POLAREAN
BREATHTAKING IMAGES

4 June 2021

Polarean Imaging Plc
("Polarean" or the "Company")

Final Results for the Year Ended 31 December 2020
Notice of Annual General Meeting

Polarean Imaging plc (AIM: POLX), the medical-imaging technology company, with an investigational drug-device combination product for magnetic resonance imaging (MRI), announces its audited final results for the year ended 31 December 2020.

In addition, Polarean confirms that the Annual Report and Accounts for the year ended 31 December 2020, the Notice of the Annual General Meeting ("AGM") and a Form of Proxy are now available on the Company's website (http://www.polarean-ir.com/content/investors/annual-reports.asp) and will be posted to shareholders shortly.

Polarean's AGM will be held at 2500 Meridian Parkway, Suite 175, Durham, NC 27713, USA at 2pm BST / 9am EST on 13 July 2021.

Highlights

- Positive top-line results from the Phase III clinical trials using hyperpolarised ^{129}Xenon gas, where both trials met their primary endpoint
- Raised £8.4 million (gross), including a £2.2 million subscription from new strategic investor Bracco Imaging S.p.A. ("Bracco")
- Appointment of Jonathan Allis as Non-Executive Chairman
- Appointment of Cyrille Petit as Non-Executive Director and representative of Bracco
- Completion of a pre-New Drug Application ("NDA") meeting with the United States Food and Drug Administration ("FDA")
- Acceptance of the NDA for review by the FDA, with a target Prescription Drug User Fee Act ("PDUFA") action date of 5 October 2021
- Net cash of US$6.3 million as of 31 December 2020

Post-period end

- Raised £27 million gross proceeds in an oversubscribed financing, including continued support of strategic investors, Bracco Imaging S.p.A and Nukem Isotopes GmbH as well as institutional investor Amati AIM VCT plc, joined by several new UK and US institutional investors.
- Appointment of Chuck Osborne, Chief Financial Officer, to the Board
- Completion of Mid-Cycle Review of NDA submission with FDA
- Publication of first peer reviewed COVID research by Professor Fergus Gleeson at the University of Oxford
- Additional research unit order for a 9820 Xenon Polariser system from the University of British Columbia in Vancouver, Canada.

Richard Hullihen, CEO of Polarean, commented: *"It has been a strong year for Polarean, and we have achieved some significant milestones during the period beginning with the positive readout of our Phase III clinical trials in early 2020. This was followed quickly by a successful placing and subscription in April 2020, and a further oversubscribed fundraise in March 2021 which was needed to fund sales and marketing expenses to build the commercial team and infrastructure, to support ongoing clinical trial, regulatory and medical affairs costs, to support the continued investment in research and development and to provide additional working capital and for general corporate purposes.*

"We have made significant Board changes to reflect our progress and we're very excited to have a target PDUFA date from the FDA. On behalf of the whole Board, I would like to thank our employees and shareholders for their ongoing support, and we look forward to further positive updates throughout the rest of the year."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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About Polarean (www.polarean.com)
The Company and its wholly owned subsidiary, Polarean, Inc. (together the "Group") are revenue-generating, investigational drug-device combination companies operating in the high-resolution medical imaging research space.

The Group develops equipment that enables existing MRI systems to achieve an improved level of pulmonary function imaging and specialises in the use of hyperpolarised Xenon gas (^{129}Xe) as an imaging agent to visualise ventilation. ^{129}Xe gas is currently being studied for visualisation of gas exchange regionally in the smallest airways of the lungs, across the alveolar tissue barrier, and into the pulmonary bloodstream.

In October 2020, the Group submitted a New Drug Application ("**NDA**") to the FDA for hyperpolarised ^{129}Xe used to evaluate pulmonary function and to visualise the lung using MRI. In December 2020, the Group received confirmation of acceptance of its NDA by the FDA, with a target PDUFA action date of 5 October 2021.

The Group operates in an area of significant unmet medical need and the Group's technology provides a novel investigational diagnostic approach, offering a non-invasive and radiation-free functional imaging platform. The annual burden of pulmonary disease in the US is estimated to be over US$150 billion.

Chairman's Statement

The critical achievements for the Company for 2020 were, of course, successful completion of the New Drug Application and its submission and acceptance for review by the US Food & Drug Administration. The Company now moves to process of preparing for commercial launch. Meanwhile, current events have made clear that medicine is still not fully equipped to analyse and understand the many ways that pulmonary function can be affected by disease. The Company looks forward to working with its growing installed base of luminary researchers to help understand the diagnosis, methods of action and therapies for all pulmonary disease.

The Company has been very pleased with the results of the Placing, Subscription and Open Offer conducted shortly after appointing Stifel Nicolaus Europe Limited as its nominated adviser and broker. The results speak for themselves, but completing an oversubscribed £27 million Placing, Subscription and Open Offer is a very positive outcome for the Company.

Polarean continues its explorations with the pharma industry. Our initial expectations of synergies in development and clinical trials have been further characterised owing to the specific reproducibility of our technology versus currently used endpoints in development and clinical trials, and we look forward to exploring these potential relationships more fully as we develop our own infrastructure and resource base to better match their requirements.

Our primary focus for the coming year will be the planning and preparation for commercial launch and then initiating the launch post approval. This is an important phase in company development, we have resource and skilled service providers underway in this effort and we look forward to the unique combination of technology and opportunity that define the future for hyperpolarised noble gas imaging of pulmonary function.

The Company has been fortunate in its ability to attract and retain long-term professional investors who I thank for their support. I would also like to thank Bracco Imaging for their commitment to the Company and participation in the recent equity raise. I can say they have specific insight into this global market for the technologies that so dramatically enhance the contributions of medical imaging equipment to medicine and patient care, and they have brought those to our Board and share them openly.

As we move from research into daily clinical use, we look forward to furthering the global understanding of the COVID-19 medical case by providing the types of quantitative information necessary for fully understanding its mechanisms and post-infection consequences.

On behalf of the Board, I thank the employees, stakeholders and shareholders for their support, without which none of this would have been possible.

Jonathan Allis
Non-Executive Chairman

2 June 2021

Chief Executive Officer's Statement

2020 – Year of Accomplishment of Critical Goals

Having completed its Phase 3 trials successfully, the Group spent the majority of the year focused on the creation and submission of its New Drug Application ("NDA"). This submission includes not only the Clinical Trial and Drug information but also the submission on our polariser QA station and drug delivery device. Making the submission and having the US Food & Drug Administration ("FDA") accept it for review are major milestones toward approval of our NDA by the FDA and ultimately toward commercialisation of hyperpolarised noble gas imaging for the assessment of pulmonary function.

Advisers

The company appointed a new joint Broker, Stifel Nicolaus Europe Limited, in December 2020, and followed that up by appointing them as the Company's nominated adviser and sole broker early in 2021. This has had a significant effect in financial markets and in the Company's share register.

The Opportunity

The US healthcare system's annual burden of pulmonary disease continues unabated costing US$150 billion [each year] and our Directors still see a tremendous opportunity to bring our technology's quantitative, reproducible, non-invasive method for diagnostic and therapeutic guidance to medicine. With regard to the global COVID-19 pandemic, initial grants have been awarded to several of our users and collaborators in the UK and North America and promising preliminary results are emerging and finding their way into publications. We have refined and extended our development of the healthcare economic analyses of our technology to support the adoption by providers of hyperpolarised noble gas imaging, working with KOL's and experts in the field. Over the planning horizon of the first 48 months post commercial launch, the Group maintains its intent to address the high end of the US academic and teaching hospital market segment, which comprises approximately the top 1000 institutions nationally having multiple Centres of Excellence in Pulmonary Medicine and Radiology. The combined addressable capital equipment market there for our products approaches US$500M in equipment sales alone, with the consequent drug sales following as laid out in recently published research.

