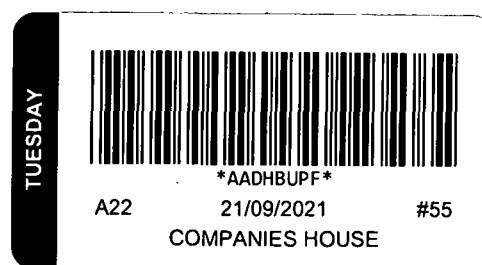


Registered number: 01962503

BBI ENZYMES (USA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BBI ENZYMES (USA) LIMITED

CONTENTS

	Page(s)
Company Information	1
Directors' Report	2 - 4
Independent Auditors' Report to the Members of BBI Enzymes (USA) Limited	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 17

BBI ENZYMES (USA) LIMITED

COMPANY INFORMATION

Directors

R G A Couzens
M P Gualano

Registered number

01962503

Registered office

Berry Smith LLP
Haywood House
Dumfries Place
Cardiff
CF10 3GA

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

BBI ENZYMES (USA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited financial statements of BBI Enzymes (USA) Limited (the "Company") for the year ended 31 December 2020.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A E Peterson (resigned 6 August 2020)
R G A Couzens
M P Gualano

Going concern

The Group has successfully refinanced its borrowing facilities in 2020. The new facilities comprise of a £115m Unitranche multicurrency facility, a €20m and £9.5m Acquisition/Capex facility and a £10m Super Senior Revolving facility. The new facility allowed for the full refinance of the Group's existing investments and to fund the acquisition of Diarect GmbH.

The new facility is secured against specified assets within the Group and is committed to 2027.

The Company has net assets of £6,003,000 (2019: £5,322,000). The Company is a subsidiary of BBI Group Holdco Limited (the "Group") and the Group is financed through bank and shareholder debt and at an operating level is cash generative. The Group's forecasts, which consider the impact of Covid-19, show that it is expected to continue to be profitable at an EBITDA level and cash generative at an operating activity level for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on a going concern basis.

COVID-19

The COVID-19 pandemic in 2020 has caused uncertainty across the World, and most countries have implemented 'lock down' measures to mitigate the spread of the virus, which are having a material effect on communities and the economy. We have implemented plans to ensure that our employees stay safe and that we are able to continue to service our customers' demand.

BBI ENZYMES (USA) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities in respect of the financial 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law).

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 Company and of the profit or loss of the Company 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 United Kingdom Accounting Standards, comprising FRS 102 Section 1A, 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 Company will continue in business.

The directors also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 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 Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be 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.

Small companies exemption

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

BBI ENZYMES (USA) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Richard Couzens

R G A Couzens
Director

Date: *24 June 2021*

BBI ENZYMES (USA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ENZYMES (USA) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BBI Enzymes (USA) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); 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: Balance Sheet as at 31 December 2020; Statement of Comprehensive Income and Statement 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 Company 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 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 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.

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 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.

BBI ENZYMES (USA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ENZYMES (USA) LIMITED (CONTINUED)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 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 Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to product and quality standards, employment legislation, health and safety regulation and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Evaluation of the adequacy of the design of management's controls to prevent and detect irregularities;
- Enquiry of group management and chief operating officer around known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings of those charged with governance; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations.

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.

BBI ENZYMES (USA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ENZYMES (USA) LIMITED (CONTINUED)

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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

KE K M

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 25 June 2021

BBI ENZYMES (USA) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$000	\$000
Revenue	6,915	5,847
Cost of sales	(5,263)	(4,231)
Gross profit	1,652	1,616
Administrative expenses	(974)	(1,026)
Profit before taxation	678	590
Tax on profit	3	(3)
Profit for the financial year	681	587

The notes on pages 11 to 17 form part of these financial statements.

BBI ENZYMES (USA) LIMITED
REGISTERED NUMBER: 01962503

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 \$000	2019 \$000
Current assets			
Stocks	6	268	71
Debtors: amounts falling due after more than one year	7	-	7,307
Debtors: amounts falling due within one year	7	7,575	1,320
Cash at bank and in hand		996	1,648
		<u>8,839</u>	<u>10,346</u>
Creditors: amounts falling due within one year	8	(2,836)	(5,024)
Net current assets		<u>6,003</u>	<u>5,322</u>
Total assets less current liabilities		<u>6,003</u>	<u>5,322</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		6,002	5,321
Total shareholders' funds		<u>6,003</u>	<u>5,322</u>

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

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

Richard Couzens

R G A Couzens
 Director

Date: *24 June 2021*

The notes on pages 11 to 17 form part of these financial statements.

