Accelerating in the field of immunodiagnostics

Oncimmune Holdings plc
Annual Report and Financial Statements 2022

Oncimmune®

Welcome

Our understanding of the human immune system enables us to harness its sophisticated response to disease, to detect disease earlier and to support the development of better therapies.

Who we are

Oncimmune is a leading global immunodiagnostics group, primarily focused on the growing fields of immuno-oncology, autoimmune disease and infectious diseases. With a partnership-led approach, Oncimmune is evolving and leveraging its technology with global pharmaceutical and biotechnology companies, early-stage start-ups, leading academic groups, and not-for-profit companies.

What we do

ImmunoINSIGHTS™ is Oncimmune's service to the life science industry, built off the company's proprietary autoantibody profiling technology. Underpinned by Oncimmune's proprietary high throughput immunogenic protein library, one of the largest in the world, covering more than 95% of known human antigens, the technology can be utilised for profiling autoantibodies in patients receiving or about to receive treatment. This unique combination of Oncimmune's core technology and understanding of the immune system enables life-science organisations to optimise drug development, leading to more effective, targeted, as well as safer treatments for patients.

The key to improving cancer survival is early detection and optimal selection for therapy. As a company, we are driven by our passion to improve cancer survival and give people 'extra time'. Oncimmune's immunodiagnostic blood test, EarlyCDT® Lung, can detect and help identify lung cancer on average four years earlier than standard clinical diagnosis. With over 200,000 tests already performed for patients worldwide, and its use being supported by peer reviewed data in over 12,000 patients, EarlyCDT Lung is poised to become an integral part of future lung cancer detection programmes, globally.

Financial highlights

Revenue for the period

£3.8M

(FY2021: £3.7M)

Gross profit for the period

£1.8M

(FY2021: £2.9M)

R&D costs for the period

£1.9M

(FY2021: £1.6M)

Share-based payment charges

£1.7M

(FY2021: £1.1M)

Administrative expenses

£8.7M

(FY2021: £5.7M)

Loss for the financial period

£11.4M

(FY2021: £5.0M) (restated)

Cash balance at period end

£1.4M

(FY2021: £8.6M)

Net debt of £9.2M (2021: net debt £0.8M) **including lease liabilities**

Net debt of £8.6M (2021: net cash £0.1M) **excluding lease liabilities**

The period to 31 August 2022 is a 15 month period whereas the comparitive year to 31 May 2021 is a 12 month period

Operational highlights

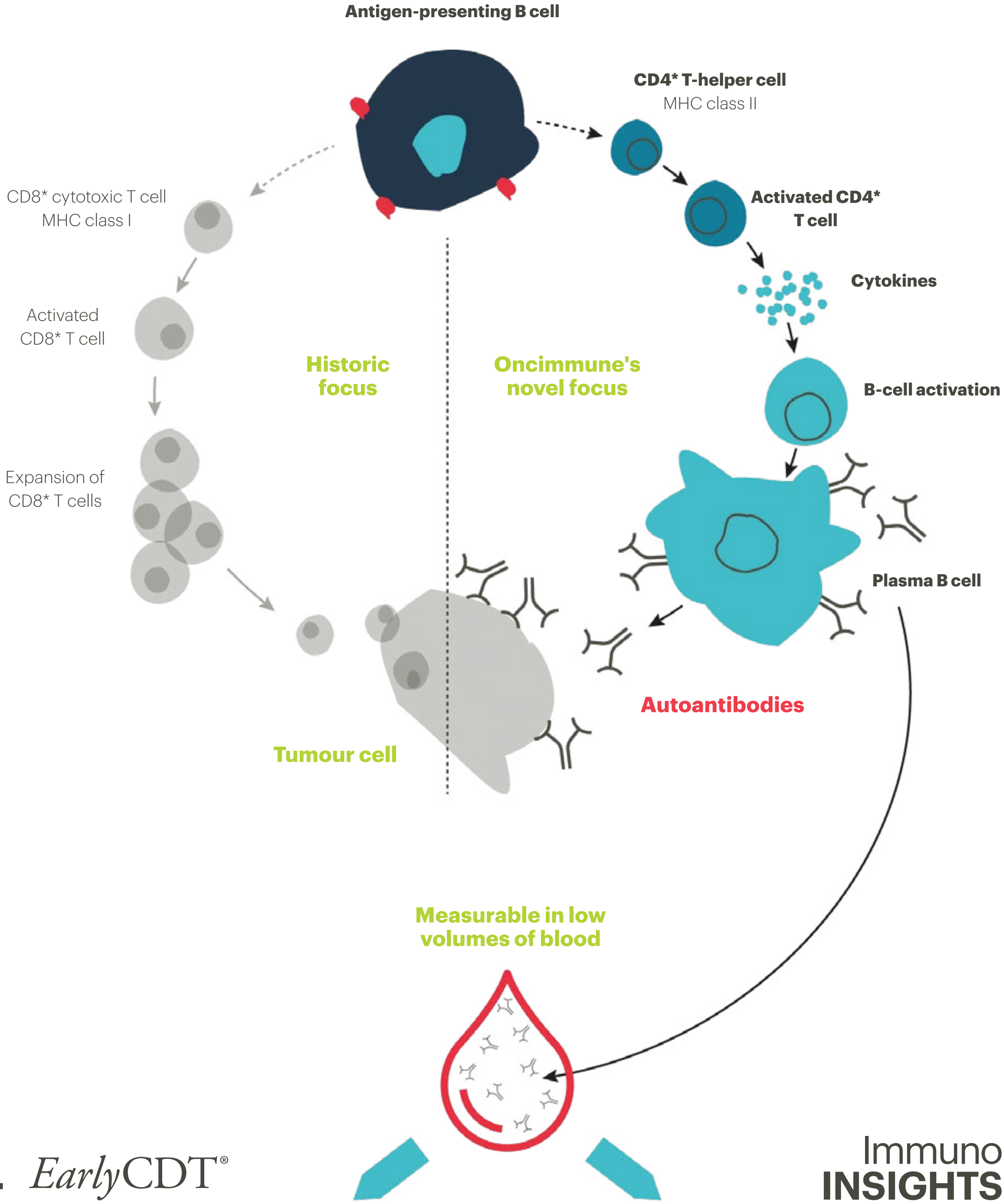
- ImmunoINSIGHTS business moving towards a model of preferred or master service agreements with large pharma companies.
- Substantial and growing pipeline of opportunities in the ImmunoINSIGHTS business and winning repeat business.
- Numerous publications demonstrating the value of the ImmunINSIGHTS business, including through collaborations with institutions such as Cedar-Sinai Medical Center and the Dana-Faber Cancer Institute.
- Medicare coverage in the US for NodifyCDT® (the name of EarlyCDT® Lung in the US) and incorporation into the Philips Lung Cancer Orchestrator patient management system.
- Continued collaborations with the NHS in England for the use of EarlyCDT Lung and pre-publication of three-year follow-up data from the Early detection of Cancer of the Lung Scotland (ECLS) trial.
- Awarded the Queen's Award for Enterprise in the Innovation category
- Bolstering the Board of Directors with experience in delivering large pharma clinical services and supporting small-cap companies.

At a glance

Oncimmune's service offering

The science behind our tests and service offering

The human immune system produces autoantibodies targeting cancer cells, which we use to diagnose cancer early and develop new therapeutic targets.



EarlyCDT®

Immuno INSIGHTS

EarlyCDT product business

Oncimmune's immunodiagnostic technology, EarlyCDT, can detect and help identify cancer on average four years earlier than standard clinical diagnosis[1]. With over 200,000 tests already performed for patients worldwide and its use being supported by peer reviewed data in over 12,000 patients[2], Oncimmune is poised to become an integral component of future lung cancer detection programmes, globally.

Oncimmune's diagnostic products business is located at its laboratory facility in Nottingham, UK.

ImmunoINSIGHTS service business

Oncimmune is a leading immunodiagnostics developer, primarily focused on the growing fields of immuno-oncology, autoimmune disease and infectious diseases. The ImmunoINSIGHTS service business leverages Oncimmune's technology platform and methodologies across multiple diseases, to offer life-science organisations actionable insights for therapies across the development and product life cycle. Our core immune-profiling technology is underpinned by our library of over 8,000 immunogenic proteins, one of the largest of its kind. This helps identify trial participants and patients into clinically relevant subgroups, enabling development of targeted and more effective treatments.

Oncimmune's ImmunoINSIGHTS service business is based at the Company's discovery research centre in Dortmund, Germany. The business platform enables life science organisations to optimise drug development and delivery, leading to more effectively targeted and safer treatments for patients.

The ImmunoINSIGHTS business development team is based in the US and Europe, and Oncimmune is seeking to replicate the Dortmund facility in the US in the medium term.

Our R&D platform drives better detection and treatment of disease

EarlyCDT®

Products licensed for regional marketing and distribution with upfront payments, royalties and volume minima

Immuno INSIGHTS™

Fee for service R&D
Downstream royalties on resulting IP

Early detection | **Disease interception** | **Target finding** | **Response prediction**

Platform technology

Early detetction in lung cancer to improve survival

Intercepting incident lung cancers

Determining on and off target effects of therapeutic candidates

Prediction of response to immunotherapy

1 Jett J, Healey G, Macdonald I, Parsy-Kowalska C, Peek L, Murray A. Determination of the detection lead time for autoantibody biomarkers in early-stage lung cancer using the UKCTOCS cohort. J Thorac Oncol. 2017;12(11):S2170. doi:10.1016/j.jtho.2017.09.1360

2 Sullivan et al, Earlier diagnosis of lung cancer in a randomised trial of an autoantibody blood test followed by imaging, ERJ, 2020

Stakeholder engagement

How we create value for our stakeholders

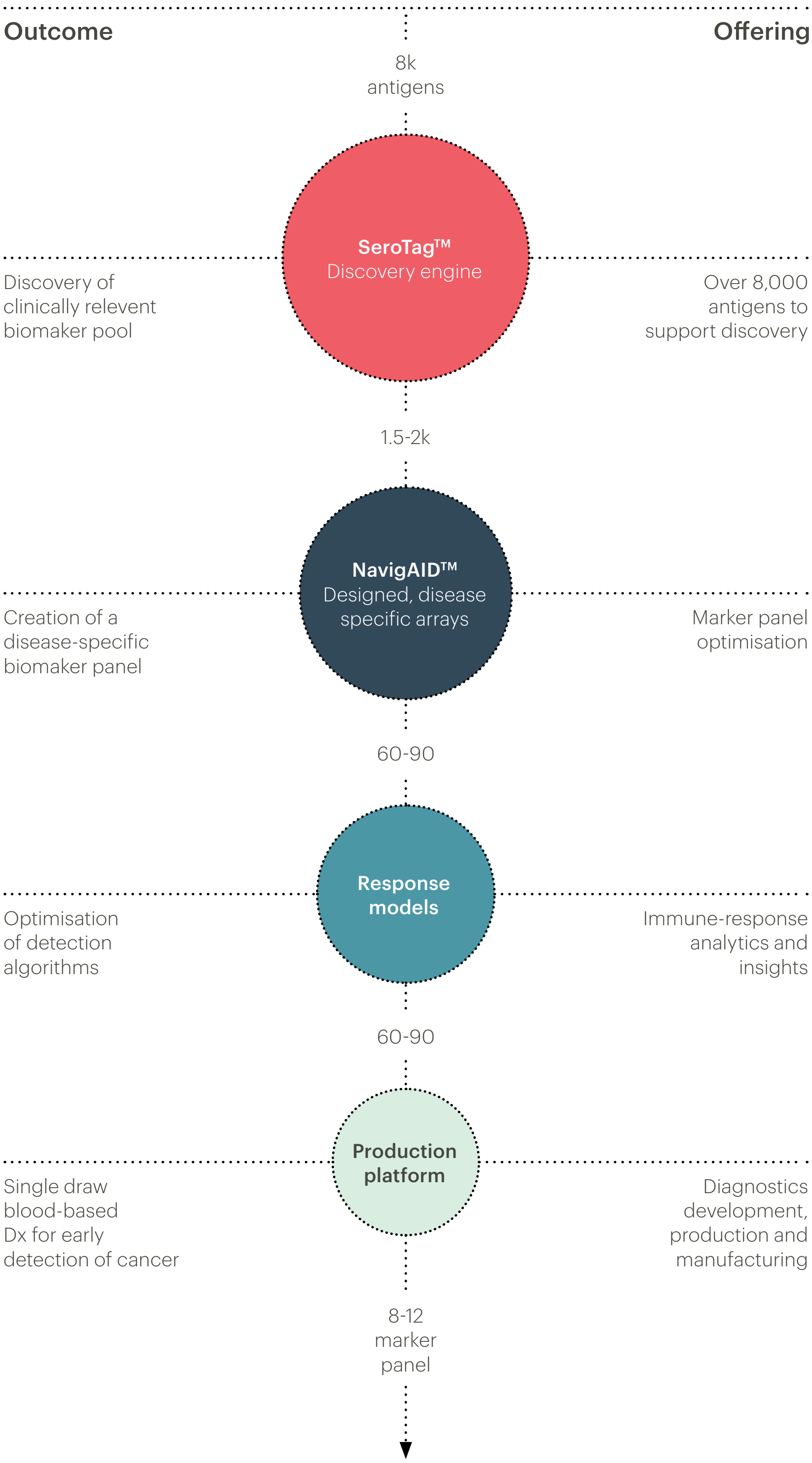
Oncimmune is a leading immunodiagnostics developer, primarily focused on the growing fields of immuno-oncology, autoimmune disease and infectious diseases where the immune system has a role to play in both the development of disease, and also its treatment.