While working to achieve FDA approval for clinical use, Polarean continues to serve the medical imaging research market by providing xenon polarisers to enable functional MRI of the pulmonary system. This brings dynamic, reproducible, high-resolution, regional, quantitative, image-based information to pulmonary physicians and researchers whose best alternative tool is spirometry, with its limitations in use for measurement of expired breath. Over the last several years we expanded our installed base of systems at luminary academic research centres to include the Universities of Kansas, Iowa and British Columbia. In addition, we received an order for a polariser system from MD Anderson, All of these organizations are well known for their research and clinical applications of emerging technologies.

Our Organisation

The Group encountered material changes in its shareholder base during the year and as a result its Board composition. We closed a round of financing totalling £8.4 million which included investment by an additional strategic investor, Bracco Diagnostics, a global manufacturer of imaging contrast agents, and which brought with it appointment of another non-executive director Mr. Cyrille Petit, Chief Corporate Development Officer there. We are very happy to have someone with Mr. Petit's background on the Board.

Our Operations

In 2020, our contract manufacturer built 3 of our 9820 polarisers systems. In addition, we brought on a second contract manufacturer to help us meet anticipated demand from both the research and clinical market, once we receive our anticipated FDA approval. We see and welcome the expansion of our installed base in top tier institutions. We made planned advances in our quality systems and engineering infrastructure as we move toward maturing in our new regulated environment.

R&D

We continued to invest in our intellectual property portfolio during the year. Filings in other territories and additional progress in existing patent filings involving gas exchange and pulmonary vascular disease were made. Our group has continued to push the design of the systems forward, with key advances in ease of use and manufacturability making progress to plan. We made valuable progress on our software and image display projects, which will come into play in the near future.

2020 Financial results

Broadly speaking, we achieved our plan in 2020, with revenues slightly below plan and expenses also diligently managed to below plan. We raised £8.4 million in April 2020 in a placing designed to carry us through our submission approval. We have maintained our pricing and margins throughout the year on equipment, albeit timing of grant receipts slightly diluted overall margins. It is still the case that the majority of our research systems are procured through grant mechanisms and while the outcomes are typically known as their process unfolds, the ultimate fiscal timing of these projects is difficult to predict with certainty as many involve public procurement cycles.

2021 and Beyond

We cautiously plan to receive regulatory approval the second half of 2021. In the meantime, we continue to collaborate with researchers in the US and abroad and look to expand our installed base of research systems, and have a pipeline supporting that plan. The exciting new developments in COVID-19, cardiology and pulmonary vascular disease are deepening, and our knowledge base about these conditions is expanding.

Most exciting is the additional investment we received in our oversubscribed £27 million placing and open offer as led by Stifel earlier this year. This raise will fund our commercialisation and launch programmes at a high level and provide for earlier initiation of follow-on trials and market exploration.

The "^{129}Xe MRI Clinical Trials Consortium" is continuing the studying of the application of our technology to the case of post infection COVID-19 patients to assess the long-term effects and case management of these patients. We are standardising performance and tools across the installed base to facilitate this.

We continue to explore opportunities with potential strategic partners in pharma and in other geographic markets that could lead to important developments in new applications and uses for our technology, expansion into new territories, and which may bring economic benefits to the group going forward.

Polarean is fortunate to have an outstanding collection of world-class collaborators and customers in both the US and Europe. Additionally, we support the "^{129}Xe MRI Clinical Trials Consortium" and the crucial work they do in collaborative research, training investigators, providing infrastructure for evaluating new techniques, and multi-institution sharing of magnetic resonance (MR) techniques and image analysis methods. In addition, we continue to develop and expand our working relationships with MRI systems manufacturers and exclusive relationships with global industrial gas suppliers, all key to our future as we scale the business.

Polarean has a dedicated team of professionals without whose efforts these accomplishments would not be possible. On behalf of the entire staff of Polarean Imaging, I would like to thank you for their support of the Group, and we look forward to continuing to develop and deliver this critical lifesaving and life-improving technology to physicians and patients everywhere.

Richard Hullihen
Chief Executive Officer

2 June 2021

Consolidated Statement of Comprehensive Income

	Notes	2020 US$	2019 US$
Revenue	4	1,056,766	2,301,093
Cost of sales		(346,300)	(925,612)
Gross profit		710,466	1,375,481
Administrative expenses		(5,049,246)	(6,010,119)
Depreciation	11	(150,224)	(63,121)
Amortisation	12	(734,058)	(683,873)
Selling and distribution expenses		(917,783)	(324,791)
Share-based payment expense	19	(474,716)	(305,747)
Total administrative expenses		(7,326,027)	(7,387,651)
Operating loss	6	(6,615,562)	(6,012,170)
Finance income	7	100,769	508
Finance expense	7	(19,730)	(91,678)
Loss before tax		(6,534,523)	(6,103,340)
Taxation	10	-	-
Loss for the year and total other comprehensive expense		(6,534,523)	(6,103,340)

Loss per share			
Basic and diluted (US$)	9	(0.044)	(0.057)

The results reflected above relate to continuing activities.

There are no items of other comprehensive income for the year other than the loss above and therefore no separate statement of other comprehensive income has been presented.

Consolidated Statement of Financial Position

	Notes	2020 US$	2019 US$
ASSETS			
Non-current assets			
Property, plant and equipment	11	271,264	355,958
Intangible assets	12	2,810,694	3,427,547
Right-of-use asset	24	184,213	98,263
Trade and other receivables	14	5,539	5,539
		3,271,710	3,887,307
Current assets			
Inventories	15	977,924	554,211
Trade and other receivables	14	348,067	636,783
Cash and cash equivalents	16	6,282,665	1,961,869
		7,608,656	3,152,863
TOTAL ASSETS		**10,880,366**	**7,040,170**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	17	78,200	55,776
Share premium	18	23,840,571	13,659,912
Group re-organisation reserve	18	7,813,337	7,813,337
Share-based payment reserve	19	1,845,450	1,370,734
Accumulated losses	18	(24,844,204)	(18,309,681)
		8,733,354	4,590,078
Non-current liabilities			
Deferred income	21	219,954	192,817
Lease liability	24	91,609	50,455
Contingent consideration	20	316,000	316,000
		627,563	559,272
Current liabilities			
Trade and other payables	22	1,348,866	1,773,582
Lease liability	24	129,819	70,914
Deferred income	21	40,763	46,324
		1,519,449	1,890,820
TOTAL EQUITY AND LIABILITIES		**10,880,366**	**7,040,170**

These Financial Statements were approved and authorised for issue by the Board of Directors on 2 June 2021 and were signed on its behalf by:

Jonathan Allis
Non-Executive Chairman

Company Statement of Financial Position

	Notes	2020 US$	2019 US$
ASSETS			
Non-current assets			
Investment in subsidiary	13	4,342,848	4,342,848
		4,342,848	4,342,848
Current assets			
Trade and other receivables	14	20,454,183	11,543,854
Cash and cash equivalents	16	911,271	56,765
		21,365,454	11,600,619
TOTAL ASSETS		**25,708,302**	**15,943,467**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	17	78,200	55,776
Share premium	18	23,840,571	13,659,912
Merger reserve	18	4,322,527	4,322,527
Share-based payment reserve	19	1,540,419	1,065,703
Accumulated losses	18	(4,122,345)	(3,213,450)
		25,659,372	15,890,468
Current liabilities			
Trade and other payables	22	48,930	52,999
		48,930	52,999
TOTAL EQUITY AND LIABILITIES		**25,708,302**	**15,943,467**

As permitted by section 408 of the Companies Act 2006, no separate statement of Comprehensive Income is presented in respect of the parent Company. The loss for the financial year dealt with in the financial statements of the parent Company was US$908,895 (2019: US$939,516).

