of the first Liquidity Event, on or before 15 August 2029, a success fee of $1,200,000 becomes payable to Oxford Finance LLC. A Liquidity Event is defined as; sale or other disposition, of all or substantially all of the assets of the Loan Parties, merger or consolidation of Abzena Holdings (US) LLC, Astro Group Holdings Ltd., or one or more Loan Parties, any sale of the outstanding voting equity securities or the occurrence of an initial public offering.

25. Financial risk management

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this Financial Information. The significant accounting policies regarding financial instruments are disclosed in note 1.

Principal financial instruments

The principal financial instruments used by the Group, from which financial risk arises, are as follows:

	Group Assets/(Liabilities) at amortised cost 31 December 2022 £'000	Group Assets/(Liabilities) at amortised cost 31 December 2021 £'000
Trade and other receivables (excluding prepayments)	21,517	18,036
Cash and cash equivalents	8,178	6,396
Trade and other payables (excluding non-financial liabilities)	(20,333)	(18,509)
Property lease liabilities	(9,306)	(7,871)
Equipment lease liabilities	-	(30)
Total	56	(1,978)

The principal financial instruments used by the Company, from which financial risk arises, are as follows:

	Company Liabilities at amortised cost 31 December 2022 £'000	Company Liabilities at amortised cost 31 December 2021 £'000
Trade and other payables (excluding non-financial liabilities)	(563)	(513)
Total	(563)	(513)

The Directors believe there is no material difference between the fair value and book value of these assets and liabilities, given the short maturity periods of these financial instruments.

Liquidity Risk

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on their contractual, undiscounted maturities:

	Group 31 December 2022	Group 31 December 2021	Company 31 December 2022	Company 31 December 2021
	£'000	£'000	£'000	£'000
Trade and other payables				
Within 6 months	22,627	19,245	563	513
	22,627	19,245	563	513
Property lease liabilities				
Within 6 months	548	462	-	-
Between 6 and 12 months	549	462	-	-
Between 1 and 2 years	1,097	910	-	-
Between 2 and 5 years	3,291	2,728	-	-
Over 5 years	10,696	9,978	-	-
	16,181	14,540	-	-
Equipment lease liabilities				
Within 6 months	-	20	-	-
Between 6 and 12 months	-	10	-	-
	-	30	-	-
Total	38,808	33,815	563	513

Liquidity risk arises from the Group's management of working capital and the amount of funding required for operational expansion. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The principal liabilities of the Group are trade and other payables in respect of the operational expansion and the provision of biopharmaceutical technological services including purchase of laboratory supplies, consumables and related scientific services, as well as administrative costs associated with the Group's business. Trade and other payables are all payable primarily within one month. The Board and management team receives and reviews cash flow projections on a regular basis as well as information on cash balances.

General objectives, policies and processes

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and interest rate cash flow risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. The Group does not use derivative financial instruments to hedge risk exposures.

The overall objective of the Board is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out herein:

Credit risk

	31 December 2022 £'000	31 December 2021 £'000
Trade and other receivables (excluding prepayments)	21,517	18,036
Cash and cash equivalents	8,178	6,396
Total	29,695	24,432

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The credit quality of the customer is assessed, taking into account the Group's understanding of its financial position, past experience and other factors. Individual risk limits are set in accordance with limits set by management.

The Group's principal trade and other receivables arose from sales to customers with two customers individually amounting to more than 10% of the total outstanding. Amounts owed by fellow subsidiary undertakings and by the intermediate holding company are included in trade and other receivables. Cash was held in current accounts with two institutions, one was rated between BBB+ and AA- by Standard & Poor's for all years. One institute was non-rated as at 31 December 2022, *alternative banking facilities established in 2023 and the impact on the Group's credit risk eliminated.*

Interest rate cash flow risk

The Group and Company are exposed to interest rate cash flow risk in respect of surplus funds held. The Directors do not consider this risk to be significant.

Currency risk

The Group publishes its financial information in pounds sterling and conducts some of its business in US Dollars and Euros. As a result, it is subject to foreign currency exchange risk due to exchange movements, which will affect the Group's transaction costs and translation of the results. No financial instruments are utilized to manage risk, and currency gains / losses are credited / charged to the Consolidated Statement of Comprehensive Income as incurred. The Board considered that this exposure was not sufficiently material to warrant hedging. Note 15 Cash and cash equivalents itemises the Group's exposure to foreign currency balances.

For the year ended 31 December 2022, the majority of the Group's revenue is in foreign currencies, primarily US Dollars. A movement in the value of sterling during the course of the year ended 31 December 2022 of 10% would through the *remeasurement of financial instruments have impacted on the Group's overall profit by* £116,000 (2021: £255,000).