Oncimmune's technology platform and methodologies can be applied across multiple diseases, to offer life-science organisations actionable insights for therapies across the development and product life cycle.

Oncimmune's core immune-profiling technology is underpinned by its library of over 8,000 immunogenic proteins, one of the largest of its kind. When coupled with the quality of its immunoassays and the experience of its data science team into its ImmunoINSIGHTS service offering, Oncimmune has the ability to select trial participants and patients into clinically relevant subgroups, enabling the development of targeted and more effective treatments.

With only a small percentage of new cancer drugs under clinical trials successfully receiving a licence, pharmaceutical companies, biotechs and academic groups value the ability to select appropriate patient cohorts for clinical trials, and unpick why certain cohorts fail to respond as anticipated.

In the process of delivering commercial services to these end customers, Oncimmune further expands its knowledge of disease and its treatment, developing novel intellectual property which in turn adds further value to its customers.



Environmental, social and governance

At the core of Oncimmune's business is the desire to advance medical scientific knowledge, through providing tools and services to the life science industry, and improve patients' lives through early disease detection and enabling the development of more personalised treatment. The successful delivery of this strategy is dependent on, and underpinned by, the Company's values and culture, which put inclusive and ethical behaviour at the forefront.

Throughout its history, Oncimmune's activities have had societal benefits and Oncimmune has taken seriously its responsibilities to the environment and the wider community within which it operates. As a listed company and a member of the Quoted Companies Alliance, with a commitment to the QCA Corporate Governance Code, Oncimmune has established a strong corporate governance structure. With the Group growing and evolving, the Board decided to formalise Oncimmune's approach to ESG by adopting an ESG Policy and implementing a strategy to deliver the objectives set out in the policy. Some of Oncimmune's recent efforts and achievements in this area have included:

- Providing training to certain employees in environmental sustainability, enabling them to set Oncimmune's current baseline levels and monitor progress going forward.
- Continuing our current efforts in reducing and recycling waste, with operations becoming near paperless and clinical waste having been halved in the past year.
- Ensuring that hazardous chemicals are handled and disposed of safely and responsibly. Oncimmune is also working to replace some hazardous chemicals with safer ones, to ensure compliance with REACH regulation (EC) 1907/2006.
- Appointment of wellbeing champions, trained in mental health & safety and in performing stress risk assessments, to ensure employees' mental health is a priority, whilst also engaging with local health practitioners to provide occupational health support.
- Providing staff with time to organise charitable actions, with employees collecting money for Mind UK during a wellbeing walk and organising a food drive for a local food bank.
- Donating surplus office furniture to charity.

The efforts made on ESG form a core part of Oncimmune's business operations and therefore have not added a separate significant burden on its resources or performance.

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The Queen's Award for Enterprise 2022 acknowledges the innovation behind Oncimmune's immunodiagnostic and discovery technology. This started with EarlyCDT, a blood test which can help identify cancer on average four years earlier than current standard clinical diagnosis, and continues today through Oncimmune's ImmunoINSIGHTS platform, which enables life science organisations to optimise drug development and delivery, leading to more effective targeting, as well as safer, treatments for patients.

Mr Adam M Hill
Chief Executive Officer

Continuing to deliver

> Oncimmune has successfully delivered on its strategy to transform the business from one wholly focused on a single asset diagnostic to an emerging pharma services business; the foundation stone is now laid for growth. I am excited to bring my knowledge of growing pharma services businesses to help Oncimmune's experienced senior management team to develop the Company into a leading, global provider of services to the pharmaceutical sector.

Alistair Macdonald
Oncimmune's incoming Chairman

We are pleased to report the Group's audited results to 31 August 2022, a 15-month accounting period following a decision to move Oncimmune's year end, and provide an update on the further operational and strategic progress made since period end.

Oncimmune is a leading immunology testing business, primarily focused on the growing fields of immuno-oncology, autoimmune disease and infectious diseases. As a specialist immunology testing business, the Group has a diversified and growing revenue stream from its discovery and development service-based platform, delivering actionable insights into therapies under development to its pharmaceutical and biotech partners, as well as a portfolio of diagnostic products to detect early-stage cancer. Oncimmune is headquartered at its product laboratory facility in Nottingham, UK, and its ImmunoINSIGHTS pharma services commercial laboratory facility is based in Dortmund, Germany. The ImmunoINSIGHTS commercial team is based in Boston, USA, and across Europe.

Our understanding of the immune system enables us to harness its sophisticated response to disease, in order to detect cancer earlier and to support the development of better therapies. The lowest hanging fruit able to improve disease outcomes is early detection and better selection for therapy, and hence the Group has two operational divisions providing immune services to meet these needs:

⊕ Oncimmune's ImmunoINSIGHTS platform enables life science organisations to optimise drug development and delivery, leading to more effective targeting, as well as safer, treatments for patients. Underpinned by our proprietary library of over 8,000 immunogenic proteins, we help identify clinical trial participants and patients in clinically relevant subgroups, enabling the development of more effective treatments with lower risk of adverse events.

⊕ Oncimmune's immunodiagnostic technology, EarlyCDT, can detect and help identify cancer earlier than standard clinical diagnosis. With over 200,000 tests already performed for patients worldwide and a substantial evidence base, we believe EarlyCDT Lung will increasingly become integral to lung cancer diagnosis globally.

Business update

2022 has been a period of challenge, as global economies have emerged from the COVID-19 pandemic into a cost of living crisis and conflict on Europe's borders. Not only has this economic instability affected company valuations, but it also meant that the life science sector has struggled to access capital, impacting our biotech customers most significantly. However, the technology platform we have established, led by the ImmunoINSIGHTS service offering to pharmaceutical partners, we believe will prove itself robust and resilient in the medium term.

Once again, delivering high quality, differentiated results every time for our ImmunoINSIGHTS customers has allowed us to not only broaden our pipeline of opportunities, but also further deepen our engagement with key customers; increasingly, we have been focused on signing preferred or master service agreements (MSAs), rather than one-off pilot projects, and we have had the benefit of an increasing percentage of our pipeline made up of repeat customers. This strategy will persist through 2023, where we will look to not only maximise the value of those MSAs in place, but also continue to mature relationships at the pilot stage through to multi contract commercial engagements with top 20 pharma companies.

Once again, we would like to take this opportunity to thank our staff, suppliers and customers for their continued support over the last financial period, without whom our performance would not have been as robust throughout this challenging time. In addition, we would like to thank Oncimmune's current shareholders for their continued support to the Group during turbulent market conditions, and to both Oncimmune's Board and management team for their resourcefulness and resilience.

Services – ImmunoINSIGHTS

Since launching ImmunoINSIGHTS in February 2020, Oncimmune has delivered 31 commercial projects for 18 customers, seven of whom are in the top 15 pharma companies by revenue. In FY2022, the Oncimmune team doubled the number of ImmunoINSIGHTS contracts year-on-year – 18 new contracts or extensions signed in the period, an increase from nine contracts signed in the 12 months to 31 May 2021 and three contracts signed in the 12 months to 31 May 2020.

ImmunoINSIGHTS utilises two proprietary biomarker discovery platform technology tools:

⊕ SeroTag discovery arrays: drawing from our library of over 8,800 immunogenic proteins, one of the largest of its kind, to discover and validate biomarkers which can support life science partners in stratifying patients in multiple cancer indications, infectious diseases and with different autoimmune diseases. SeroTag acts as the primary discovery engine that drives the creation of Oncimmune's NavigAID panels.

⊕ NavigAID disease-specific characterisation panels: thoroughly validated and containing well-defined antigens of interest for each of the disease types being investigated, these tools can be used for targeting identifiable patients for whom a treatment may be more effective, whilst avoiding those patients more likely to experience adverse drug effects.

As at January 2023, Oncimmune was contracted to deliver a further six projects over the coming months, and has a building pipeline of contracts, 50% of which are with repeat customers. This is all testament to the quality of our ImmunoINSIGHTS deliverable, completing every project to time and budget.

Product – EarlyCDT

Much of FY2022, like FY2021 before it, was disrupted by healthcare systems globally dealing with the response to the COVID-19 pandemic which impacted critical services, not least cancer diagnosis and care. As such, the sale of EarlyCDT products has been difficult for the Group to forecast. However, as global economies have emerged from the pandemic, we have seen a stabilisation of demand for EarlyCDT products, and important developments in the US affecting the sale of the product.

In the fifth quarter, the Board agreed to restructure the EarlyCDT Lung product business, substantially reducing the ongoing cost base by £0.5M. This, combined with increased contracted revenues, created an immediately EBITDA profitable EarlyCDT Lung product business. Now that the business has been right sized, it is delivering more efficiently than before, and is on a clear growth trajectory underpinned largely by long-term contracts with its major customers.

Biodesix, Inc. (Nasdaq: BDSX) (Biodesix), which is the US partner of our EarlyCDT Lung product, announced in the fifth quarter that WPS Government Health Administrators, the Medicare Administrative Contractor with jurisdiction for Biodesix's Kansas laboratory, has provided a coverage determination for the NodifyCDT® lung nodule test (the marketing name for EarlyCDT Lung in the US) at an in-market selling price which was 9 times the average in-market selling price achieved prior to the determination. This represented a significant milestone and has assisted access and availability to the NodifyCDT lung nodule test, for US patients with lung nodules. Medicare coverage also ensures physicians have access to the NodifyCDT lung nodule test, which is expected in turn to drive faster and wider adoption of the NodifyCDT lung nodule test across the US. Oncimmune receives royalties on every in-market sale of a NodifyCDT lung nodule test, as well as revenue from the supply of the test to Biodesix.

Furthermore, Biodesix announced in the same quarter that Royal Philips (Philips) had agreed to incorporate the results from tests performed on the NodifyCDT lung nodule into the Philips Lung Cancer Orchestrator lung cancer patient management system. This important commercial agreement is expected to drive an increase in NodifyCDT lung nodule test volumes and act as a force multiplier to raise the profile of the NodifyCDT lung nodule test markedly across the US.