These financial statements were approved and authorised for issue by the Board of Directors on 2 June 2021 and were signed on its behalf by:

Jonathan Allis
Non-Executive Chairman

Consolidated Statement of Changes in Equity

	Share capital US$	Share premium US$	Share-based payment reserve US$	Group re-org reserve US$	Accumulated losses US$	Total equity US$
As at 1 January 2019	**46,427**	11,063,075	1,078,335	7,813,337	(12, 219,689)	**7,784,485**
Comprehensive income						
Share based payment – lapsed share options	-	-	(13,348)	-	13,348	-
Loss for the year	-	-	-	-	(6,103,340)	(6,103,340)
Transactions with owners						
Issue of shares	6,349	2,756,289	-	-	-	2,762,638
Share issue costs	-	(159,452)	-	-	-	(159,452)
Share-based payment expense	-	-	305,747	-	-	305,747
As at 31 December 2019 (audited)	**55,776**	**13,659,912**	**1,370,734**	**7,813,337**	**(18,309,681)**	**4,590,078**
Comprehensive income						
Loss for the year	-	-	-	-	(6,534,523)	(6,534,523)
Transactions with owners						
Issue of shares	22,424	10,703,373	-	-	-	10,725,797
Share issue costs	-	(522,714)	-	-	-	(522,714)
Share-based payment expense	-	-	474,716	-	-	474,716
As at 31 December 2020	**78,200**	**23,840,571**	**1,845,450**	**7,813,337**	**(24,844,204)**	**8,733,354**

Company Statement of Changes in Equity

	Share capital US$	Share premium US$	Share-based payment reserve US$	Merger reserve US$	Accumulated losses US$	Total equity US$
As at 1 January 2019	**49,427**	**11,063,075**	**773,304**	**4,322,527**	**(2,287,282)**	**13,921,051**
Comprehensive income						
Share based payment – lapsed	-	-	(13,348)	-	13,348	-
Loss for the year	-	-	-	-	(939,516)	(939,516)
Transactions with owners						
Issue of shares	6,349	2,756,289	-	-	-	2,762,638
Share issue costs	-	(159,452)	-	-	-	(159,452)
Share-based payment expense	-	-	305,747	-	-	305,747
As at 31 December 2019	**55,776**	**13,659,912**	**1,065,703**	**4,322,527**	**(3,213,450)**	**15,890,468**
Comprehensive income						
Loss for the year	-	-	-	-	(908,895)	(908,895)
Transactions with owners						
Issue of shares	22,424	10,703,373	-	-	-	10,725,797
Share issue costs	-	(522,714)	-	-	-	(522,714)
Share-based payment expense	-	-	474,716	-	-	474,716
As at 31 December 2020	**78,200**	**23,840,571**	**1,540,419**	**4,322,527**	**(4,122,345)**	**25,659,372**

Consolidated Statement of Cash Flows

	2020 US$	2019 US$
Cash flows from operating activities		
Loss before tax	(6,534,522)	(6,103,340)
Adjustments for non-cash/non-operating items:		
Depreciation of plant and equipment	150,224	63,121
Amortisation of intangible assets and right-of use-asset	734,058	683,873
Share-based payment expense	474,716	305,747
Finance expense	19,730	91,678
Finance income	(100,769)	(508)
Operating cash outflows before movements in working capital	**(5,256,563)**	**(4,959,429)**
(Increase)/decrease in inventories	(423,093)	97,570
(Increase)/decrease in trade and other receivables	288,096	(14,737)
Decrease in trade and other payables	(424,714)	(285,073)
Increase in deferred income	21,576	595,961
Net cash used in operations	**(5,794,698)**	**(4,565,708)**
Cash flows from investing activities		
Purchase of plant and equipment	(65,531)	(401,327)
Net cash used in investing activities	**(65,531)**	**(401,327)**
Cash flows from financing activities		
Issue of shares	10,725,797	6,373,919
Cost of issue	(522,714)	(159,452)
Interest paid on lease liabilities	(19,730)	(91,678)
Interest received	100,769	508
Principal elements of lease payments	(103,097)	(69,993)
Net cash generated by financing activities	**10,181,025**	**6,053,304**
Net increase in cash and cash equivalents	4,320,796	1,086,268
Cash and cash equivalents at the beginning of year	1,961,869	875,601
Cash and cash equivalents at end of year	**6,282,665**	**1,961,869**

Company Statement of Cash Flows

	Year ended 31 December 2020 US$	Year ended 31 December 2019 US$
Cash flows from operating activities		
Loss before tax	(908,895)	(939,516)
Adjustments for non-cash/non-operating items:		
Share-based payment expense	474,716	305,747
Interest received	(100,358)	(508)
Operating cash outflows before movements in working capital	**(534,537)**	**(634,277)**
Decrease in trade and other receivables	42,372	(6,275)
Increase in trade and other payables	(4,068)	24,824
Net cash used by operations	**(496,233)**	**(615,728)**
Cash flows from financing activities		
Issue of shares	10,725,797	6,373,918
Cost of issue	(522,714)	(159,452)
Interest received	100,358	508
Loans to intercompany	(8,952,702)	(5,778,247)
Net cash generated by financing activities	**1,350,739**	**436,727**
Increase/(decrease) in cash and cash equivalents	848,506	(179,001)
Cash and cash equivalents at the beginning of period	56,765	235,766
Cash and cash equivalents at end of period	**911,271**	**56,765**

Notes to the Financial Statements

1. General information

The Company is incorporated in England and Wales under the Companies Act 2006. The registered number is 10442853 and its registered office is at 27-28 Eastcastle Street, London, W1W 8DH. The Company is listed on the AIM market of the London Stock Exchange.

The Company is the parent company of Polarean, Inc (the "Subsidiary", together the "Group"). The principal activity of the Group is developing next generation medical imaging technology. The Subsidiary is incorporated in the United States of America and has a registered office of 2500 Meridian Parkway #175, Durham, NC 27713, USA.

2. Adoption of new and revised International Financial Reporting Standards

Standards and interpretations adopted during the year

Information on new standards, amendments and interpretations that are relevant to the Group's annual report and accounts is provided below.

- Definition of Material (Amendments to IAS 1 and IAS 8);
- Definition of a Business (Amendments to IFRS 3); and
- Interest Rate Benchmark Reform (IBOR) reform Phase 1 (Amendments to IFRS 9, IAS 39 and IFRS 7).

These standards have no material impact on the Group.

Standards, amendments and interpretations that are not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2022:

- 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 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of these new accounting standards and amendments.

3. Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and under the historical cost convention, as modified by the use of fair value for financial instruments measured at fair value. The financial statements are presented in United States Dollars ("US$") except where otherwise indicated.

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

Going concern

The Directors consider the going concern basis of preparation to be appropriate in preparing the financial statements.

The Group is in its development stage and has not yet moved to full commercial exploitation of its IP. During the year ended 31 December 2020 the Group recorded a loss after tax of US$6,534,523 (2019: loss of US$6,103,340) and a net cash outflow from operating activities of US$5,794,698 (2019: US$4,565,708).

In considering the appropriateness of this basis of preparation, the Directors have reviewed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of this financial information. Based on their consideration the Directors have reasonable expectation that the Group has adequate resources to continue for the foreseeable future and that carrying values of intangible assets are supported. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Management has implemented logistical and organisational changes to underpin the Group's resilience to COVID-19, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity. COVID-19 may impact the Group in varying ways, which could lead to a direct bearing on the Group's ability to generate future cash flows for working capital purposes. Management are closely monitoring commercial and technical aspects of the Group's operations to mitigate the impact from the COVID-19 pandemic. The inability to gauge the length of such disruption further adds to this uncertainty. For these reasons the generation of sufficient operating cash flows remain a risk. Management believes the Group will generate sufficient working capital and cash flows to continue in operational existence and will have the ongoing support of its shareholders, if required, for the foreseeable future. As set out in note 29, subsequent to the reporting date the Company raised new equity finance of £27 million before associated costs.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

Government and other grants

Grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Grants are treated as deferred income and released to the income statement on the achievement of the relevant performance criteria.