Foreign exchange

Foreign currency balances that have been translated into sterling are detailed below:

	31 December 2022 £'000 US Dollars	31 December 2022 £'000 Euro	31 December 2022 £'000 Other	31 December 2022 £'000 Total
Cash and cash equivalents	6,425	205	18	6,648
Trade and other receivables	3,902	28	-	3,930
Trade and other payables	(13,367)	(19)	-	(13,386)
Total	(3,040)	214	18	(2,808)

	31 December 2021 £'000 US Dollars	31 December 2021 £'000 Euro	31 December 2021 £'000 Other	31 December 2021 £'000 Total
Cash and cash equivalents	5,122	271	4	5,397
Trade and other receivables	1,869	116	13	1,998
Trade and other payables	(15,744)	(27)	-	(15,771)
Total	(8,753)	360	17	(8,376)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure. The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented in the consolidated statement of financial position.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares to its direct parent, Abzena Holdings (US) LLC (see note 21), or sell assets.

The Group had no undrawn committed borrowing facilities available as at 31 December 2022 (31 December 2021: £nil).

26. Share based payments

In July 2019, WCAS XII-Astro L.P, via Astro Group Holdings Limited (Cayman), an intermediate holding company, set up an equity incentive programme to allow certain individuals in the Abzena Group the opportunity to participate in the future appreciation of the Company's equity value by being granted Incentive Shares. The participants paid the nominal value per share upon award.

There are two types of award: Time-based Vesting and Performance-based Vesting. Certain employees of Abzena (Cambridge) Limited hold Time-based Vesting awards. There are no Performance-based vesting awards held by employees in the Astro Bidco Limited Group.

Time-based vesting awards vest annually over a 5-year period at 20% per annum and immediately upon a liquidity event provided the individual remains employed on the date of such event. A Distribution Threshold of greater than \$1.50 or \$2.28, depending on the award issue, is required to be met before a distribution of value would be made on a liquidity event.

Any value in the Incentive Shares is contingent on a liquidity event and only once a Distribution Threshold has been reached.

The Group has no legal or constructive obligation to repurchase or settle the awards in cash.

Movements in the number of awards outstanding and their related weighted average Distribution Threshold as applicable to employees of Abzena (Cambridge) Limited are as follows:

Time-based Vesting Awards	Year ended 31 December 2022 Weighted Average Distribution Threshold $ per award	Awards	Year ended 31 December 2021 Weighted Average Distribution Threshold $ per award	Awards
At start of period	1.54	3,465,911	1.50	3,295,456
Granted	-	-	2.28	170,455
Repurchased at value	1.50	(852,273)	-	-
Forfeited	1.50	(568,182)	-	-
At 31 December	1.57	2,045,456	1.54	3,465,911

Out of the 2,045,456 (2021: 3,465,911) awards, 1,306,819 (2021: 1,750,001) awards have vested.

852,273 shares were repurchased during the year at a price equal to the fair market value of the ordinary shares at the time of exercise ($2.56) as determined by Astro Bidco Limited's Board of Directors less the distribution threshold of $1.50.

There is no expiry date of the awards. Awards outstanding at the end of the year have the following Distribution Thresholds:

Grant Date	Vesting Start Date	Distribution Threshold (time-based vesting)	Time-based Vesting Awards 2022	2021
02 July 2019	11 October 2018	1.50	738,637	2,159,092
15 July 2019	14 June 2019	1.50	1,136,364	1,136,364
26 October 2021	04 October 2021	2.28	170,455	170,455
			2,045,456	3,465,911

There were no time-based awards granted during the year ended 31 December 2022. The weighted average fair value of time-based awards granted during the year ended 31 December 2021 determined using the Black-Scholes valuation model was $0.56 per award. The significant inputs into the model were Distribution Threshold shown above, volatility of 40%, dividend yield of nil a weighted average expected award life of 2.4 years and a weighted average annual risk-free interest rate of 0.27%. The inputs did not include the share or exercise price as the exercise price is the average price attained by the shares during the restriction period and the model used incorporates a payoff function that includes the distribution for this average. The equity volatility was based on the historical weekly share price returns of comparable companies.

See note 6 for the total expense recognised in the income statement for share awards granted to directors and employees.

27. Post balance sheet events

None noted at this time.

28. Audit exemption – subsidiaries

The following subsidiaries, under S479A of the Companies Act 2006, are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual statutory financial statements:

Name	Registered Number
Abzena Limited	08957107
Abzena (UK) Limited	04295642
Abzena (Cambridge) Limited	05318448