In the UK, we continued our collaboration with the Eastern Academic Health Science Network, delivered through five GP practices a screening pilot using EarlyCDT Lung in a community setting in high risk patients. Positive test results were triaged into CT imaging. Both clinical evaluation and health economic assessment are due for publication in 2023, but early data[1] has had an impact on the ongoing discussions with the screening community in the UK, which we anticipate will impact activities in 2023.

1. https://www.easternahsn.org/impact-story/detecting lung-cancer-earlier/

Continuing to deliver

Scientific publications, reports and awards

In line with the Group's core objectives, during the period we have continued to demonstrate the leading potential of our platforms in world class scientific publications and awards.

The versatility of the ImmunoINSIGHTS platform was demonstrated during the pandemic as the Oncimmune team rapidly developed an infectious disease programme, which was validated in June 2021 with the pre-publication of the initial work of Oncimmune's collaboration with Cedars-Sinai Medical Center in Los Angeles, entitled: 'Paradoxical Sex-Specific Patterns of Autoantibodies Response to SARS-CoV-2 Infection'. The paper focuses on the characterisation of sex-specific prevalence and selectivity of autoantibody responses to the SARS-CoV-2 virus, using the SeroTag Infectious Diseases discovery array to detect autoantibodies to over 90 antigens previously linked to a range of classic autoimmune diseases. The collaborators sought to comprehensively examine the diversity of autoantibody responses in male and female healthcare workers who were exposed to SARS-CoV-2 and were asymptomatic, or experienced minor symptoms, and the paper reveals a remarkable sex-specific prevalence and selectivity of autoantibody responses to SARS-CoV-2.

This work was later published in the Journal of Translational Medicine[2] and then supplemented in September 2021 with the pre-publication of 'Predominance of Distinct Autoantibodies in Response to SARS-CoV-2 Infection' from the same collaboration, in which we were able to map the serological diversity underlying the clinical heterogeneity of COVID-19 infection and its sequelae, including the long-Covid phenotypes.

Following successful profiling of patients with urothelial carcinoma undergoing immunotherapy in collaboration with Dana-Faber Cancer Institute, the team were able to demonstrate further utility of the ImmunoINSIGHTS platform as an orthogonal data source to genomic and transcriptomic data; this work was published in the Journal of Clinical Oncology entitled *'Multiplexed autoantibody (AA) profiling of patients (pts) with metastatic urothelial carcinoma (mUC) receiving immune checkpoint inhibitors or platinum-based chemotherapy'*[3].

After a number of years of collaboration with the RA-MAP consortia, the ImmunoINSIGHTS team was able to participate in the publication of the most comprehensive map of molecular immunological landscapes in rheumatoid arthritis[4].

This seminal work required the aggregation of data from a number of different lenses through which to view the immune response in rheumatoid arthritis, and clearly evidenced the role of ImmunoINSIGHTS in profiling these patients.

In August 2021, the three-year follow-up data for the Early detection of Cancer of the Lung Scotland (ECLS) trial in was pre-published entitled *'Targeted screening for lung cancer with autoantibodies'*. The pre-publication shows that after three years, the number of late-stage cancers and deaths were lower in patients tested with the EarlyCDT Lung blood test. Crucially, all-cause mortality, as well as cancer specific and lung cancer mortality was reduced. The ECLS trial, believed to be the largest randomised controlled trial for the detection of cancer using blood-based biomarkers, published two-year follow-up results in 2020 in the European Respiratory Journal showing a 36% reduction in late-stage diagnoses of lung cancer, and the three-year data now shows a continued trend towards a reduction in mortality.

More recently, in April 2022, Oncimmune was awarded the Queen's Award for Enterprise 2022 in the innovation category, endorsing the company as a leading developer of applied immunodiagnostics for the early detection of disease, drug discovery and development. The Queen's Award for Enterprise 2022 acknowledges the innovation behind Oncimmune's immunodiagnostic and discovery technology.

Finally, our collaboration with the Eastern Academic Health Science Network (EAHSN) in Norfolk throughout 2021 delivered a community-led screening programme for patients at high risk of lung cancer to evaluate the role of EarlyCDT Lung in the community setting, 4,890 patients were invited for screening, 1,919 attended (39.2% response rate), 298 (15.53%) had a positive test, of which 291 had follow-up CT scan leading to 20 patients (6.87%) requiring further investigations, and nine patients (45%) found to have lung cancer, with the remaining 11 patients sufficiently at risk to warrant six-12 monthly follow-up. Of the nine patients diagnosed with cancer, seven had primary lung tumours, all early stage (five stage 1; two stage 2). This work is expected to be published in 2023.

Board changes

In the fifth quarter of the year, Oncimmune's Board of Directors appointed Alistair Macdonald as Chair of the Board, bringing to the Board a wealth of experience in delivering Clinical Research services to the Pharmaceutical sector. Alistair replaced Meinhard Schmidt, who had served six successful years on Oncimmune's Board. In addition, and following the end of the reported period, the Board decided to also appoint John Goold as Non-Executive Director, bringing with him a depth of experience in small-cap markets in the UK.

Following these changes, the Board is now comprised of one Executive Director and five Non-Executive Directors, two of which are Independent Non-Executive Directors. The Board members are Alistair Macdonald, Non-Executive Chairman; Dr Adam M Hill, Chief Executive Officer; Dr Annalisa Jenkins, Senior Independent Non-Executive Director; Andrew Unitt, Independent Non-Executive Director; Tim Bunting, Non-Executive Director; and John Goold, Non-Executive Director.

Outlook

The financial period to 31 August 2022 and the period post year-end have seen significant and continuing progress for the Company. In December 2022, the pipeline for our ImmunoINSIGHTS service business stood at approximately £13M and was growing steadily at approximately £0.75M a month, bolstered by more larger repeat customer projects than previously seen. As we started to see last year, initial pilot contracts have indeed broadened into multiple projects and deeper strategic commercial partnerships, with associated opportunities for additional, long-term revenue.

The Board sees the potential to not only build upon the MSAs established so far, but also to continue to add new customers to the portfolio. In addition, the Board is increasingly excited about the potential to further evolve Oncimmune's business model by exploiting the substantial intellectual property developed throughout 2022, albeit a medium-term investment of resource.

On behalf of the Board, we would like to thank our shareholders for their continued support throughout FY2022, and we look forward to updating the market on Oncimmune's further progress periodically.

Alistair Macdonald
Chairman

Dr Adam M Hill
Chief Executive Officer

27 February 2023

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I joined Oncimmune in 2015 to help guide the Company through its IPO and to support Adam and the wider senior management team to deliver on the Company's three-year strategy and capitalise on Oncimmune's world-leading autoantibody technology. Having successfully completed that strategy, through which the focus of the business has fundamentally changed, I am delighted to be handing over the reins to Alistair, with his wealth of experience in growing pharma services business.

Meinhard Schmidt
Oncimmune's outgoing Chairman

2. Liu, Y., Ebinger, J.E., Mostafa, R. et al. Paradoxical sex-specific patterns of autoantibody response to SARS-CoV-2 infection. J Transl Med 19, 524 (2021). https://doi.org/10.1186/s12967-021-03184-8
3. Sonpavde, G et al. Multiplexed autoantibody (AA) profiling of patients (pts) with metastatic urothelial carcinoma (mUC) receiving immune checkpoint inhibitors or platinum-based chemotherapy. Journal of Clinical Oncology 40, no. 6_suppl (20 February, 2022) 558-558. DOI: 10.1200/JCO.2022.40.6_suppl.558
4. The RA-MAP Consortium. RA-MAP, molecular immunological landscapes in early rheumatoid arthritis and healthy vaccine recipients. Sci Data 9, 196 (2022). https://doi.org/10.1038/s41597-022-01264-y

Chief Financial Officer’s review

Continuing to deliver

A summary of the financial highlights of the 15-month period ended 31 August 2022:

Revenue (£)

£3.8M

Administrative expenses (£)

£8.7M

Share-based payment charges (£)

£1.7M

Gross profit (£)

£1.8M

Cash balance at period end (£)

£1.4M

Net debt of £9.2M (2021: net debt £0.8M) **including lease liabilities**

Net debt of £8.6M (2021: net cash £0.1M) **excluding lease liabilitie**

Loss for the financial period (£)

£11.4M

R&D costs (£)

£1.9M

Revenues and commercial progress

Revenue for the 15-month period to 31 August 2022 reflects the steady progression of commercial activities within the ImmunoINSIGHTS and EarlyCDT businesses. Within the ImmunoINSIGHTS business, the Group has particularly benefited from the considerable time and resources devoted to our growing portfolio of global pharmaceutical clients. These clients are providing a growing base of ongoing commercial contracts, which improves the overall quality of our commercial pipeline. The EarlyCDT business is largely underpinned by existing commercial contracts which are providing growing revenues. The reorganisation of the EarlyCDT business, which was undertaken in July 2022, has substantially reduced the ongoing cost base of this business, to ensure it is EBITDA profitable on existing revenues.

ImmunoINSIGHTS

During the reporting period, the business signed 18 new or extensions to existing contracts, compared with nine in the 12 months to 31 May 2021. Encouragingly, this increase coincided with a period of challenging market conditions.

Furthermore, the value of the commercial pipeline of potential contracts also increased throughout the period and has continued this momentum post the period end. Throughout the reporting period, there has been a focus on generating the majority of revenue from large pharmaceutical companies, and as at the end of the reporting period, ImmunoINSIGHTS counted seven of the top fifteen global pharma companies as clients.

Since the end of the reporting period, the business has continued to sign commercial contracts, notably in December 2022, when it signed further contracts with an existing global pharma client, with a combined value of approximately $1.25M. Also in December 2022 the business signed a MSA with another global pharma client, which is expected to support multiple autoantibody profiling projects throughout calendar 2023.

EarlyCDT Lung

In July 2022, the Nottingham-based product business was restructured, to substantially lower its cost base and ensure that this business is immediately EBITDA profitable on existing contracted revenues before the benefit of any further product volume growth.

Biodesix, Inc. (Nasdaq: BDSX) (Biodesix), the Group’s US distributer of the EarlyCDT Lung product (marketed in the US as NodifyCDT), recently announced that WPS Government Health Administrators, the Medicare Administrative Contractor with jurisdiction for Biodesix’s Kansas laboratory, has provided a coverage determination for the NodifyCDT Lung nodule test. Medicare coverage is expected to drive faster and wider adoption of the test across the US, which will in turn provide increased revenues to the Group over time. Overall sales in the US are also underpinned by our existing commercial contract with Biodesix, which provides minimum sales volumes.

EarlyCDT Lung revenues are also derived from an ongoing contract with the iDx-Lung programme, a collaboration between the University of Leeds and the Southampton Clinical Trials Unit at the University of Southampton. The Group also anticipates an uplift in sales volumes following the recently published real-world screening evaluation pilot with the Norfolk and Waveney Clinical Commissioning Group.

Equity fundraise

In December 2022, the Company completed an equity fundraise, raising gross proceeds of £2.1M to provide the Group with additional near-term working capital and enable funding of future collaborations in biomarker tool development.

Debt funding

In October 2022, the Group reprofiled its debt banking facility (the “IPF Facility”) with IPF Management SA (“IPF Partners”). The new terms provide for a deferral of all principal repayments until June 2023, no further issue of warrants and the continued repayment of interest as from September 2022. An arrangement fee of €1.5M has been agreed, which is payable at final maturity of the debt, with up to 50% (€0.75M) of this fee able to be offset against any warrants already issued to IPF Partners.