Inventory

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in inventories, adjusted for rebates, and other costs incurred in bringing them to their existing location.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

3. **Significant accounting policies** continued

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in United States Dollars (US$) which is also the Group's functional currency.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Basis of consolidation

The consolidated financial statements are for the year ended 31 December 2020. They have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The measurement bases and principal accounting policies of the Group are set out below. On 30 May 2017 Polarean Merger-Sub, Inc., a Subsidiary of the Subsidiary, completed a merger process under which it acquired substantially all of the assets of m2m Imaging Corp ("m2m"), a portfolio company of Amphion Innovations plc engaged in the development of high-performance MRI RF coils for the global research market, primarily in micro-imaging. By 2016 m2m had been inactive for several years due to an inability to raise funds. At the date of the merger the assets of m2m were its technology and patents. The merger was affected by way of court sanction in the process of which the Subsidiary acquired, through a special purpose entity, Polarean Merger Sub, Inc. the assets of another special purpose entity, m2m Merger Sub, Inc., with m2m Merger Sub, Inc. being the surviving entity. After the reporting date, on 1 September 2017, m2m Merger Sub, Inc. was merged into the Subsidiary with the Subsidiary being the surviving entity, the effect being that m2m Merger Sub, Inc. was collapsed, and the Subsidiary had acquired the m2m assets.

As part of the arrangements for the merger 576,430 shares in the Subsidiary were issued to the former shareholders in m2m with the intention that all parties would exchange their stock in Polarean, Inc. for shares in the Group on a *pro rata* basis as soon as practicable.

The Directors consider the merger between the Subsidiary and m2m Acquisition, Inc. as a consequence of which the group acquired the exclusive worldwide rights to m2m's technology and patents does not meet the definition of an acquisition of a business as set out in IFRS3 and has therefore been accounted for as the acquisition of an asset or a group of assets that does not constitute a business.

IFRS 3 requires that in such cases the acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible assets) and to allocate the cost of the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

The provisional estimate of the fair value of the assets acquired under the merger arrangement of US$4,999,996 represents the aggregate estimated value of the financial obligations of the former m2m shareholders which were converted into equity in m2m prior to the merger agreement.

3. Significant accounting policies continued

The Directors consider the acquisition of the entire issued common stock of the Subsidiary by the Company in exchange for equivalent equity participation in the Company to be a group re-organisation and not a business combination and to fall outside the scope of IFRS 3. Having considered the requirements of IAS 8 and the relevant UK and US guidance, the transaction has been accounted for on a merger or pooling of interest basis as if both entities had always been combined, using book values, with no fair value adjustments made nor goodwill recognised.

Revenue recognition

Revenue comprises the fair value of the sale of goods and rendering of services to external customers, net of applicable sales tax, rebates, promotions and returns.

Contracts and obligation

The majority of customer contracts have three main elements that the Group provides to the customer:

- Sale of polarisers;
- Sale of parts and upgrades; and
- Provision of service.

The sale of polarisers is seen as a distinct performance obligation and revenue is recognised at a point in time. The customer can benefit from the use of the polarisers when supplied and is not reliant on the Group to provide the parts and upgrades or service, and therefore revenue from the sale of polarisers is recognised in full when supplied to the customer.

The second performance obligation is the sale of parts and upgrades. The customer can benefit from the use of the parts and upgrade when supplied and is not reliant on the Group to provide the service, and therefore revenue from the sale of parts and upgrades is recognised in full when supplied to the customer.

The third performance obligation is the provision of preventive maintenance service. Revenue from the provision of preventive maintenance service is recognised in the period in which the services are provided over the life of the contract.

Determining the transaction price

The transaction price is determined as the fair value of the Group expects to receive over the course of the contract.
There are no incentives given to customers that would have a material effect on the financial statements.

Allocate the transaction price to the performance obligations in the contract

The allocation of the transaction price to the performance obligations in the contract is non-complex for the Group. There is a fixed unit price for each product or service sold. Therefore, there is limited judgement involved in allocating the contract price to each unit ordered.

Recognise revenue when or as the entity satisfies its performance obligations

The overarching terms are consistent in each contract.

The sale of polarisers is seen as a distinct performance obligation and revenue is recognised at a point in time, when supplied to the customer, as the customer can benefit from the use of the polarisers when supplied.

The sale of parts and upgrades is seen as a distinct performance obligation and revenue is recognised at a point in time, when supplied to the customer, as the customer can benefit from the use of the parts and upgrade when supplied.
The provision of service is seen as a distinct performance obligation and revenue is recognised as the Group provides these services for the duration of the contract, i.e. over time. Any unexpired portion of a service contract or payment received in advance in respect of service contracts either partially completed or not started, are included in deferred income and released over their remaining term.

3. Significant accounting policies continued

Property, plant and equipment

Owned assets
Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. 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. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation
Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Computer and IT equipment – 33% straight line
- Leasehold improvements – 20% straight line
- Laboratory equipment – 20% straight line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating income" in the statement of comprehensive income.

Intangible Assets

Patents and related rights which are acquired through a business combination, are assessed by reviewing their net present value of future cash flows. Patents are currently amortised over their useful life, not exceeding 10 years.

Internally generated intangible assets – research costs are costs incurred in research activities and are recognised as an expense in the period in which they are incurred. An internally generated intangible asset arising from the development of commercial technologies is recognised only if all of the following conditions are met:

- it is probable that the asset will create future economic benefits;
- the development costs can be measured reliably;
- technical feasibility of completing the intangible asset can be demonstrated;
- there is the intention to complete the asset and use or sell it;
- there is the ability to use or sell the asset; and
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available.

At this time the Directors consider that the Group does not meet all of those conditions and development costs are therefore recorded as expense in the period in which the cost is incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are reviewed at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3. Significant accounting policies continued

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

Financial assets

The Group classifies all of its financial assets at amortised cost. Financial assets do not comprise prepayments. Management determines the classification of its financial assets at initial recognition.

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Amortised Cost

The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9. In doing so, the Company follows the 3-stage approach to expected credit losses. Step 1 is to estimate the probability that the debtor will default over the next 12 months. Step 2 considers if the credit risk has increased significantly since initial recognition of the debtor. Finally, Step 3 considers if the debtor is credit impaired, following the criteria under IAS 39.

Financial liabilities

The Group classifies its financial liabilities in the category of financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

Financial liabilities measured at amortised cost comprise trade payables and other short-dated monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Unless otherwise indicated, the carrying values of the Group’s financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

Employee benefits: pension obligations

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group 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.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Net finance costs

Finance costs

Finance costs comprise direct issue costs, dividends on preference shares and foreign exchange losses; and are expensed using the effective interest method in the period in which they are incurred.

Finance income

Finance income comprises interest receivable on funds invested, and foreign exchange gains.

Interest income is recognised in the income statement as it accrues using the effective interest method.

Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated amortisation and impairment losses and adjusted for certain measurements of the lease liability. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lease that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities ad right-of-use assets recognised.

Income tax

Income tax for the years presented comprises current and deferred tax. Income tax is recognised in the income statement 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 on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences arsing between the tax bases of assets and liabilities and their carrying amounts.

The following temporary differences are not recognised if they arise from a) the initial recognition of goodwill, and b) for the initial recognition of other assets or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant accounting policies continued

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting estimates and judgements

The preparation of the Group's financial statements under IFRS as endorsed by the EU requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. 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. Actual results may differ from these estimates.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements.

Carrying value of intangible assets – Group

In determining whether there are indicators of impairment of the Group's intangible assets, the directors take into consideration various factors including the economic viability and expected future financial performance of the asset and when it relates to the intangible assets arising on a business combination, the expected future performance of the business acquired.