BBI ENZYMES (USA) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital \$000	Profit and loss account \$000	Total shareholders' funds \$000
At 1 January 2019	1	4,734	4,735
Comprehensive income for the financial year			
Profit for the financial year	-	587	587
Total comprehensive income for the financial year	-	587	587
At 31 December 2019 and 1 January 2020	1	5,321	5,322
Comprehensive income for the financial year			
Profit for the financial year	-	681	681
Total comprehensive income for the financial year	-	681	681
At 31 December 2020	1	6,002	6,003

The notes on pages 11 to 17 form part of these financial statements.

BBI ENZYMES (USA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

BBI Enzymes (USA) Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England and Wales. The address of its registered office is Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied consistently throughout the year:

2.2 GOING CONCERN

The Group has successfully refinanced its borrowing facilities in 2020. The new facilities comprise of a £115m Unitranche multicurrency facility, a €20m and £9.5m Acquisition/Capex facility and a £10m Super Senior Revolving facility. The new facility allowed for the full refinance of the Group's existing investments and to fund the acquisition of Diarect GmbH.

The new facility is secured against specified assets within the Group and is committed to 2027.

The Company has net assets of £6,003,000 (2019: £5,322,000). The Company is a subsidiary of BBI Group Holdco Limited (the "Group") and the Group is financed through bank and shareholder debt and at an operating level is cash generative. The Group's forecasts, which consider the impact of Covid-19, show that it is expected to continue to be profitable at an EBITDA level and cash generative at an operating activity level for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on a going concern basis.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BBI ENZYMES (USA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.5 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis and includes transport and handling costs.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Comprehensive Income.

2.6 DEBTORS

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

2.7 CASH AT BANK AND IN HAND

Cash is represented by cash in hand and deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.8 FINANCIAL INSTRUMENTS

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BBI ENZYMES (USA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as Creditors: amounts falling due within one year if payment is due within one year or less. If not, they are presented as Creditors: amounts falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income where the original transaction was recorded.

BBI ENZYMES (USA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.10 EMPLOYEE BENEFITS

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.11 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

BBI ENZYMES (USA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.12 CREDITORS

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

2.13 FINANCE COSTS

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

2.14 FINANCE INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors consider that there are no significant judgments or key sources of estimation uncertainty in the preparation of these financial statements.

Recoverability of amounts owed by group undertakings

Determining the recoverability of debts owed by group undertakings requires an assessment of the future financial performance of the subsidiaries. The value of the amounts owed by group undertakings are £5,861,000 (2019: £7,307,000). No provision was required (2019: £Nil).

4. AUDITORS' REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled \$9,842 (2019: \$9,842).

5. EMPLOYEES

The average monthly number of employees, including directors, during the year was 8 (2019: 7).

BBI ENZYMES (USA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. STOCKS

	2020 \$000	2019 \$000
Finished goods and goods for resale	268	71

There is no significant difference between the replacement cost of stocks and their carrying amounts.

7. DEBTORS

	2020 \$000	2019 \$000
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	-	7,307

Amounts owed by group undertakings are unsecured, do not attract interest and are repayable on demand.

	2020 \$000	2019 \$000
DUE WITHIN ONE YEAR		
Trade debtors	1,704	1,313
Amounts owed by group undertakings	5,861	-
Deferred taxation (note 8)	10	7
	<u>7,575</u>	<u>1,320</u>

Amounts owed by group undertakings are unsecured, do not attract interest and are repayable on demand.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 \$000	2019 \$000
Trade creditors	111	30
Amounts owed to group undertakings	2,664	4,955
Accruals and deferred income	61	39
	<u>2,836</u>	<u>5,024</u>

Amounts owed to group undertakings are unsecured, do not attract interest and are repayable on demand.

BBI ENZYMES (USA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. DEFERRED TAXATION

	2020 \$000
At beginning of year	7
Credited to the profit or loss	3
AT END OF YEAR	10

The deferred tax asset is made up as follows:

	2020 \$000	2019 \$000
Accelerated capital allowances	10	7

10. POST BALANCE SHEET EVENTS

On 9th June 2021, the shareholders of BBI Group Holdco Limited, the ultimate parent undertaking of the Company, agreed terms for the sale of the BBI Group and its subsidiaries to Baduhenna Bidco Limited, an intermediate subsidiary of Novo Holdings A/S. The completion of the sale is subject to the satisfaction of certain necessary regulatory approvals.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is BBI US Group LLC, which is incorporated in Delaware, USA. BBI US Group LLC is ultimately owned and controlled by BBI Group Holdco Limited, a company incorporated in England and Wales.

Eagle SPV 3 Limited is the smallest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at C/O Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holdco Limited is the largest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at C/O Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holdco Limited is controlled by Exponent Private Equity Partners IV, LP. Exponent Private Equity Partners IV, LP, is a collection of investors and no one investor has beneficial ownership of more than 15%.