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The real impact on society of Long COVID is only beginning to be understood. Oncimmune is a leader in infectious disease serological antibody profiling, and therefore our partnership with Verily, utilising Oncimmune's validated infectious disease panel, will seek to identify autoantibodies which are indicators for Long COVID. It is yet another exemplar of Oncimmune's leading position in autoimmune profiling.

Mr Adam M Hill
Chief Executive Officer

Under the terms of the renewed facility, the Group is required to make total capital repayments of €11.6M, of which, €6.9M is required to be repaid in the 2023 calendar year. The Group is also required to satisfy a cash covenant which is reported quarterly at month end in March, June, September, and December of each year and which requires the Group to maintain sufficient cash to cover operating cash flows as well as all scheduled interest and principal debt repayments for a period of nine months from each quarterly test point. In the process of preparing the Company's accounts the Directors have a budget for the 12 months to 31 August 2023 and a forecast for the period to 31 March 2024, both of which include the impact of the Group's debt obligations (base case scenario). Whilst the forecast operating cash flow for the Group to December 2023 in the base case scenario is sufficient to cover operating cash flow and interest repayments, under the base case scenario the Group does not expect to be able to generate sufficient cash to meet the capital repayments from September 2023 and, therefore, is forecast to breach its March 2023 debt covenant. Such a situation gives rise to a material uncertainty which may cast doubt about the Group's ability to continue as a going concern.

The Board is in the process of reviewing its options for the potential sale or IPO of certain of the Group's assets, with the intention that a proportion of any proceeds received will be directed towards the repayment of debt. Furthermore, the Board has discussed with IPF Partners the possible breach of the financial covenants, and the Group's inability to pay the principal amounts scheduled under the reprofiled IPF Facility during the forecast period, together with the strategic options currently being considered by the Board. IPF Partners has confirmed to the Board that it is prepared to consider a waiver in respect of the requirement to submit a compliant financial covenant certificate in the event of a breach provided the Group complies with certain conditions. At the date of approval of the financial statements the Directors have ensured the actions requested by IPF Partners have been completed.

Commentary on financial statements

Research and development activities continued throughout the period, with two major projects successfully delivered. The Group's strategy is centred on the commercial exploitation of its ImmunoINSIGHTS services and EarlyCDT product businesses and, in future years, research and development costs are anticipated to be materially lower.

For the 15 month period to 31 August 2022, gross profit for the period was £1.8M (2021: £2.9M), which for the reporting period includes the majority of the costs of the ImmunoINSIGHTS Dortmund production team. During the reporting period the planned head count in Dortmund increased substantially compared to the prior year, in order to deliver the increase in commercial contracts.

Administrative expenses for the 15 month period were £8.7M (2021: £5.7M). Certain costs were higher in the reporting period, including one-off recruitment costs of £0.2M associated with the buildout of our ImmunoINSIGHTS production head count and US commercial team, £0.1M of IT costs to move staff to home-working during the COVID-19 pandemic, £2.6M of increased staff remuneration and £0.4M of increased insurance costs. Also included is a non-cash £0.8M increased amortisation charge against Intangible assets. The restructuring of the cost base of the EarlyCDT Lung business is delivering lower ongoing costs.

Cash balance at period end was £1.4M (2021: £8.6M) and net debt was £9.2M including lease liabilities (FY2021: net debt £0.8M), with net debt of £8.6M excluding lease liabilities (2021: net cash £0.1M).

During the period the Company continued to invest in the ImmunoINSIGHTS services business. This continued funding together with the approval and procurement process associated with awarding by large pharmaceutical companies of new contracts, has resulted in funding challenges. However, the growing number of awarded contracts, the signing of MSAs and the increasing percentage of signed contracts and pipeline made up of repeat customers, gives the Board confidence for the future of the Group.

Matthew Hall
Chief Financial Officer
27 February 2023

How we manage our risks

The Group's products and services may not be a commercial success

The commercial success of the products and services sold by the Group will depend on customer demand, which may be driven by, amongst other things, the perceived utility and quality of the products and services offered by Oncimmune, the marketing efforts of the Group and the funding available to customers and prospective customers. For the ImmunoINSIGHTS business in particular, commercial success will depend on the ability and desire of customers to fund projects in areas which would benefit from the services offered by ImmunoINSIGHTS. For EarlyCDT Lung, as well as other new invitro diagnostic products that the Group may launch in the future, commercial success will also depend on their approval and acceptance by physicians, payers and other key decision-makers, as well as the receipt of regulatory approvals in different countries, the time taken to obtain such approvals, reimbursement at commercially sustainable prices in those countries where price and reimbursement is negotiated, and cost-effectiveness of the product as compared to competitive products. The Group seeks to manage these risks by developing a diverse range of offered products and services and by investing in the generation of clinical evidence and scientific data to support and promote the utility and quality of the products and services offered.

Manufacturing and supply

The Group manufactures protein antigens to coat its diagnostic test plates and for use in its multiplex assays, which are used in the services it offers to its customers. The Group is also reliant on third party contract manufacturers to manufacture some of its EarlyCDT finished products, and on third parties to provide the equipment and consumables required to carry out the services it offers to customers. Any disruption to the manufacture or supply of these products may result in the Group being unable to continue providing, marketing or developing its products or services for some period of time. The Group has invested in building and validating the capability to manufacture some of its EarlyCDT products in-house, providing a second potential source of supply which is less reliant on third parties. The Group is also managing these risks by maintaining stringent safety and access procedures to internal manufacturing sites, maintaining and operating within a high standard quality management system, assessing dual sourcing of third party suppliers and, wherever possible, dual sourcing of components. The Group also maintains close relationships with its key suppliers to attempt to anticipate any forthcoming issues ahead of time and resolve any occurring issues as swiftly as possible. The Group maintains, and regularly reviews, its insurance policies, including cyber insurance, to provide coverage in the event of certain disruption to its operations.

Loss of data

The Group produces and handles a large amount of data, in particular as part of the services it offers in the ImmunoINSIGHTS business. The loss of such data, or the ability to produce and analyse such data, would hinder the Group's ability to deliver on its commitments to its customer and therefore generate revenue. To mitigate the risk of losing data the Group has built a robust IT infrastructure, including onsite and offsite backup facilities, and regularly monitors and tests its recovery capabilities. The Group also maintains cyber insurance cover.

Reliance on the retention of key employees

The future success of the business is dependent on its senior management and key personnel, and there is always a challenge to maintain back-up support in respect of key roles or replace key staff should they leave the organisation. The Group seeks to provide a positive work environment with opportunities for career growth, coupled with appropriate remuneration and share option incentives to align its employees with the long-term success of the Group's business.

Research and development

The Group has had success developing cutting edge science that produces life-changing benefits. By its very nature, research and development can never be certain in terms of its cost, its impact, regulatory requirements, and when it will be ready for commercialisation. The Group mitigates these inherent risks by employing leading scientists, training its staff, adopting strict methodologies, and working with external stakeholders such as academic and research institutes.

Reliance on intellectual property

The Group sells unique products and services, and some of the value of such products and services resides in the Group's intellectual property rights (IPRs), preventing third parties from being able to produce and provide similar products and services. The Group has developed an extensive portfolio of registered and unregistered IPRs, through its own research and development and through retaining certain IPRs arising from commercial work it carries out for its customers. The loss of such IPRs, through (amongst other things) the expiry of registered IPRs, challenge by third parties or disclosure of proprietary know-how, may allow third parties to replicate the products and services offered by the Group or prevent the Group from providing certain products or services. To mitigate these risks, the Group engages internal and external IPR experts and closely monitors its IPRs and how they are protected.

Risks from competitors
The Group operates in a competitive market and faces competitors who may develop more advanced or alternative products and services. The Group mitigates this through investing significantly in its intellectual property portfolio and in continued research and development, as well as through improving its manufacturing and delivery process, to enable it to reduce costs, which could allow it to reduce prices in a highly competitive environment.

Legislation and regulatory change
Any change in legislation, and in particular the regulations relating to the testing of human blood or serum as part of a diagnostic test of disease and the handling of patient related data, may have an adverse effect on the Group's operations and the returns available on an investment in the Group. The Group mitigates this as far as possible by ensuring a continuous awareness of the legislative environment and by maintaining an appropriate legal and regulatory team to meet increasing demands.

Foreign exchange
The Group conducts its operations principally in Sterling, Euros and US Dollars, and is consequently subject to currency risk due to fluctuations in exchange rates. As well as the direct risk arising from transaction or translation risks, foreign exchange movements may make products or materials more expensive which may adversely affect the Group's revenues and expenditure, and as a result could have a material adverse effect on the Group's business, results of operations and financial condition. As far as possible, any foreign exchange risk is managed by maintaining sufficient foreign currencies to avoid the need to purchase these currencies to satisfy operating expenditure.

The Group continues to monitor potential foreign exchange exposure by maintaining relationships with organisations who provide forecasts of foreign currency prices and by matching demand for foreign currencies with cash receipts in those same foreign currencies.

Funding risk
The Group's ImmunoINSIGHTS service business is a relatively new business and as such the regularity of contract wins and consequential cashflow is more difficult to forecast. The Group manages this risk through tight control over expenditure as well as access to the debt and equity capital markets.

The Directors' requirements under S172(1) of the Companies Act 2006 are included in the Directors' Report on page 20.

On behalf of the Board

Dr Adam M Hill

Director and Chief Executive Officer

27 February 2023

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We are particularly excited by the signing of our first contract within the allogenic and CAR-NK market segment which we believe could open up a new opportunity for our services in the engineered cellular therapy space. Unlocking the utility of the ImmunoINSIGHTS platform in these cutting-edge therapies promises to substantially improve clinical outcomes for cancer patients.

Mr Adam M Hill
Chief Executive Officer

Board changes

On 7 July 2022, Meinhard Schmidt resigned as Chair of the Board. Meinhard joined Oncimmune in 2015 to help guide it through its IPO, and has since supported Oncimmune's management team to deliver on its strategy and capitalise on Oncimmune's world-leading autoantibody technology. Meinhard was replaced by Alistair Macdonald, a 25-year veteran of the life science industry, who was appointed as a Director and Chair of the Board on 7 July 2022. On 13 January 2023, John Goold was appointed as a Director, bringing additional capital markets and investment relations experience to the Board.

Alistair Macdonald
Non-Executive Chairman

Alistair is a seasoned pharma executive, with more than 25 years of experience in the industry, across manufacturing, consultancy, business and corporate development, data management and clinical operations. Until April 2022 Alistair was CEO of leading, integrated CRO Syneos Health Inc., a role which he held for six years. Syneos was the result of a combination of inVentiv Health and INC Research in 2017, of which Alistair was CEO. Alistair led the merger that formed Syneos, which brought together approximately 24,000 employees, serving customers in 110 countries with innovative, end-to-end solutions to accelerate their clinical development and commercialisation timelines. Prior to becoming CEO of INC Research, Alistair led multiple functions, including Global Business Development and Marketing, Alliances Development and Delivery, Global Oncology, and Clinical Development Services.

Alistair has served as Chair of ACRO, the Association of Clinical Research Organisations, having been on its board for approximately seven years, and is Board Member of the Medicines Discovery Catapult.

Alistair received his Masters degree from Cranfield University and Bachelor's degree from Plymouth University.

Dr Adam M Hill
Chief Executive Officer

Dr Adam M Hill MB PhD is a dual-qualified Clinician and Mechanical Engineer, with a career built at the interface of industry, academia and health systems. Over the last two decades he has trained in surgery in the British Army; founded a successful applied research centre at Imperial College London; provided growth strategy and investment advice to global life science companies on behalf of the British Government; led the global medical function of a multinational, publicly listed health IT company; and pivoted a Formula One team into a developer of health technology.