Carrying value of investments in and amounts receivable from subsidiaries – Company

In determining whether there are indicators of impairment of the Company's investments in, and amounts receivable from, its subsidiary undertakings, the directors take into consideration various factors including the economic viability and expected future financial performance of the business of the subsidiary undertakings.

4. Segmental information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Board of Directors) as defined in IFRS 8, in order to allocate resources to the segment and to assess its performance.

The chief operating decision maker has determined that the Group has one operating segment, the development and commercialisation of gas polariser devices and ancillary instruments. Revenues are reviewed based on the products and services provided: Polarisers, Parts and Upgrades, Service and Other revenue.

The Group operates in Canada, the United Kingdom and the United States of America. Revenue by origin of geographical segment for all entities in the Group is as follows:

Revenue

	2020 US$	2019 US$
Canada	85,728	897,716
United Kingdom	34,304	33,883
United States of America	936,734	1,369,494
Total	1,056,766	2,301,093

Non-current assets

	2020 US$	2019 US$
United States of America	3,271,710	3,887,307
Total	3,271,710	3,887,307

Product and services revenue analysis

Revenue

	2020 US$	2019 US$
Polarisers	536,350	1,367,543
Parts and Upgrades	158,275	125,921
Service	61,991	55,117
Grants	300,151	752,512
Total	1,056,766	2,301,093

Management measures revenues by reference to the Group's core services and products and related services, which underpin such income.

5. Employees and Directors

Staff costs for the Group and the Company during the year:

	2020 US$	2019 US$
Wages and salaries	2,265,077	2,030, 730
Healthcare benefits	142,942	107,149
Social Security costs	132,941	122,392
	2,540,959	2,260,271

Average monthly number of people (including directors) employed by activity:

	2020 No.	2019 No.
Senior management including directors	10	11
R&D and clinical trial	8	6
Administration	3	2
Total	21	19

Key management compensation:

The following table details the aggregate compensation paid to key management personnel.

	2020 US$	2019 US$
Salaries and fees	1,242,468	1,292,135
Healthcare benefits	78,065	41,909
Social security costs	70,968	69,915
	1,391,501	1,406,647

Key management personnel include all directors who together have authority and responsibility for planning, directing, and controlling the activities of the Group and senior divisional managers.

6. Operating loss

	2020 US$	2019 US$
Depreciation		
- Owned property, plant and equipment	150,224	63,121
Amortisation of right-of-use assets	117,206	67,021
Amortisation of intangible assets	616,852	616,852
Subtotal Amortisation	734,058	683,873
Research expenses	451,129	155,346
Auditors' remuneration (note 8)	49,000	39,688
Clinical trial costs	427,155	1,892,592
Regulatory consulting costs	788,903	356,362
Legal and professional fees	298,850	348,972

7. Net finance expense

	2020 US$	2019 US$
Finance income	100,769	508
Total finance income	100,769	508
Finance expense	19,730	91,678
Total finance expense	19,730	91,678

8. Auditor remuneration

	2020 US$	2019 US$
Auditors' remuneration		
Fees payable to the Group's auditor for audit of Parent Company and Consolidated Financial Statements	49,000	39,688

9. Loss per share

The loss per share has been calculated using the loss for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

	2020 US$	2019 US$
Loss for the year attributable to shareholders of the Group (US$)	(6,534,523)	(6,103,340)
Weighted average number of ordinary shares	149,985,929	107,043,107
Basic and diluted loss per share	(0.044)	(0.057)

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive warrants, options and convertible loans over ordinary shares. Potential ordinary shares resulting from the exercise of warrants, options and the conversion of convertible loans have an anti-dilutive effect due to the Group being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

10. Taxation

There were no charges to current corporate taxation due to the losses incurred by the Group in the period.

Income taxes computed at the statutory federal income tax of 21% (2019: 21%) and the state income tax of 2.50% (2019: 2.50%) UK corporation tax is calculated at 19% of the estimated assessable profits for the year.

	2020 US$	2019 US$
Loss on ordinary activities before tax	(6,534,523)	(6,103,340)
Loss on ordinary activities multiplied by the rate of corporation tax in the US as above	(1,372,250)	(1,281,701)
Effects of:		
Adjustments for rate of tax in other jurisdictions	26,611	26,611
Unrelieved tax losses carried forward	1,345,639	1,255,090
Total taxation charge	-	-

The tax reform act of 1986 contains provisions which limit the ability to utilise the net operating loss carry forwards in the case of certain events including significant changes in ownership interests. If the Group's net operating loss carry forward, the Group would incur a federal income tax liability even though net operating loss carry forwards would be available in future years.

10. Taxation continued

The Company has tax losses carried forward of US$19,375,838 (2019: $12,841,315). The unutilised tax losses have not been recognised as a deferred tax asset due to uncertainty over the timing of future profits and gains.

11. Property, plant and equipment

	Leasehold improvements US$	Furniture and equipment US$	Computers and IT equipment US$	Total US$
Cost				
At 1 January 2019	2,695	32,623	26,665	61,983
Additions	-	401,327	-	6,551
At 31 December 2019	2,695	433,950	26,665	463,310
Additions	10,963	6,840	32,608	65,531
At 31 December 2020	**13,658**	**440,790**	**59,273**	**513,721**
Accumulated depreciation				
At 1 January 2019	1,438	25,671	17,122	44,231
Depreciation expense	539	56,438	6,144	63,121
At 31 December 2019	1,977	82,109	23,266	107,352
Depreciation expense	4,091	138,314	7,820	150,224
At 31 December 2020	**6,068**	**213,012**	**23,377**	**242,457**
Carrying amount				
At 31 December 2019	718	351,841	3,399	355,958
At 31 December 2020	**7,590**	**227,778**	**35,896**	**271,264**

12. Intangible assets

	Patents US$	Total US$
Cost		
At 1 January 2019	5,045,996	5,045,996
Additions	-	-
At 31 December 2019	5,045,996	5,045,996
Additions	-	-
At 31 December 2020	**5,045,996**	**5,045,996**
Accumulated amortisation		
At 1 January 2019	1,001,598	1,001,598
Amortisation expense	616,852	616,852
At 31 December 2019	1,618,450	1,618,450
Amortisation expense	616,852	616,852
At 31 December 2020	**2,235,302**	**2,235,302**
Carrying amount		
At 31 December 2019	3,427,547	3,427,547
At 31 December 2020	**2,810,694**	**2,810,694**

13. Investment in subsidiary undertakings

Company	Subsidiary Undertakings US$
Cost	
At 31 December 2019	4,342,848
At 31 December 2020	4,342,848
Carrying amount	
At 31 December 2019	4,342,848
At 31 December 2020	4,342,848

The Directors annually assess the carrying value of the investment in the Subsidiary and in their opinion no impairment provision is currently necessary.

The net carrying amounts noted above relates to the Subsidiary. The subsidiary undertakings during the year were as follows:

	Registered office address	Country of incorporation	Interest held %
Polarean Inc.	2500 Meridian Parkway #175, Durham, NC 27713, USA	USA	100

14. Trade and other receivables

Amounts falling due after one year	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Rental deposit	5,539	5,539	-	-

Amounts falling due within one year	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Trade receivables	185,473	453,827	-	-
Other receivables	51,184	97,401	51,184	97,402
Prepayments	111,410	84,935	10,121	6,275
Due from Subsidiary undertakings (see note 26)	-	-	20,392,879	11,440,177
Called up share capital not fully paid	-	620	-	-
	348,067	636,783	20,454,183	11,543,854

Analysis of trade receivables based on age of invoices

	< 30 $'000	*31 – 60 $'000*	*61 -90 $'000*	*> 90 $'000*	*Total Gross $'000*	*ECL $'000*	*Total Net $'000*
2020	27,116	155,785	2,571	-	185,473	-	185,473
2019	453,827	-	-	-	453,827	-	453,827

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined based on historical data available to management in addition to forward looking information utilising management knowledge. The Company applies a similar approach to measuring ECL for the amounts due from group undertakings.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. The majority of trade and other receivables are non-interest bearing. Where the effect is material, trade and other receivables are discounted using discount rates which reflect the relevant costs of financing. The carrying amount of trade and other receivables approximates fair value.

