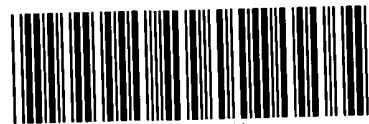


Company registration number: 09348737

MEIRAGTX UK II LIMITED

UNAUDITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2018

THURSDAY



A8ETK4RE

A21

26/09/2019

#76

COMPANIES HOUSE

MEIRAGTX UK II LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 3
Accountants' Report	4
Profit and Loss Account	5
Balance Sheet	6 - 7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 16

MEIRAGTX UK II LIMITED

COMPANY INFORMATION

Directors	Richard Giroux Alexandra Forbes
Company secretary	Richard Giroux
Registered number	09348737
Registered office	92 Britannia Walk London N1 7NQ
Accountants	F. W. Smith, Riches & Co. Chartered Accountants 15 Whitehall London SW1A 2DD

MEIRAGTX UK II LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is biomedical research.

Directors

The directors who served during the year were:

Richard Giroux
Alexandra Forbes

Qualifying third party indemnity provisions

The Company has provided qualifying third party indemnity provisions for the benefit of Directors during the year and which remain in force to the date of this report.

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

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

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

MEIRAGTX UK II LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Going concern

The Company depends for funding upon its ultimate parent company, MeiraGTx Holdings plc. The directors have received confirmation from MeiraGTx Holdings plc of its intention to provide such level of financial support to the Company for a period of at least 12 months from the date of this report such that the Company will be able to meet its obligations as they fall due.

On 30 January 2019, the Company and MeiraGTx Holdings plc entered into a collaboration, option and license agreement (the "Collaboration Agreement"). Under the terms of the Collaboration Agreement, the Company will receive an upfront payment of \$100 million. The Company will also receive research funding for certain research, manufacturing, clinical development and commercialisation costs, potential additional milestone payments upon the achievement of such milestones and royalties on future net sales of products.

On 27 February 2019, MeiraGTx Holdings plc issued 5,797,102 ordinary shares for net proceeds of \$77.4 million.

For these reasons, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Small companies note

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

This report was approved by the board on September 12, 2019 and signed on its behalf by:



Richard Giroux
Director

MEIRAGTX UK II LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MEIRAGTX UK II LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MeiraGTx UK II Limited for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of MeiraGTx UK II Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of MeiraGTx UK II Limited and state those matters that we have agreed to state to the Board of Directors of MeiraGTx UK II Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MeiraGTx UK II Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that MeiraGTx UK II Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of MeiraGTx UK II Limited. You consider that MeiraGTx UK II Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of MeiraGTx UK II Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

F. W. Smith, Riches & Co.

F. W. Smith, Riches & Co.
Chartered Accountants
15 Whitehall
London
SW1A 2DD

12 September 2019

MEIRAGTX UK II LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		(25,883,225)	(14,414,398)
Operating loss		(25,883,225)	(14,414,398)
Interest receivable and similar income		9,568	216
Interest payable and similar expenses		(61)	(6,523)
Loss before tax		(25,873,718)	(14,420,705)
Tax on loss		2,682,260	1,318,657
Loss for the financial year		(23,191,458)	(13,102,048)

MEIRAGTX UK II LIMITED
REGISTERED NUMBER:09348737

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	17,020,999	10,254,965
Investments	5	1	1
		<u>17,021,000</u>	<u>10,254,966</u>
Current assets			
Debtors	6	4,248,795	1,509,544
Bank and cash balances		1,452,212	2,146,532
		<u>5,701,007</u>	<u>3,656,076</u>
Creditors: amounts falling due within one year	7	(61,303,933)	(29,789,461)
Net current liabilities		<u>(55,602,926)</u>	<u>(26,133,385)</u>
Total assets less current liabilities		<u>(38,581,926)</u>	<u>(15,878,419)</u>
Provisions for liabilities			
Other provisions	8	(100,572)	(131,229)
		<u>(100,572)</u>	<u>(131,229)</u>
Net liabilities		<u><u>(38,682,498)</u></u>	<u><u>(16,009,648)</u></u>
Capital and reserves			
Called up share capital	9	3	3
Share premium account	10	3,333,299	3,333,299
Other reserves	10	4,417,613	3,899,005
Profit and loss account	10	(46,433,413)	(23,241,955)
		<u><u>(38,682,498)</u></u>	<u><u>(16,009,648)</u></u>

MEIRAGTX UK II LIMITED
REGISTERED NUMBER:09348737

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements on page 5 to 16 were approved and authorised for issue by the board and were signed on its behalf on *12 September 2019*



Richard Giroux
Director

MEIRAGTX UK II LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Capital contribution	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	3	3,333,299	3,796,634	(10,139,907)	(3,009,971)
Comprehensive income for the year					
Loss for the year	-	-	-	(13,102,048)	(13,102,048)
Total comprehensive income for the year	-	-	-	(13,102,048)	(13,102,048)
Capital contribution	-	-	102,371	-	102,371
Total transactions with owners	-	-	102,371	-	102,371
At 1 January 2018	3	3,333,299	3,899,005	(23,241,955)	(16,009,648)
Comprehensive income for the year					
Loss for the year	-	-	-	(23,191,458)	(23,191,458)
Total comprehensive income for the year	-	-	-	(23,191,458)	(23,191,458)
Capital contribution	-	-	518,608	-	518,608
Total transactions with owners	-	-	518,608	-	518,608
At 31 December 2018	3	3,333,299	4,417,613	(46,433,413)	(38,682,498)

MEIRAGTX UK II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Statement of compliance

The Company's principal activity is biomedical research.

MeiraGTX UK II Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office and principal place of business is 92 Britannia Walk, London, N1 7NQ.