Currently, Adam sits on the board of the Association of British HealthTech Industries as Vice Chair, is a Visiting Professor in Global Health Innovation at Imperial College London and a Non-Executive Director of Imperial College Health Partners and MyRecovery.ai.

Adam graduated from Imperial College London as a Medical Doctor, whilst also earning a PhD in Engineering, attending Imperial College Business School and the Royal Military Academy Sandhurst. He received his postgraduate clinical training from the Royal College of Surgeons of England, and professional engineering qualification from the Institution of Mechanical Engineers.

Dr Annalisa Jenkins
Senior Independent Non-Executive Director

Dr Annalisa Jenkins, M.B.B.S., F.R.C.P. is a life sciences thought leader with over 25 years of experience building and financing companies, pursuing cures for the most challenging diseases globally. She has consistently mentored leadership teams advancing programmes from basic research through clinical development, regulatory approval, and into healthcare systems globally. Dr Jenkins graduated in Medicine at the University of London and received her Fellowship of the Royal College of Physicians London. She trained in Cardiovascular medicine and was a research fellow at Imperial College. Earlier in her career, Dr Jenkins was a medical officer in the British Royal Navy during the Gulf Conflict, achieving the rank of Surgeon Lieutenant Commander. She also held senior leadership roles at Merck Serono, and Bristol Myers-Squibb over 15 years. Dr Jenkins served as President and CEO of Dimension Therapeutics, a leading gene therapy company she took public on the NASDAQ and subsequently sold to Ultragenyx. Following her relocation back to the UK, she developed a portfolio of roles spanning the public, private and charitable sectors, including Genomics England, The King's Fund, British Heart Foundation and Chair of YouBelong, a leading mental health care charity. She is also a Board member of several growing public and private companies, including AVROBIO, COMPASS Pathways, Affimed and Mereo Biopharma. Dr Jenkins serves on a number of advisory boards and contributes publicly on leadership with purpose, social entrepreneurship, diversity and innovation.

Timothy Bunting
Non-Executive Director

Tim joined Balderton Capital as a General Partner in 2007, before moving into his role as Senior Adviser in 2021. He was previously a partner of Goldman Sachs where he spent 18 years. At Goldman, Tim held various roles including Global Head of Equity Capital Markets and Vice-Chairman of Goldman Sachs International. Tim started to work with Balderton and its portfolio of companies in 2005. In 2006, Tim spent a period as non-executive Chairman of Betfair. Tim is also a Trustee of the Rainbow Trust Children's Charity, The Royal Opera House, Royal Springboard, and the Paul Hamlyn Foundation. In addition, Tim is Vice-Chair of the Sutton Trust.

Andrew Unitt
Independent Non-Executive Director

Mr Unitt was Chief Financial Officer at the University of Nottingham, previously a major shareholder in Oncimmune, until July 2016. Prior to working in higher education at the university, Andrew was a finance director for 20 years in a wide range of industries. His more recent background includes 11 years at Boots plc, where he was finance director for four years of Boots Healthcare International, its over the counter medicines business. He has also held several non-executive directorships in the NHS and private sector, and is currently a non-executive director of Futura Medical plc and Nottingham College, the leading further education college in the city.

John Goold
Non-Executive Director

John qualified as a chartered accountant in London with Touche Ross in 1996, before a 25-year career in the City raising growth capital and advising small- and mid-cap companies. John initially started out in corporate finance, before moving into equity sales and corporate broking where he spent most of his career. John has helped to raise over £5bn for his clients, much of which was while he was Chief Executive of Zeus Capital for over ten years. John has recently become Chief Executive Officer of Kelso Group Holdings plc, which is listed on the Main Market Standard Segment of the London Stock Exchange.

European Organisation for Research and Treatment of Cancer (EORTC)

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Working with Oncimmune's ImmunoINSIGHTS autoantibody biomarker discovery platform will provide us with outstanding biomarker insights for our trial in melanoma patients receiving pembrolizumab. Oncimmune is a highly collaborative partner who helps us generate meaningful results and furthermore assisted in the design and data analysis plans for this important biomarker study.

Alexander M.M. Eggermont, MD, PhD
Chief Scientific Officer, Board of Directors, Princess Maxima Center, Utrecht, Netherlands
Professor Clinical & Translational Immunotherapy, UMC Utrecht, Utrecht University
Board Comprehensive Cancer Center München of the TUM & LMU
Technical University Munich & Ludwig Maximiliaan University, Munich, Germany
Eur J Cancer Editor in Chief

The Directors present their report and audited consolidated financial statements for the financial period ended 31 August 2022.

Results and dividends

The consolidated statement of comprehensive income is set out on page 26 and shows revenue for the year of £3.8M (2021: £3.7M). The loss for the financial period was £11.4M (2021: loss of £5.0M). No dividend will be paid in respect of the financial year (2021: £Nil).

Corporate governance

The Directors comply with the requirements of the Quoted Companies Alliance (QCA) Corporate Governance Code to the extent that they consider it appropriate and having regard to the Company's size, board structure, stage of development and resources.

The Board considers that all Non-Executive Directors exercise independent judgment. At the beginning of the financial period ended 31 August 2022 the Board consisted of five directors, two of which were considered independent Non-Executive Directors under the QCA guidelines. On 7 July 2022 Meinhard Schmidt retired as a Director and the Chair of the Board and was replaced by Alistair Macdonald. On 13 January 2023 John Goold was appointed as Non-Executive Director and the Board therefore currently consists of six directors, two of which are considered independent Non-Executive Directors under the QCA guidelines.

The roles of Chair and Chief Executive are held by separate directors with a clear division of responsibilities between them. The Chair has primary responsibility for leading the Board and ensuring its effectiveness. He sets the Board's agenda and ensures that all directors can make an effective contribution. The Senior Independent Non-Executive Director has the power to add items to the agenda of full Board meetings. The Chief Executive has responsibility for all operational matters and the development and implementation of Group strategy approved by the Board. The Company Secretary is responsible for advising the Board, through the Chair, on all corporate governance matters.

The Company holds regular Board meetings. The Directors are responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Directors have established the Audit Committee and the Remuneration Committee with formally delegated rules and responsibilities. The Directors have also established ad hoc committees from time to time, to be responsible for certain corporate matters, which are then reported on to the Board as a whole.

The Board believes that good governance and a positive culture are crucial to the successful delivery of the Group's strategic objectives. Good standards of behaviour start with the Board and the Directors are committed to leading by example. The Directors are also conscious of achieving a more balanced, representative and diverse Board.

Ensuring that the Board is as effective as it can has been a priority, and this will continue. The Company expects members of the Board to bring with them appropriate behaviours and values to enable the Board to operate in a positive and effective manner. The Board is conscious of the need to assess the performance of the Board, ensuring it is operating effectively and for the benefit of all stakeholders. Upon joining the Board and becoming its Chair, Alistair Macdonald carried out meetings with each of the Directors to evaluate the skills and experience of the Board. The necessary skills required for the Board to add optimal value to the Company are regularly assessed by the Chair and the Board as a whole. The addition of John Goold to the Board, in January 2023, added City and investor relations experience directly into the Board.

The Board believes in setting the right tone for the Group and seeks to promote a culture that aligns itself with its strategy, stakeholder needs and good governance. The Board feels it is important to engage with all levels within the organisation and regularly receives reports and input from members outside of the senior management team.

Audit Committee

The Audit Committee determines and examines matters relating to the financial affairs of the Company, including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It receives and reviews reports from management and the Company's auditors relating to the half yearly (if subject to audit) and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee meets at least once a year. During the financial period ended 31 August 2022, the Audit Committee was comprised of Andrew Unitt (Chair) and Dr Annalisa Jenkins. Upon his appointment to the Board in July 2022, Alistair Macdonald became a member of the Audit Committee.

Remuneration Committee

The Remuneration Committee reviews and makes recommendations in respect of the Directors' remuneration and benefits packages, including share options, and the terms of their appointment. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees. The Remuneration Committee meets at least twice a year and otherwise as and when necessary. During the financial period ended 31 August 2022, the Remuneration Committee was comprised of Dr Annalisa Jenkins (Chair), Tim Bunting and Meinhard Schmidt, with Alistair Macdonald replacing Meinhard Schmidt as a member of the Remuneration Committee on 7 July 2022.

The Board

The Board typically meets once every month or every two months to review and discuss the operations and financial performance of the Group. The Board also meets on an ad hoc basis, sometimes at short notice, to discuss specific transactions or material items requiring the attention of the Directors. Directors can formally attend meetings either in person or by conference call or video conferencing. Directors can also make decisions by considering papers circulated to them and recording their decision to the matters contained in such papers. Meetings are held either in person or remotely by telephone or video conference. Dr Adam M Hill is an Executive Director and is employed on a full-time basis.

Directors' indemnity provisions

The Company has maintained throughout the financial period directors' and officers' liability insurance.

Political donations

The Company has not made any political donations during the period (FY 2021: £Nil).

Going concern

In respect of the Group's funding position, the Parent Company's subsidiary (Oncimmune Limited) entered into a €8.5M credit facility with IPF Management SA ("IPF Partners") in September 2019 which was further extended by €6.0M in October 2020 ("IPF Facility"). Each tranche of the total loan is repayable over a four-year term, interest-only for the first 12 months, with principal repayments commencing thereafter. In October 2022, the Group reprofiled its debt banking facility with IPF Partners ("IPF Facility"). The new terms provide for a deferral of all principal repayments until June 2023, no further issue of warrants, and the continued repayment of interest as from September 2022. An arrangement fee of €1.5M has been agreed which is payable at final maturity of the debt, with up to 50% (€0.75M) of this fee able to be offset against any warrants already issued to IPF Partners. As is customary with a debt facility such as this, there is a cash covenant requiring the Group to maintain nine months of cash which is tested each calendar quarter. To monitor compliance with the terms of the IPF Facility, the Board prepares and reviews monthly financial accounts.

The Group has prepared the 2022 financial statements on a going concern basis. In preparing the accounts on a going concern basis the Directors have a budget for the 12 months to 31 August 2023 and a forecast for the period to 31 March 2024, both of which include the impact of the Group's debt obligations (base case scenario). The base case scenario assumes cash from contracts with customers for the forecast period being a mix of contracted amounts, contracts currently under negotiation, repeat business from already contracted work together with contracts from as yet unidentified opportunities. It is assumed under the base case scenario that forecast operating costs are sufficient to support the forecast revenue without the need for material additional cost increases.

However, under the same base case scenario, the Group is forecast to breach the cash covenant under the IPF Facility in March 2023. The cash covenant requires the Group to have sufficient cash to meet its operating cash flow as well as all interest and principal debt repayments for the following nine months from each quarterly test point. The existing principal debt repayment schedule requires debt repayments, of €1.2M in June 2023, €2.4M in September 2023 and €3.3M in December 2023, a total of €6.9M. Whilst the operating forecast cash flow for the Group to December 2023 in the base case scenario is sufficient to cover operating cash flow and interest repayments, under the base case scenario the Group does not expect to be able to generate sufficient cash to meet the capital repayments currently due from September 2023. Such a situation gives rise to a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Board is in the process of reviewing its options for the potential sale or IPO of certain of the Group's assets, with the intention that a proportion of any proceeds received will be directed towards the repayment of debt. Furthermore, the Board has discussed with IPF Partners the possible breach of the financial covenants, and the Group's inability to pay the principal amounts scheduled under the reprofiled IPF Facility during the forecast period, together with the strategic options currently being considered by the Board. IPF Partners has confirmed to the Board that it is prepared to consider a waiver in respect of the requirement to submit a compliant financial covenant certificate in the event of a breach provided the Group complies with certain conditions. At the date of approval of the financial statements the Directors have ensured the actions requested by IPF Partners have been completed.