The group trade receivables include governments grants amounted to US$42,735 (2019: US$ 23,672) in which there are no unfulfilled conditions or contingencies attached to these grants as of 31 December 2020.

15. Inventory

	Group	
	2020	**2019**
	US$	**US$**
Component parts	977,924	554,211

During the year ended 31 December 2020, a total of $346,300 of inventories was included in the statement of comprehensive income as an expense (2019: $925,612).

16. Cash and cash equivalents

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Cash at bank and in hand	6,282,665	1,961,869	911,271	56,765

17. Share capital

The issued share capital of the Company was as follows:

Allotted and called up - Ordinary shares of 0.037p each	**2020 No.**	**2020 US$**	**2019 No.**	**2019 US$**
At beginning of period	114,438,600	55,776	100,730,893	49,427
Issue of shares upon warrant exercise	830,538	386	2,041,040	958
Issue of shares to investors	46,624,997	21,386	11,666,667	5,391
Issue of shares upon option exercise	1,318,800	652	-	-
At end of year	163,212,935	78,200	114,438,600	55,776

On 2 April 2019, the Company issued 705,040 new ordinary shares upon the exercise of share warrants with an exercise price of £0.15 each.

On 22 July 2019, the Company issued 11,666,667 new ordinary shares at a price of £0.18 each.

On 24 July 2019, the Company issued 1,336,000 new ordinary shares upon the exercise of share warrants with an exercise price of £0.0003 each.

On 2 March 2020, the Company issued 232,010 new ordinary shares upon the exercise of share warrants with an exercise price of £0.15 each.

On 1 April 2020, the Company issued 46,624,997 new ordinary shares at a price of £0.18 each.

On 1 June 2020, the Company issued 534,400 new ordinary shares upon the exercise of share warrants with an exercise price of £0.00003 each.

On 20 October 2020, the Company issued 64,128 new ordinary shares upon the exercise of share warrants with an exercise price of £0.15 each.

On 23 December 2020, the Company issued 1,318,800 new ordinary shares upon the exercise of share options with an exercise price of £0.15 each.

18. Reserves

Share premium
Share premium represents the excess of subscription amounts for the issue of shares over nominal value of shares issued, less any attributable share issue costs.

Group re-organisation reserve
The group re-organisation reserve arose on the transaction under which the Group acquired the Subsidiary by way of a group re-organisation.

Share based payment reserve
Cumulative fair value of options charged to the consolidated income statement net of transfers to the profit or loss reserve on exercised and cancelled/lapsed options.

Accumulated losses
Includes all current and prior year retained profits and losses.

Merger reserve
The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares where the transaction qualifies for merger relief under the Companies Act 2006.

19. Share-based payments

Share options
The Company grants share options at its discretion to Directors, management and employees. These are accounted for as equity settled transactions. Should the options remain unexercised after a period of ten years from the date of grant the options will expire unless an extension is agreed to by the board. Options are exercisable at a price equal to the Company's quoted market price on the date of grant or an exercise price to be determined by the board.

Details of share options granted, exercised, lapsed and outstanding at the year-end are as follows:

	Number of share options 2020	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	17,436,722	0.13	15,156,960	0.13
Granted during the year	900,000	0.99	2,610,750	0.25
Exercised during the year	(1,318,800)	0.19	-	-
Forfeited/lapsed during the year	(133,600)	0.00	(734,588)	0.20
Outstanding at end of the year	16,884,322	0.19	17,436,722	0.15
Exercisable at end of the year	10,239,882	0.12	7,366,946	0.07

During the year ended 31 December 2020, 900,000 options were granted (2019: 2,610,750), with an exercise price of 73 pence per share. 25% of the options shall vest on 23 December 2021 with the remaining 75% vesting in equal portions on the last day of each calendar month over the period of 36 months, starting on 31 December 2021.

The options outstanding as at 31 December 2020 have an exercise price in the range of US$0.0041 to US$0.99 (2019: US$0.0041 to US$0.30).

The fair value of options granted during the year has been calculated using the Black Scholes model which has given rise to fair values per share of between US$0.4874 and US$0.4881. This is based on risk-free rates of 0.25% and volatility of 78.89%

The Black Scholes calculations for the options resulted in a charge of US$474,716 (2019: US$305,747) which has been expensed in the year.

The weighted average remaining contractual life of the share options is 6.47 years (2019: 7.26 years).

All share options are equity settled on exercise.

19. Share based payments continued

Share warrants

The Company grants share warrants at its discretion to Directors, management, employees, advisors and lenders. These are accounted for as equity settled transactions. Terms of warrants very from agreement to agreement.

Details for the warrants granted, exercised, lapsed and outstanding at the year-end are as follows:

	Number of share warrants 2020	**Weighted average exercise price (US$)**	**Number of share warrants 2019**	**Weighted average exercise price (US$)**
Outstanding at beginning of year	4,824,703	0.09	7,023,539	0.09
Exercised during the year	(830,537)	0.13	(2,041,040)	0.07
Forfeited/lapsed during the year	-	-	(157,796)	0.20
Outstanding at end of the year	3,994,166	0.09	4,824,703	0.09
Exercisable at end of the year	3,994,166	0.09	4,824,703	0.09

The weighted average remaining contractual life of the share warrants is 2.81 years (2019: 3.5 years).

20. Provision for contingent consideration

	Group		**Company**	
	2020 US$	**2019 US$**	**2020 US$**	**2019 US$**
Provision for contingent consideration	316,000	316,000	-	-

On 19 December 2011, the Subsidiary entered into an agreement with a third party to purchase various assets, including patents, trademarks, a license agreement and physical inventory. As consideration for this transaction, the Subsidiary agreed to pay 5 per cent. of gross revenue on clinical sales of products that are sold related to the patents purchased, for seven years from the date of the

commercial sale. As of 31 December 2020, the fair value of this contingent consideration was US$316,000 (2019: US$316,000). This liability is valued based on a probability weighted expected return method using projected future cash flows. There were no significant events in the year ended 31 December 2020 necessitating revision of the probability weighted expected value of the contingent consideration.

There was therefore no profit or loss arising on revaluation of contingent consideration during the year ended 31 December 2020 (2019: nil).

21. Deferred income

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Arising from service contracts				
Current	40,763	46,324	-	-
Non-current	219,955	192,817	-	-
	260,717	239,141	-	-

22. Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Trade payables	388,030	660,249	4,930	14,681
Accruals and other payables	960,836	863,333	44,000	38,318
Royalties	-	250,000	-	-
	1,348,867	1,773,582	48,930	52,999

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are payable within 1 year.

Royalties comprise a fixed payment of US$250,000 in relation to an agreement entered into by the Subsidiary for the use of patents, see note 24 – Royalty commitments.

The Directors consider the carrying value of all financial liabilities to be equivalent to their fair value.

23. Changes in liabilities from financing activities

Group

	1 January 2019 US$	Cash flows US$	Non-cash changes US$	31 December 2019 US$
Lease liability	191,361	(85,993)	16,001	121,369
Total liabilities from financing activities	191,361	(85,993)	16,001	121,369

	1 January 2020 US$	Cash flows US$	Non-cash changes US$	31 December 2020 US$
Lease liability	121,369	(122,827)	222,886	184,213
Total liabilities from financing activities	121,369	(122,827)	222,886	184,213

24. Leases

Nature of leasing activities

The group leases properties in the jurisdiction in which it operates with all lease payments fixed over the lease term.