1.2 Going concern

The Company depends for funding upon its ultimate parent company, MeiraGTX Holdings plc. The directors have received confirmation from MeiraGTX Holdings plc of its intention to provide such level of financial support to the Company for a period of at least 12 months from the date of this report such that the Company will be able to meet its obligations as they fall due.

On 30 January 2019, the Company and MeiraGTX Holdings plc entered into a collaboration, option and license agreement (the "Collaboration Agreement"). Under the terms of the Collaboration Agreement, the Company will receive an upfront payment of \$100 million. The Company will also receive research funding for certain research, manufacturing, clinical development and commercialisation costs, potential additional milestone payments upon the achievement of such milestones and royalties on future net sales of products.

On 27 February 2019, MeiraGTX Holdings plc issued 5,797,102 ordinary shares for net proceeds of \$77.4 million.

For these reasons, the directors continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Basis of preparation of financial statements

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Section 1A 'Small Entities' of Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

MEIRAGTX UK II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and dismantling and restoration costs. Depreciation is calculated, using the straight line method, to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Leasehold property	- over the period of the lease
Laboratory equipment	- 5 years
Office equipment	- 3 years
Manufacturing equipment	- 7 to 9 years

Depreciation is charged from the date the asset is brought into use. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are expensed as incurred. Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Profit and Loss Account and included in 'administrative expenses'.

1.5 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years including research and development tax credits. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and profit on ordinary activities before taxation as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

MEIRAGTX UK II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.6 Foreign currencies

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Profit and Loss Account under the heading to which they relate.

1.7 Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

1.8 Research and development

Expenditure on research is written off in the year in which it is incurred.

1.9 Pensions

The Company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

MEIRAGTX UK II LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.10 Financial instruments

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

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Profit and Loss Account in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

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

1.11 Share-based payments

The Company enters into equity-settled share-based payment transactions that are settled by the issue of shares by its ultimate parent company. The Company records the transactions at the fair value of services received, with a corresponding increase in equity as a contribution from the ultimate parent.

1.12 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

1.13 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.14 Operating leases: lessee

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating lease are charged to the Profit and Loss Account on a straight-line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight line basis.

MEIRAGTX UK II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. Whilst management have made judgements, estimates and assumptions in preparing the financial statements, they consider that these have not had a significant effect on amounts recognised.

3. Employees

The average monthly number of employees, including directors, during the year was 44 (2017 - 28).

4. Tangible fixed assets

	Leasehold property £	Laboratory equipment £	Office equipment £	Manufacturing equipment £	Total £
Cost					
At 1 January 2018	8,095,173	474,585	208,453	1,822,325	10,600,536
Additions	6,711,159	341,777	35,352	1,144,903	8,233,191
Disposals	(62,762)	-	-	-	(62,762)
At 31 December 2018	<u>14,743,570</u>	<u>816,362</u>	<u>243,805</u>	<u>2,967,228</u>	<u>18,770,965</u>
Depreciation					
At 1 January 2018	167,434	118,838	59,299	-	345,571
Charge for the year on owned assets	1,023,861	115,171	64,673	257,407	1,461,112
Disposals	(56,717)	-	-	-	(56,717)
At 31 December 2018	<u>1,134,578</u>	<u>234,009</u>	<u>123,972</u>	<u>257,407</u>	<u>1,749,966</u>
Net book value					
At 31 December 2018	<u><u>13,608,992</u></u>	<u><u>582,353</u></u>	<u><u>119,833</u></u>	<u><u>2,709,821</u></u>	<u><u>17,020,999</u></u>
At 31 December 2017	<u><u>7,927,739</u></u>	<u><u>355,747</u></u>	<u><u>149,154</u></u>	<u><u>1,822,325</u></u>	<u><u>10,254,965</u></u>

MEIRAGTX UK II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	1
At 31 December 2018	1

The Company owns 100% of the share capital of MeiraGTx B.V., a company registered in the Netherlands.

6. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	11,441	3,877
Other debtors	1,555,093	1,505,667
Corporation tax recoverable	2,682,261	-
	<u>4,248,795</u>	<u>1,509,544</u>

Other debtors includes £182,001 (2017: £nil) due in more than one year.

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,194,833	3,189,394
Amounts owed to group undertakings	54,979,387	22,071,807
Other creditors	5,129,713	4,528,260
	<u>61,303,933</u>	<u>29,789,461</u>

MEIRAGTX UK II LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Provisions for liabilities

	Dilapidations £
At 1 January 2018	131,229
Charged to profit or loss	(30,657)
At 31 December 2018	<u>100,572</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
25,000 Ordinary shares of £0.0001 each	<u>3</u>	<u>3</u>

10. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

The profit and loss accounts is a wholly distributable reserve.

Capital contribution reserve

This reserve contains capital sums received from the parent company.

11. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	274,970	290,223
Later than 1 year and not later than 5 years	1,099,880	449,167
Later than 5 years	939,481	-
	<u>2,314,331</u>	<u>739,390</u>

MEIRAGTX UK II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Subsequent event

On 30 January 2019, the Company and MeiraGTx Holdings plc entered into a collaboration, option and license agreement (the "Collaboration Agreement"). Under the terms of the Collaboration Agreement, the Company will receive an upfront payment of \$100 million. The Company will also receive research funding for certain research, manufacturing, clinical development and commercialisation costs, potential additional milestone payments upon the achievement of such milestones and royalties on future net sales of products.

13. Parent company

The Company's ultimate parent company is MeiraGTx Holdings plc, a company incorporated in the Cayman Islands, which is also the parent company of the largest group of undertakings for which consolidated financial statements have been produced. The registered office address of MeiraGTx Holdings plc is Walkers Corporate Limited Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, Ky1-9008, Cayman Islands.