Based on the strategic options being considered and the ongoing funding negotiations with IPF Partners, the Board is confident in being able to settle the Group's debt obligations in full or renegotiating the current covenant obligations with IPF Partners to enable the Group and Parent Company to be able to meet their obligations as and when they fall due for the foreseeable future. However, given that neither sale proceeds have been secured or a formal waiver of covenants has been received at the date of approving these financial statements, a material uncertainty exists that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern.

Accepting the material uncertainty, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Directors' meeting attendance 2021/22

	Board	Audit Committee	Remuneration Committee
Meinhard Schmidt	7/8	–	2/4**
Alistair Macdonald	*	*	***
Dr Adam M Hill	8/8	–	–
Timothy Bunting	8/8	–	4/4
Andrew Unitt	8/8	1/1	–
Dr Annalisa Jenkins	6/8	1/1	4/4

* Alistair Macdonald joined the Board in July 2022 and did not participate in Board or Audit Committee meetings during the financial period ended 31 August 2022

** Meinhard Schmidt was excused from attending one meeting of the Remuneration Committee due to conflicts and had resigned prior to one meeting of the Remuneration Committee

*** Alistair Macdonald joined the Board in July 2022 and was excused from attending onemeeting of the Remuneration Committee due to conflicts

Risk management

The Company maintains a register of risks, which the executive management team presents to the Directors on a regular basis. Details of the Group's financial risk management objectives and policies, and exposure to price risk, credit risk, liquidity risk and foreign exchange risk are set out on page 12 and in note 29.

Events after the end of the reporting period

Details of post balance sheet events can be found in note 31 to the consolidated financial statements.

Future developments

The future developments of the Group can be found in the Strategic Report.

Research and development

The Group's research and development activities are set out in the Strategic Report.

Directors

The Directors of the Company who served during the period, and up to the date of approval of these financial statements unless otherwise stated, were:

Alistair Macdonald	Non-Executive Chairman (appointed 7 July 2022)
Meinhard Schmidt	Non-Executive Chairman (resigned 7 July 2022)
Dr Adam M Hill	Chief Executive Officer
Timothy Bunting	Non-Executive Director
Andrew Unitt	Independent Non-Executive Director
Dr Annalisa Jenkins	Senior Independent Non-Executive Director
John Goold	Non-Executive Director (appointed 13 January 2023)

Directors' interests

At 31 August 2022, the Directors and their families had the following interests in the Company's Ordinary Shares and options to subscribe for shares:

	31 August 2022		31 May 2021	
	Shares	**Options**	**Shares**	**Options**
Alistair Macdonald (appointed 7 July 2022)	–	691,641	–	–
Meinhard Schmidt (resigned 7 July 2022)	–	–	31,000	1,076,705
Dr Adam M Hill	65,867	3,490,862	32,432	3,490,862
Timothy Bunting	2,956,717	–	2,806,717	–
Andrew Unitt	–	–	–	–
Dr Annalisa Jenkins	–	–	–	–

Timothy Bunting is a partner of Balderton Capital (UK) LLP, the investment adviser to Balderton Capital Partners III, LP 2.

Directors' remuneration

The remuneration of the Executive Directors and the most senior employees Executive Directors and most senior employees is overseen by the Remuneration Committee, which is chaired by Dr Annalisa Jenkins.

The Board takes the issue of remuneration extremely seriously and endeavours to ensure that remuneration is appropriate and supports the Group's strategy and is accordingly designed in a way to promote the best interests of shareholders.

Shareholder engagement regarding remuneration is also important and therefore, as a voluntary best practice matter, shareholders will get the opportunity to once again vote on this Directors' remuneration report at a general meeting.

Directors' remuneration for FY 2022

The remuneration paid to or receivable by each person who served as a Director during the financial period to 31 August 2022 was as follows:

	Salary/ fees	Other	Bonus	Pension	Benefits	31 August 2022 Total	31 May 2021 Total
	£000	£000	£000	£000	£000	£000	£000
Alistair Macdonald (appointed 7 July 2022)	17	–	–	–	–	17	–
Meinhard Schmidt (resigned 7 July 2022)	83	–	–	–	–	83	75
Dr Adam M Hill	451	–	334*	–	–	785	439
Timothy Bunting	–	–	–	–	–	-	–
Andrew Unitt	46	–	–	–	–	46	36
Dr Annalisa Jenkins	47	–	–	–	–	47	36
Geoffrey Hamilton-Fairley (resigned 4 June 2020)	–	–	–	–	–	-	1
Julian Hirst (resigned 4 June 2020)	–	–	–	–	–	-	1
Total	**644**	**–**	**334**	**–**	**–**	**978**	**588**

* During the financial period, this discretionary bonus was paid to Dr Adam M Hill in respect of the year ended 31 May 2021. No discretionary bonus has been paid to date to Dr Adam M Hill in respect of the period to 31 August 2022.

On 10 September 2020 the company put in place a new incentivisation scheme for senior management and options to subscribe for an aggregate of up to 4,510,509 Ordinary Shares of £0.01 each were granted. The options granted have a exercise price of £0.01 and will vest based on the Company's share price during the course of the following three years, between £2.00 and £3.50 per share. For further details of the incentivisation plan, see Note 24.

Significant shareholdings

As at 31 August 2022, the Company has been notified (or is otherwise aware) of the following interests in 3% or more of the issued ordinary share capital of the Company:

	No. of Ordinary Shares	Percentage of share capital
Balderton Capital III, LP	6,813,196	9.8
Blind Trust (Richard Sharp)	4,447,000	6.4
BNP Paribas Group	3,950,408	5.7
Credit Suisse Group	3,934,496	5.7
Chelverton Asset Management	3,843,391	5.5
Dr Adam M Hill *	3,556,729	5.1
Genostics Company Ltd	3,335,659	4.8
Mr Timothy Brian Bunting * #	2,956,717	4.3
Hargreaves Lansdown Asset Management	2,903,543	4.2
Barclays	2,576,748	3.7
HSBC Holdings PLC	2,343,651	3.4

* Board of Directors

\# Timothy Bunting is a Senior Adviser of Balderton Capital (UK) LLP, the investment adviser to Balderton Capital Partners III, LP 2

Corporate Governance

In accordance with Section 172 of the Companies Act 2006, the Directors recognise the importance of our wider stakeholders to the sustainability of our business. The Directors behave and carry out their activities to promote the long-term success of the Group for the benefit of the Company's shareholders, employees, partners, customers, suppliers and other stakeholders such as regulatory authorities. The Group engages with stakeholders to reflect their insights and views when making decisions on strategy, delivering operational effectiveness, driving initiatives and delivering outcomes.

The culture and values promoted by the Directors create a focus across the Group on observing and maintaining high standards of regulatory compliance, quality control and business conduct whilst promoting the long-term success of the Company. The impact of the Group's operations on the environment and community and how these enhance social value are described above.

The Group has built and maintained relationships with shareholders, advisers and suppliers. The Directors have taken steps to develop and strengthen them through dialogue and engagement. These relationships are regularly monitored at Board level.

The Chair of the Board ensures that he is available to discuss issues with key shareholders outside of the shareholder meetings which are held. The Company complies with its disclosure obligations as set out in the AIM Rules for Companies, published by London Stock Exchange, to ensure that shareholders are updated on key developments on a timely basis.

For more detail on the corporate governance of the Group, see Corporate Governance section in the Directors' Report.

Meeting shareholder needs

The Company seeks to maintain and enhance good relations with its shareholders and analysts. The Group's Interim and Annual Reports are supplemented by regular updates to investors on commercial progress. Institutional shareholders, private client brokers, retail investors and analysts are in contact with the Directors through a regular programme of briefing presentations and meetings to discuss issues and give feedback. The Board also uses and receives formal feedback through the Company's joint stockbrokers, financial public relations advisor and other advisors. Investor forums and presentation seminars and shows provide other channels of communication to shareholders, analysts and potential investors. Individual shareholders are welcome to and regularly make contact with the Company via email or telephone.

Managing our responsibilities to wider stakeholders

The Board recognises its prime responsibility under UK corporate law is to promote the success of the Group for the benefit of its members and other stakeholders as a whole. We conduct business in an ethical way and take seriously our responsibilities to our employees, clinical study partners, contractors, key opinion leaders, trading partners, research and laboratory customers, suppliers and regulatory authorities.

The Group's employees are critical to the delivery of the Group's strategic plan. The Directors ensure that the Group complies with all UK employment laws, and have implemented appropriate standards and systems to monitor and to ensure the welfare of those employees.

The complex nature of our products and product development process, as well as the services we offer, means that we have built close working relationships with a number of key suppliers which are essential to ensure we receive the highest quality products and services.

We operate in a highly regulated area of business. National governments and regulators (Competent Authorities) implement highly structured product certification regimes to national, supra-national and international standards. Such certifications are necessary by law to manufacture and market diagnostic devices. Notified Bodies are designated by Competent Authorities to perform assessments to agreed standards. The Group is subject to those assessments where appropriate to the products manufactured and marketed by the Company.

The Group also subjects itself to audits by its customers and independent standards bodies, and its Quality Management System is certified to appropriate ISO standards.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 Group consolidated financial statements in accordance with UK-adopted international accounting standards and elected to prepare the Parent Company's financial statements under the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework). 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 and of the profit or loss of the Group and the Parent Company for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates in the financial statements that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) or UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions, and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking steps as are reasonably open to them to (i) safeguard the assets of the Group and (ii) prevent and detect fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries, and legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to the auditor

The Directors confirm that:

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

Auditor

The auditor, Crowe U.K. LLP, has expressed willingness to continue in office. In accordance with section 489(4) of the Companies Act 2006, a resolution to appoint Crowe U.K. LLP will be proposed at a general meeting.

On behalf of the Board

Dr Adam M Hill

Director and Chief Executive Officer

27 February 2023

Company registration number: 09818395 (England and Wales)

Opinion

We have audited the financial statements of Oncimmune Holdings plc (the "Parent Company") and its subsidiaries (the "Group") for the period ended 31 August 2022, which comprise:

- the Consolidated statement of comprehensive income for the period ended 31 August 2022;
- the Consolidated and Parent Company statements of financial position as at 31 August 2022;
- the Consolidated and Parent Company statements of changes in equity for the period then ended;
- the Consolidated statement of cash flows for the period then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosures Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 August 2022 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards ;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which notes that under base case forecasts and projections prepared by the Directors to assess the Group and Parent Company's ability to continue as a going concern, the Group and Parent Company are forecast to breach a covenant under current facility agreements with IPF Partners and that steps are being taken to address this forecast breach. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Obtained management's base case forecasts covering the period to 31 March 2024 which included details of management's key assumptions;
- Checked the mathematical accuracy of the model;
- Assessed how these forecasts were compiled and assessed the appropriateness of management's forecasts by challenging the assumptions used and applied;
- Assessed the accuracy of management's historic forecasting by considering the reliability of past forecasts to recent historical financial information;
- Assessed the impact of the mitigating factors available to management to restrict forecast cash outflows in management's base case;
- Obtained correspondence in relation to covenant waivers being discussed and confirmed the terms and conditions therein were consistent with those applied by management in their base case scenario forecasts; and
- Assessed the adequacy of related disclosures within the Annual Report and financial statements.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £530,000 (FY21 £235,000), based on a percentage of Group loss before tax. We determined overall materiality for the Parent Company financial statements to be £400,000 (FY21 £140,000), based on a percentage of Parent Company total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality for Group financial statements of £317,000 (FY21 £165,000) and Parent Company financial statements of £280,000 (FY21 £98,000) are set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £26,500 (2016: £11,700). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