	2020 US$	2019 US$
Number of active leases	2	2

The Group discounts the lease payments using its incremental borrowing rate at the commencement date of the lease. The weighted-average rate applied is 10%.

Right-of-use assets

	Land and Buildings US$
At 1 January 2019	165,284
Additions	-
Amortisation expense	(67,021)
At 31 December 2019	98,263
At 1 January 2020	98,263
Additions	203,156
Amortisation expense	(117,206)
At 31 December 2020	184,213

Lease Liabilities

	Land and Buildings US$
At 1 January 2019	191,361
Additions	-
Interest expense	16,001
Lease payments	(85,993)
At 31 December 2019	121,369
At 1 January 2020	121,369
Additions	203,156
Interest expense	19,730
Lease payments	(122,827)
At 31 December 2020	184,213

Analysis of gross value of lease liabilities

Maturity of the lease liabilities is analysed as follows:

	2020 US$	2019 US$

Within 1 year	129,819	70,914
Later than 1 year and less than 5 years	91,609	50,455
	221,428	121,369

25. Commitments

Royalty commitments

The Subsidiary has entered into three agreements requiring royalty payments. One agreement is conditional and requires a payment of 5 per cent. of gross revenue on clinical sales during the payment period beginning on the date a product is first commercially sold, contingent on receiving FDA approval, and ending seven years from that date. A separate agreement requires payments of 0.25 per cent of net sales of machines, and 20 per cent of any sublicensing income for a specific method of use of patent beginning in 2016. Additionally, beginning five years after the effective date of 1 February 2021, there are minimum yearly royalties of US$5,000. The third agreement requires a fixed payment of US$250,000 for use of patents.

26. Financial instruments

The Group has exposure to the following key risks related to financial instruments:

i. Market risk
ii. Credit risk
iii. Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated Financial Statements.

The Group uses financial instruments including cash, loans, as well as trade receivables and payables that arise directly from operations.

Due to the simple nature of these financial instruments, there is no material difference between book and fair values, discounting would not give a material difference to the results of the Group and the Directors believe that there are no material sensitivities that require additional disclosure.

(a) ***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Subsidiary. In order to minimise the risk, the Subsidiary endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount.

The Directors do not consider that there is any concentration of risk within either trade or other receivables. There are no impairments to trade or other receivables in each of the years presented.

The Company has made unsecured interest-free loans to its Subsidiary that are repayable on demand and are expected to be repaid in the future as the Subsidiary is revenue generative.

Categories of financial instruments

Financial Assets measured at amortised cost	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Cash and cash equivalents	6,282,665	1,961,869	911,271	56,765
Loans and receivables				
Trade and other receivables – current	236,657	551,849	20,444,062	11,537,579
Trade and other receivables – non-current	5,539	5,539	-	-
Financial Liabilities measured at amortised cost				
Trade and other payables	1,348,867	1,773,581	48,930	52,998

26. Financial instruments continued

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders through the optimisation of capital structure. The Group is funded by equity. Equity comprises share capital, share premium, share-based payment reserves, group re-org reserves and accumulated losses and is presented in the statement of financial position. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group manages the capital structure and makes adjustments to it in the light of changes to economic conditions and risks.

(b) ***Market risk***

The interest rate profile of the Subsidiary's borrowings is shown below:

Interest rate sensitivity analysis

As the interest rates on shareholders loans are fixed, interest rate risk is considered to be very low.

(c) ***Liquidity risk***

A maturity analysis of the Group's liabilities is shown below:

	2020 US$	2019 US$
Less than one year	1,519,449	1,890,820
One to two years	91,609	50,455
Two to five years	219,955	192,817
Total including interest cash flows	1,831,012	2,134,092
Less: interest cash flows	-	-
Total principal cash flows	1,831,012	2,134,092

Derivatives

The Group and Company have no derivative financial instruments.

27. Contingent liabilities

The Directors are not aware of any material contingent liabilities, except for the contingent consideration detailed in note 20.

28. Related party transactions

Remuneration of the key management personnel has been disclosed in Note 5.

29. Events after the reporting period

On 22 February 2021, The Company appointed Charles Osborne, Chief Financial Officer, to the Board of Directors.

On 24 February 2021, the Company issued 61,563 new ordinary shares of £0.00037 each in the capital of the Company at the exercise price of 15 pence per share, following the exercise of warrants.

On 25 March 2021, the Company issued 358,713 new ordinary shares of £0.00037 each in the capital of the Company at the exercise price of 15 pence per share, following the exercise of warrants.

On 31 March 2021, 7 April 2021 and 8 April 2021 the Company issued a total of 44,932,142 new ordinary shares of £0.00037 each in the capital of the Company at the issue price of 60 pence per share in a Placing, Subscription and Open Offer for total proceeds of £27 million (before expenses).

On 16 April 2021, the Company issued 467,733 new ordinary shares of £0.00037 each in the capital of the Company at the exercise price of 15 pence per share, following the exercise of warrants.

On 27 April 2021, the Company granted options over a total of 1,000,000 ordinary shares of £0.00037 each in the capital of the Company to new employees. The options vest over four years and have an exercise price of 77 pence per share.

On 17 May 2021, the Company issued 40,080 new ordinary shares of £0.00037 each in the capital of the Company at the exercise price of 15 pence per share, following the exercise of warrants.

Notice of the Annual General Meeting

POLAREAN IMAGING PLC

(Incorporated in England and Wales under the Companies Act 2006 with company number 10442853)

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Polarean Imaging plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

It is intended that the Annual General Meeting (the "AGM") of Polarean Imaging plc will be held at the Company's office at 2500 Meridian Parkway, Suite 175, Durham, NC 27713 USA at 2:00 pm BST on Tuesday 13 July 2021. However, it is possible that there may be government restrictions imposed as a result of the COVID-19 pandemic at that time and therefore the arrangements for the AGM may be subject to change, possibly at short notice.

In light of this, **we strongly encourage you to vote on all resolutions by completing an online proxy form in advance of the meeting, appointing the Chair of the meeting as your proxy, whether or not you are ultimately able to attend in person**. Details of how to do this are set out below. Please note that if you appoint a person other than the Chair of the meeting as your proxy, in the event that measures are put in place by the US government which prevent attendance at the meeting, your proxy may not be able to attend the AGM and, if this is the case, your votes will not be counted.

NOTICE IS HEREBY GIVEN that the annual general meeting of Polarean Imaging plc (the "Company") will be held at the Company's office at 2500 Meridian Parkway, Suite 175, Durham, NC 27713 USA at 2:00pm BST on Tuesday 13 July 2021 for the purpose of considering and, if thought fit, transacting the following business:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive and consider the Company's audited accounts for the year ended 31 December 2020 and the Directors' of the Company ("Director(s)") and auditors' reports thereon.

2. To consider and approve the remuneration report as detailed in the Company's annual report and accounts.

3. To re-appoint Crowe UK LLP as auditor of the Company (the "Auditors") to hold office until the conclusion of the next general meeting at which accounts are laid and to authorise the Directors to fix the Auditor's remuneration.

4. To re-elect Charles Osborne as a Director, who retires in accordance with article 78 of the Articles, and who, being eligible, offers himself for re-election.

5. To re-elect Kenneth West as a Director, who retires in accordance with article 78 of the Articles, and who, being eligible, offers himself for re-election.

