

Uncover your Credits

Introduction to R&D Tax Credits



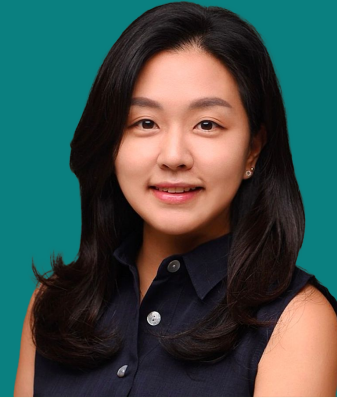
Today's Agenda

- Introduction
- What is the R&D Tax Credit?
- Case Studies
- Are you Ready?

Introduction to

Christina Ahn

Executive Lead CPA of Ardius



Past Experiences



Pinecone41

CEO and Founder



Tax Manager

Deloitte.

Senior Tax Consultant

Expertise

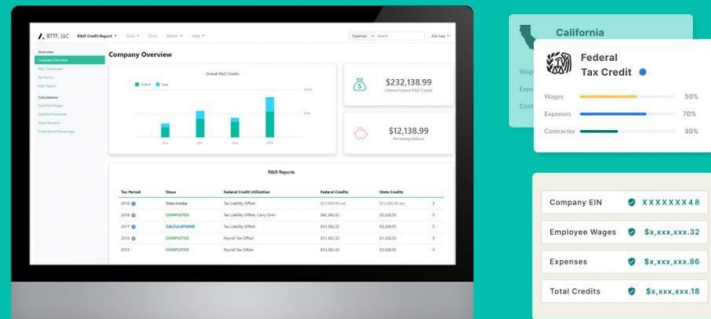
+

Technology

100+ Years
of R&D and Tax Experience



Simple and Easy to Use



= Maximum R&D Tax Credit



What is the
R&D Tax Credit?

What is the R&D Tax Credit?

It's a non-dilutive **cash incentive (“dollar for dollar”)** for U.S. based companies to invest in innovation.

What is the R&D Tax Credit?

Annual US Federal R&D Credits for Qualified Companies

\$30.1 Billion **Claimed**

\$92 Billion Available

R&D Credits Available Annually*

\$61.9 Billion **Unclaimed**

*Estimated in 2019

What is the R&D Tax Credit?

The Path Act

Legislation that allows small businesses to utilize the R&D tax credit as an offset against their FICA payroll taxes

What is the R&D Tax Credit?

Is my Company a Qualified Small Business for 2021 tax year? YES!

If you meet these two criteria for 2021 tax year:

1. Gross receipts of less than \$5M in 2021; AND
2. No gross receipts prior to 2017 (= 5 years back from current year)

What is the R&D Tax Credit?

Effects of the PATH Act

Profitable Companies (Before)

- Can claim unlimited tax liability offset - dollar for dollar
- Can retroactively claim past credits up to 4 previous years
- Can carry forward for 20 years

Startups (After)

- Can maximize up to \$1,250,000 in 5 years in payroll tax offsets
- Utilize credits to offset payroll taxes up to \$250,000 per year for five years
- Payroll tax offsets can start the quarter after filing

What is the R&D Tax Credit?

Eligible Expenses



Employee Wages



Supplies/Cloud Server



Contract Research in US

What is the R&D Tax Credit?

Using R&D Tax Credit to Offset Payroll Tax

Company **must** report R&D Tax Credit amount in **2021 Tax Return** in order to offset payroll tax in 2022:

- R&D Tax Credit can be used to offset payroll tax
 - Employer portion of the Social Security Tax, up to \$250k per Year
- Can start claiming benefit in the following quarter after the tax return filing with valid election



Case Studies

Benchling



Benchling

A cloud based software platform for biology researchers and R&D organizations.

\$6.1 billion valuation in 2021 Series E

- Founded in 2012
- Recommended by YCombinator Board
- Retroactive 4 year project from 2015 - 2018



Uncovered **\$1M** R&D Tax Credits

NeoImmuneTech

NeoImmuneTech Inc is a clinical-stage T cell-focused biotech company dedicated to the discovery and development of novel immuno-therapeutics.

Went Public March 2021 (KQSDAQ: 950220)

- R&D Tax Credit study initiated in 2018
- Identified R&D Tax Credit Qualifications
- Current Client

NEOIMMUNETECH

IL-7 Mechanism of Action



- Promotes Naïve and Memory T Cell Proliferation and Survival
- Promotes Tertiary Lymphoid Structure (TLS) Formation
- Increases T Cell Receptor (TCR) Diversity and Utilization
- Limits T Cell Exhaustion
- Sustains Immune Response to Chronic Antigen Stimulation



Uncovered **\$2M** R&D Tax Credits



Are you Ready?

getcredits@ardius.com



- 100+ Years of R&D Tax Credit Experience
- Average \$115k Credits Across All Industries
- Technology Automation of the Process
- Start a FREE estimate anytime



Thank you!



Ardius
a **gusto** company