We performed full scope audit procedures on the financial information of Oncimmune Holdings Plc, Oncimmune Limited and Oncimmune Germany GmbH and analytical procedures on the financial information of Oncimmune Europe GmbH, Oncimmune Americas LLC and Oncimmune LLC. All work was completed by the group engagement team with the exception of the work completed on Oncimmune Germany GmbH where audit procedures were completed by a component engagement team. We planned, directed and reviewed their work for group audit purposes.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We set out below, together with the material uncertainty relating to going concern above, those matters we considered to be key audit matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Risk of fraud in revenue recognition (group) *Page 10 (Chief Financial Officer's review) and page 32 (Accounting policies) and page 39 (Segmental information)* International Standards on Auditing (ISA 240) presumes there is always a risk of material misstatement due to inaccurate revenue recognition, unless this is rebutted. The incentives to misstated revenue may be to achieve personal performance targets and preserve or enhance personal reputations. The Group recognises revenue from the following key sources: ⊕ royalties; ⊕ provision and distribution of medical testing services and equipment; and ⊕ long term contracts for the profiling of autoantibodies. The risk of fraud in revenue recognition has not been rebutted. Due to the nature of revenue transactions entered into by the Group we consider the risk of fraud to arise at the management override level, through the posting of journals, for all revenue streams.	In responding to the key audit matter, we performed the following audit procedures: ⊕ obtained understanding of the systems and the processes in place for the recognition of revenue, confirmed that the key controls have been designed and implemented appropriately; ⊕ obtained understanding of the significant revenue arrangements entered into by the entity during the period and determined whether the arrangement is appropriately identified as a contract with a customer in accordance with IFRS 15; ⊕ substantively tested a sample of revenue transactions across all streams, and determined whether a contract existed with the customer and whether services had been provided to support the recognition of revenue; ⊕ agreed to documentation prepared to support the journals posted to revenue; ⊕ tested accounting estimates and judgements as they apply to revenue; and ⊕ reviewed accounts disclosures and considered whether the requirements of the accounting standards, including the disclosure of key accounting judgements in relation to revenue recognition have been complied with.
Risk of misstatement in revenue due to error and/or judgment (group) *Page 10 (Chief Financial Officer's review) and page 32 (Accounting policies) and page 38 (Accounting estimates and judgments) and page 39 (Segmental information)* The group has long term contracts that involves significant estimates and judgments (specifically in relation to cost to come) to calculate the revenue recognised for the period.	In responding to the key audit matter, we performed the following audit procedures, in addition to the procedures performed to address the risk of fraud in revenue recognition above: ⊕ obtained management's assessment and corroborative evidence to support the key estimates and judgements made in the recognition of revenue, particularly in relation to revenue recognised over time; and ⊕ considered the open performance obligations in relation to project revenue by looking at hours recorded against budget, and by checking that project budgets were appropriate.

Key audit matter	How the scope of our audit addressed the key audit matter
Impairment of goodwill and intangibles (group) *Page 33 (Accounting policies) and page 38 (Accounting estimates and judgments) and page 45 (Note 12)* The Group holds material intangible assets on its statement of financial position. Under International Accounting Standard (IAS) 36 'Impairment of Assets' the Directors are required to test annually test for impairment assets with indefinite lived, which includes goodwill. The process for making such assessments under IAS 36 is complex and highly judgemental, increasing the risk of misstatements arising.	In responding to the key audit matter, we performed the following audit procedures: ⊕ assessed management's analysis of cash generating units; ⊕ reviewed management impairment papers and analysis; ⊕ tested management's impairment model by assessing and proving the integrity of management's impairment model, testing key inputs, considering the key assumptions made by management; ⊕ engaged internal valuation specialists to provide us with an independent assessment of the discount rate; ⊕ considered external data and any contradictory evidence; ⊕ assessed management's ability to forecast accurately; ⊕ conducted sensitivity and stress test analysis; ⊕ discussed the results of our work with management; and ⊕ assessed the appropriateness, accuracy and completeness of disclosures made in the financial statements;
Intragroup loans impairment (parent company only) *Page 63 (Accounting policies – Financial instruments) and page 64 (Accounting estimates and judgments) and page 65 (Note 4)* We identified the assessment of impairment of intragroup loans as one of the most significant assessed risks of material misstatement for the parent entity only. The company had loans due from subsidiary companies of £14.2m and there is a risk that these loans may be impaired as a result of subsidiary companies incurring losses. Management's assessment of the expected credit loss of intragroup loans requires significant judgements, such as timing, extent and probability of future cash flows.	In responding to the key audit matter, we performed the following audit procedures: ⊕ assessed the appropriateness of the methodology applied by management in their assessment of the expected credit loss of intragroup loans by comparing it to the Parent company's accounting policy and relevant accounting standards; ⊕ obtained and assessed management's evaluation of the expected credit loss of intragroup loans including checking the impairment provisions and net asset values of components that have intragroup debt; ⊕ checked if management's expected credit loss model applied to intragroup loans is mathematically accurate; and ⊕ assessed the key assumptions made by management within the calculations and challenged if these are appropriate, such as the discount rate applied and assumptions regarding recoverability and timing of cash flows are appropriate, by cross reference to available data, including goodwill impairment and going concern assumptions.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were IFRSs, UK Companies Act 2006, AIM Rules, QCA code and taxation legislation in the UK being the principal jurisdiction in which the Group operates.

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements through testing a sample of material and non-material journal entries;
- We made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to processing of journal entries and other adjustments;
- We reviewed accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud;
- We performed a retrospective review of management judgements and assumptions related to significant accounting estimates; and
- We reviewed significant transactions outside the normal course of business, or those that appear unusual.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Jones (Senior Statutory Auditor)

for and on behalf of Crowe U.K. LLP
Statutory Auditor London

27 February 2023

Consolidated statement of comprehensive income
For the period ended 31 August 2022

	Notes	Period to 31 August 2022 £'000 Total	Year to 31 May 2021 (restated) £'000 Total
Revenue	4	**3,788**	3,722
Cost of sales		**(1,962)**	(865)
Gross profit		**1,826**	2,857
Research and development expenses		**(1,851)**	(1,615)
Administrative expenses		**(8,702)**	(5,652)
Share-based payment	24	**(1,691)**	(1,046)
Total administrative expenses	5	**(12,244)**	(8,313)
Other income	6	**413**	311
Operating loss		**(10,005)**	(5,145)
Finance income	9	**8**	403
Finance costs	9	**(1,562)**	(1,318)
Finance costs – net		**(1,554)**	(915)
Loss before income tax		**(11,559)**	(6,060)
Income tax credit	10	**173**	1,068
Loss for the financial period/year		**(11,386)**	(4,992)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss, net of tax			
Currency translation differences		**(130)**	(91)
Loss after tax and total comprehensive income for the period/year attributable to equity holders		**(11,516)**	(5,083)
Basic and diluted loss per share (pence)	11	**(16.49)p**	(7.73)p

All activities of the Group in the current and prior periods are classed as continuing.

All of the comprehensive income for the period is attributable to the shareholders of Oncimmune Holdings plc.

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

Consolidated statement of financial position
As at 31 August 2022

	Notes	31 August 2022 £'000	31 May 2021 £'000
Assets			
Non-current assets			
Goodwill	12	**1,578**	1,578
Intangible assets	13	**3,017**	4,116
Property, plant and equipment	14	**788**	664
Right-of-use assets	15	**552**	930
Deferred tax asset	25	**613**	937
		6,548	8,225
Current assets			
Inventories	16	**430**	143
Trade and other receivables	17	**1,340**	2,161
Contract assets	4	**417**	200
Cash and cash equivalents	18	**1,425**	8,631
		3,612	11,135
Total assets		**10,160**	19,360
Equity			
Capital and reserves attributable to the equity holders			
Share capital	23	**695**	691
Share premium	23	**40,634**	40,497
Merger reserve		**31,882**	31,882
Foreign currency translation reserve		**(42)**	88
Own shares		**(1,926)**	(1,926)
Retained earnings		**(75,422)**	(66,005)
Total equity		**(4,179)**	5,227
Liabilities			
Non-current liabilities			
Deferred tax	25	**311**	374
Lease liability	22	**295**	671
Borrowings	21	**3,917**	6,239
Other liabilities	20	**2,000**	2,000
		6,523	9,284
Current liabilities			
Trade and other payables	19	**1,176**	1,979
Contract liabilities	4	**180**	257
Other statutory liabilities		**34**	55
Lease liability	22	**321**	310
Borrowings	21	**6,105**	2,248
		7,816	4,849
Total liabilities		**14,339**	14,133
Total equity and liabilities		**10,160**	19,360

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

The financial statements were approved by the Board on 27 February 2023.

Dr Adam M Hill
Director and Chief Executive Officer

Company registration number: 09818395 (England and Wales)

Consolidated statement of changes in equity
For the period ended 31 August 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Own shares £'000	Retained earnings £'000	Total £'000
As at 1 June 2020	635	31,459	31,882	179	(1,926)	(62,423)	(194)
Loss for the year (restated)	–	–	–	–	–	(4,992)	(4,992)
Other comprehensive income:							
Currency translation differences	–	–	–	(91)	–	–	(91)
Total comprehensive expense	–	–	–	(91)	–	(4,992)	(5,083)
Transactions with owners:							
Share issued in year	50	8,331	–	–	–	–	8,381
Options exercised	2	106	–	–	–	–	108
Shares issued in relation to prior year acquisition	4	601	–	–	–	–	605
Share option charge	–	–	–	–	–	1,046	1,046
Warrants issued	–	–	–	–	–	364	364
As at 31 May 2021	**691**	**40,497**	**31,882**	**88**	**(1,926)**	**(66,005)**	**5,227**
Loss for the period	–	–	–	–	–	(11,386)	(11,386)
Other comprehensive income:							
Currency translation differences	–	–	–	(130)	–	–	(130)
Total comprehensive expense	–	–	–	(130)	–	(11,386)	(11,516)
Transactions with owners:							
Options exercised	4	137	–	–	–	–	141
Warrants issued	–	–	–	–	–	278	278
Share option charge	–	–	–	–	–	1,691	1,691
As at 31 August 2022	**695**	**40,634**	**31,882**	**(42)**	**(1,926)**	**(75,422)**	**(4,179)**

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

Consolidated statement of cash flows
For the period ended 31 August 2022

	Notes	Period to 31 August 2022 £'000	Year to 31 May 2021 (restated) £'000
Cash flows from operating activities			
Loss before income tax		**(11,559)**	(6,060)
Adjusted by:			
Depreciation and amortisation	13, 14, 15	**1,643**	740
Share-based payment charge	24	**1,691**	1,046
Interest receivable	9	**(8)**	(403)
Interest expense	9	**1,562**	1,318
Fair value movement on contingent consideration and liabilities		**–**	176
Changes in working capital:			
(Increase)/decrease in inventories		**(287)**	31
Decrease/(increase) in trade and other receivables		**629**	(919)
Decrease/(increase) in trade and other payables		**363**	(77)
Cash used in operating activities		**(6,692)**	(4,148)
Interest paid		**(597)**	(885)
Interest received		**8**	3
Income tax received		**409**	503
Net cash used in operating activities		**(6,872)**	(4,527)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(306)**	(446)
Purchase of intangible assets		**(625)**	(625)
Proceeds from sale of assets		**–**	215
Net cash used in investing activities		**(931)**	(856)
Cash flows from financing activities			
Net funds raised through share issues		**141**	8,489
Loan advances		**2,546**	2,728
Loan repayments		**(1,643)**	(1,135)
Principal elements of lease repayments		**(392)**	(303)
Net cash generated from financing activities		**652**	9,779
Net (decrease)/increase in cash and cash equivalents		**(7,151)**	4,396
Movement in cash attributable to foreign exchange		**(55)**	(5)
Cash and cash equivalents at the beginning of the period		**8,631**	4,240
Cash and cash equivalents at the end of the period	18	**1,425**	8,631

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

Notes to the consolidated financial statements

1. General information

Oncimmune Holdings plc (the 'Company') is a limited company incorporated and domiciled in England and Wales. The registered office of the company is MediCity – D6 Building, 1 Thane Road, Nottingham, NG90 6BH. The registered company number is 09818395.