6. To generally and unconditionally authorise the Directors for the purpose of section 551 of the Companies Act 2006 (the "Act"), in substitution for all existing authorities to the extent unused, to exercise all the powers of the Company to allot or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate number of 31,360,974 ordinary shares of £0.00037 each ("Ordinary Shares") (being 15 per cent. of the total number of Ordinary Shares in issue as at the date of this notice) **provided that** this authority shall expire on the earlier of 15 months after the date of passing of this resolution or the conclusion of the annual general meeting of the Company next following the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require shares or equity securities, as the case may be, to be allotted or such rights granted after such expiry and the Directors may allot shares or equity securities or grant such rights, as the case may be, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as a special resolution:

7. Subject to the passing of resolution 6 above, to empower the Directors, pursuant to the general authority conferred on them and section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash as if section 561 of the Act did not apply to any such allotment, **provided that** this power shall be limited to the allotment of equity securities:

    7.1. made in connection with an offer of securities, open for acceptance for a fixed period, to holders of Ordinary Shares of the Company on the register on a fixed record date in proportion (as nearly as may be) to their then holdings of such Ordinary Shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any legal or practical problems under the laws or requirements of any recognised regulatory body or any stock exchange in any overseas territory or in connection with fractional entitlements); and/or

    7.2. wholly for cash (otherwise than pursuant to paragraph 7.1 above) up to an aggregate number of 31,360,974 Ordinary Shares.

    This authority shall expire on the earlier of 15 months after the date of passing of this resolution and the conclusion of the annual general meeting of the Company next following the passing of this resolution but the Company may, before such expiry, make an offer or agreement which would or might require shares or equity securities, as the case may be, to be allotted or such rights granted after such expiry and the Directors may allot shares or equity securities or grant such rights, as the case may be, in pursuance of such an offer or agreement notwithstanding that the power conferred by this resolution has expired.

By Order of the Board

Registered Office:
27-28 Eastcastle Street
London
W1Q 8DH

Stephen Austin
Company Secretary
2 June 2021

NOTES

A shareholder entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote on their behalf at the annual general meeting. A proxy need not be a shareholder.

(1) **Arrangements for the meeting – COVID-19 outbreak**

The continuing coronavirus (COVID-19) pandemic has previously led to the imposition of severe restrictions on public gatherings. Although it appears that these will likely no longer apply as at 13 July 2021, this remains subject to change. In the event that the AGM venue is closed on the date of the AGM, physical attendance in person at the AGM will not be possible, in which case the meeting will take place with the minimum necessary quorum of two shareholders which will be facilitated by the Company in line with the Government's social distancing advice as at that time.

On this basis, to safeguard Shareholders' and employees' health and to make the meeting as safe and as efficient as possible, the Board:

- Encourages Shareholders to submit their votes by proxy as early as possible, and Shareholders should appoint the Chairman of the meeting as their proxy. If a Shareholder appoints someone else as their proxy, that proxy may not be able to attend the AGM in person or cast the Shareholder's vote. All proxy appointments should be received by no later than 2:00pm BST on 9 July 2021.
- Strongly recommends CREST members to vote electronically through the CREST electronic proxy appointment service as your vote will automatically be counted. In addition, the Company has also decided that Forms of Proxy can also be submitted by Shareholders electronically (even outside CREST) by emailing a scanned copy of the signed personalised Form of Proxy to voting@shareregistrars.uk.com. Please contact Share Registrars Limited contact number on +44 (0) 1252 821390 for any further guidance. Dealing with paper proxies requires physical interaction such as post sorting and delivery, evaluation and manual input. Given the current situation, any task that requires a physical presence may be subject to disruption and sending a paper proxy is no guarantee of having your vote counted.
- Proposes that voting at the meeting will be conducted by means of a poll on all resolutions, with each Shareholder having one vote for each share held, thereby allowing all those proxy votes submitted and received prior to the meeting to be counted.
- Encourages you to submit any question that you would like to be answered at the meeting by sending it, together with your name as shown on the Company's register of members and the number of shares held, to the following email address: polarean@walbrookpr.com so that it is received by no later than 12 noon BST on 9 July 2021. Please insert "AGM – Shareholder Questions" in the subject header box of your email. The Company will endeavour to respond to all questions received from Shareholders at the AGM or within seven days following the AGM.
- Will continue to closely monitor the COVID-19 situation in the lead up to the meeting and make further updates about the meeting on the Company's website at https://www.polarean-ir.com/content/news/corporate-news as necessary. Please ensure that you regularly check this page for updates.

(2) To appoint a proxy, shareholders should use the form of proxy enclosed with this notice of annual general meeting. Please carefully read the instructions on how to complete the form of proxy. For a proxy to be effective, the instrument appointing a proxy together with the power of attorney or such other authority (if any) under which it is signed or a notarised certified copy of the same must be deposited with the Company's registrars, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, United Kingdom (the "**Registrars**") or by e-mail to voting@shareregistrars.uk.com, by 2:00pm BST on 9 July 2021, or, if the annual general meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a business day). The completion and return of a form of proxy does not preclude a shareholder from subsequently attending and voting at the annual general meeting in person if he or she so wishes. If a shareholder has appointed a proxy and attends the annual general meeting in person, such proxy appointment will automatically be terminated.

(3) Pursuant to Regulation 41 of Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders on the register of members at 2:00pm BST on 9 July 2021 or, if the meeting is adjourned, 48 hours before the time of the adjourned meeting (excluding any part of a day that is not a business day),

shall be entitled to attend or vote at the annual general meeting in respect of the number of ordinary shares of £0.00037 each (the "**Ordinary Shares**") registered in their name at that time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the annual general meeting.

(4) Any Shareholder may insert the full name of a proxy or the full names of two alternative proxies of the Shareholder's choice in the space provided with or without deleting 'the Chairman of the meeting.' A proxy need not be a Shareholder but must attend the meeting to represent the relevant Shareholder. The person whose name appears first on the Form of Proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow. If this proxy form is signed and returned with no name inserted in the space provided for that purpose, the Chairman of the meeting will be deemed to be the appointed proxy. Where a Shareholder appoints as his/her proxy someone other than the Chairman, the relevant Shareholder is responsible for ensuring that the proxy attends the meeting and is aware of the Shareholder's voting intentions. Any alteration, deletion or correction made in the Form of Proxy must be initialled by the signatory/ies.

(5) A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that shareholder. A shareholder may not appoint more than one proxy to exercise rights attached to any one Ordinary Share. If a shareholder wishes to appoint more than one proxy, they should contact the Registrars on 01252 821390, +44 1252 821390 from overseas. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays. Alternatively, you may write to the Registrars at Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, United Kingdom for additional proxy forms and for assistance.

(6) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same Ordinary Share.

(7) As at the close of business on the date immediately preceding this notice, the Company's issued share capital comprised 209,073,166 Ordinary Shares. Each Ordinary Share carries the right to vote at the Annual General Meeting and, therefore, the total number of voting rights in the Company as at close of business on the date immediately preceding this notice is 209,073,166.

(8) A shareholder's instructions to the proxy must be indicated in the appropriate space provided. To abstain from voting on a resolution, select the relevant 'Vote withheld' box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

(9) This form of proxy must be signed by the appointor or his attorney duly authorised in writing. The power of attorney or other authority (if any) under which the form of proxy is signed, or a notarised certified copy of the power or authority, must be received by the Registrars with the form of proxy. If the appointor is a corporation, the form of proxy should be signed on its behalf by an attorney or duly authorised officer or executed as a deed or executed under common seal. In the case of joint holders, the signature of any one of them will suffice, but the names of all joint holders should be stated.

(10) CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment Service may do so for the Annual General Meeting to be held at 2:00pm BST on 13 July 2021 and any adjournment(s) thereof by following the procedures described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be received by the Registrars (ID 7RA36) no later than 2:00pm BST on 9 July 2021, or, if the annual general meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a business day).

(11) In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars. In the case of a shareholder which is a company, the revocation notice must be executed in accordance with note 12 below. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice and must be received by the

Registrars not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the holding of the annual general meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

(12) A corporation's form of proxy must be executed under either its common seal, if any, or under the hand of a duly authorised officer or attorney, in each case as required under the laws of its relevant jurisdiction.