The Group's principal activity is the development and commercialisation of technologies that enable cancer diagnosis.

The Directors of Oncimmune Holdings plc are responsible for the financial information and contents of the financial information.

2. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated. The financial statements are for the Group consisting of Oncimmune Holdings plc and its subsidiaries.

Basis of preparation

The Group has prepared its consolidated financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which are measured at fair value.

The Company was incorporated on 9 October 2015 and was re-registered as a public limited company on 14 December 2015. On 23 November 2015, a Group re-organisation was completed, by means of a share for share exchange, as a result of which the newly incorporated company, Oncimmune Holdings plc, became the parent company of the Group.

The companies involved in the above share for share exchange had not previously been presented in the consolidated financial statements of a single legal entity. However, the underlying business was ultimately controlled and managed by the same parties before and after the share for share exchange, and that control was not transitory. The transactions outlined above, therefore, met the definition of a common control transaction in accordance with IFRS 3 Business Combinations.

IFRS does not provide any specific guidance on accounting for common control transactions and IFRS 3 excludes common control transactions from its scope; therefore the Directors had selected an accounting policy in accordance with paragraphs 10-12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The consolidated entity met the definition of a Group reconstruction under FRS 102 19,27 and was therefore accounted for under the principals of merger accounting as outlined in FRS 102, paragraphs 19.29 – 19.33, merger accounting. The consolidated financial statements have been prepared as if Oncimmune Limited and its subsidiaries had been held by Oncimmune Holdings plc from inception, and the results and position of Oncimmune Limited have been reflected in the comparatives.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

The reporting period for this set of financial statements is the 15-month period to 31 August 2022. The accounting dates were changed in order to better align the year end with the commercial cycle of large pharma companies. Generally pharmaceutical companies' year ends are 31 December, and so they start January with a new budget. An August year end allows the Group to win contracts in the first 6 months of each calendar year and recognise the majority of the revenue. As this period is 3 months longer than the preceding period (the year to 31 May 2021), the amounts presented in these financial statements are not fully comparable.

The consolidated financial statements are presented in Sterling and have been rounded to the nearest thousand (£'000).

Principles of consolidation and equity accounting

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations.

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

Where a Group company has acquired an investment in a subsidiary undertaking and applies merger relief, under section 612 of the Companies Act 2006, the difference between the nominal value and fair value of the shares issued is credited to the merger reserve.

2. Accounting policies continued

Going concern

In respect of the Group's funding position, the Parent Company's subsidiary (Oncimmune Limited) entered into a €8.5M credit facility with IPF Management SA ("IPF Partners") in September 2019 which was further extended by €6.0M in October 2020 ("IPF Facility"). Each tranche of the total loan is repayable over a four-year term, interest-only for the first 12 months, with principal repayments commencing thereafter. In October 2022, the Group reprofiled its debt banking facility with IPF Partners. The new terms provide for a deferral of all principal repayments until June 2023, no further issue of warrants, and the continued repayment of interest as from September 2022. An arrangement fee of €1.5M has been agreed which is payable at final maturity of the debt, with up to 50% (€0.75M) of this fee able to be offset against any warrants already issued to IPF Partners. As is customary with a debt facility such as this, there is a cash covenant requiring the Group to maintain nine months of cash which is tested each calendar quarter. To monitor compliance with the terms of the IPF Facility, the Board prepares and reviews monthly financial accounts.

The Group has prepared the 2022 financial statements on a going concern basis. In preparing the accounts on a going concern basis the Directors have a budget for the 12 months to 31 August 2023 and a forecast for the period to 31 March 2024, both of which include the impact of the Group's debt obligations (base case scenario). The base case scenario assumes cash from contracts with customers for the forecast period being a mix of contracted amounts, contracts currently under negotiation, repeat business from already contracted work together with contracts from as yet unidentified opportunities. It is assumed under the base case scenario that forecast operating costs are sufficient to support the forecast revenue without the need for material additional cost increases.

However, under the same base case scenario, the Group is forecast to breach the cash covenant under the IPF Facility in March 2023. The cash covenant requires the Group to have sufficient cash to meet its operating cash flow as well as all interest and principal debt repayments for the following nine months from each quarterly test point. The existing principal debt repayment schedule requires debt repayments of €1.2M in June 2023, €2.4M in September 2023 and €3.3M in December 2023, a total of €6.9M. Whilst the forecast operating cash flow for the Group to December 2023 in the base case scenario is sufficient to cover operating cash flow and interest repayments, under the base case scenario the Group does not expect to be able to generate sufficient cash to meet the capital repayments currently due from September 2023. Such a situation gives rise to a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Board is in the process of reviewing its options for the potential sale or IPO of certain of the Group's assets, with the intention that a proportion of any proceeds received will be directed towards the repayment of debt. Furthermore, the Board has discussed with IPF Partners the possible breach of the financial covenants, and the Group's inability to pay the principal amounts scheduled under the reprofiled IPF Facility during the forecast period, together with the strategic options currently being considered by the Board. IPF Partners has confirmed to the Board that it is prepared to consider a waiver in respect of the requirement to submit a compliant financial covenant certificate in the event of a breach provided the Group complies with certain conditions. At the date of approval of the financial statements the Directors have ensured the actions requested by IPF Partners have been completed.

Based on the strategic options being considered and the ongoing funding negotiations with IPF Partners, the Board is confident in being able to settle the Group's debt obligations in full or renegotiating the current covenant obligations with IPF Partners to enable the Group and Parent Company to be able to meet their obligations as and when they fall due for the foreseeable future. However, given that neither sale proceeds have been secured or a formal waiver of covenants has been received at the date of approving these financial statements, a material uncertainty exists that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern.

Accepting the material uncertainty, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

New Standards and interpretations

The following IFRS or IFRIC interpretations have been considered by the Directors. Their adoption is not expected to, and will not, have any material impact on the disclosures or on the amounts reported in this financial information:

Standards/interpretations	Application	Effective from
IFRS 3 amendments	Business Combinations	1 January 2022
IAS 16 amendments	Property, Plant and Equipment	1 January 2022
IAS 37 amendments	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
IFRS 9 amendments	Annual Improvements to IFRS Standards 2018–2020 (fees in the 10 percent test for derecognition of financial liabilities).	1 January 2022
IAS 1 amendments	Presentation of Financial Statements	1 January 2022
IAS 8 amendments	Definition of accounting estimates	1 January 2023

2. Accounting policies continued

Revenue

IFRS 15 provides a single, principles based five-step model to be applied to all sales contracts based on the transfer of control of goods and services to customers.

The amount shown as revenue in the statement of comprehensive income comprises royalties, the provision and distribution of medical testing services and equipment and long-term contracts for the profiling of autoantibodies, in the US and other markets, including the UK.

Revenue is recognised at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the goods and services to its customers and excludes intra-Group sales, value added tax and trade discounts.

Royalty income is recognised at the point in time the tests to which the royalty licences relate are completed by third parties.

Amounts receivable in respect of the provision of medical testing services and equipment are recognised at the point in time when the tests are performed.

The Group has a number of agreements in place with distributers with annual contracted minimum numbers for tests and services. The transaction price is fixed in the agreements. The consideration due is based on looking at the volume of tests performed to date and the likelihood of the minimum number being performed over the time of the agreement. Where the minimum tests are not performed by the distributer minimum revenues contracted are recognised over time.

In the case of fixed price contracts, the customer pays a fixed minimum annually upfront. Where the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

The ImmunoINSIGHTS operating segment provides an autoantibody profiling service with contracts which include multiple deliverables noted below. Where a contract includes multiple performance obligations, each contract's transaction price will be allocated to each performance obligation based on the working hours completed per the project plan. In order to determine the revenue to recognise on these long-term contracts in a specific period, management makes certain estimates as to the stage of completion of those contracts. Management estimates the remaining time and external costs to be incurred in completing the contracts and the customer's willingness and ability to pay for the services provided. Where the payment exceeds the performance obligation a contract liability is recognised. If the services rendered by the Group exceeds the payment, a contract asset is recognised. The performance obligations as set out as milestones in the contract refer to purchasing materials, completing analysis of samples, transfer of raw data, submission and acceptance of the QC report, and delivery of the final report.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

2. Accounting policies continued

Goodwill

Goodwill on acquisitions of subsidiaries is disclosed as a separate line item in the Consolidated statement of financial position and is carried at cost less accumulated impairment losses. Goodwill represents the excess of the fair value of the consideration over the fair values of the identifiable net tangible and intangible assets acquired and is allocated to cash-generating units. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Under IFRS 3 "Business Combinations", goodwill arising on acquisitions is not subject to amortisation but is subject to annual impairment testing or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately in the Statement of consolidated comprehensive income and is not subsequently reversed. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows from other assets or groups of assets (cash generating units).

Intangible assets

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditure, where it meets certain criteria (given below), is capitalised and amortised on a straight-line basis, over its useful life which is currently five years. Asset lives are subject to regular review and an impairment exercise carried out once a year. Where no internally-generated intangible asset can be recognised, the expenditure is written-off in the period in which it is incurred.

An intangible asset arising from development is recognised if, and only if, the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use of sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group has reviewed research and development expenditure, to determine whether any of that spend could qualify as development expenditure which satisfies the requirements for capitalisation set out above. No such expenditure has been capitalised (2021: £Nil).

Other intangible assets

Intangible assets are stated at historic cost, less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the deemed useful life of an asset and is applied to the cost less any residual value. The asset classes are amortised on a straight-line basis over the following periods:

Internal developments	–	5 years
Technology platform	–	5 years
Intellectual property rights	–	5 years

Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the financial period in which they are incurred.

Depreciation is calculated on a straight- line basis over the deemed useful life of an asset and is applied to the cost less any residual value. The asset classes are depreciated on a straight-line basis over the following periods:

Laboratory equipment	–	3 – 7 years
Computer equipment	–	3 – 4 years
Office equipment	–	3 – 7 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate to do so, at the end of each reporting period. The carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset, then the asset is impaired and its value reduced by recognising an impairment in profit or loss.

2. Accounting policies continued

Property, plant and equipment continued

Gain and loss on disposal of an asset is determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Impairment testing of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Those intangible assets not yet available for use and goodwill are tested for impairment at least annually. All other individual assets or cash-generating units are tested 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 or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The reversal would be limited to the carrying amounts of the non-financial assets had no impairment been recognised.

Inventories

Inventory is carried at the lower of cost or net realisable value after making due allowance for obsolete and slow moving stock. Net realisable value is calculated based on the revenue from sale in the normal course of business less any costs to sell.

Trade receivables

Trade receivables are recognised at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. In accordance with IFRS 15 and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The balances are subject to the expected credit loss model, and are written off where there is no expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a significant period past the due date. Impairment losses on trade receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2. Accounting policies continued

Leased assets

For any new contracts entered into on or after 1 June 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset, or restore a property, at the end of the lease, lease payments to be made under reasonably certain extension options and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, Group entities measure lease liabilities at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the entities' incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It will also be remeasured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. The tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax is the expected tax payable on the taxable income for the period, and is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period for each jurisdiction, and any adjustments to the tax payable in respect of previous years. In so far as Group companies are entitled to UK tax credits on qualifying research and development expenditure, such amounts are recognised based on the weighted probability of possible outcomes. 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 taxation is provided on all temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the statement of financial position date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax is recognised in profit or loss, except where it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity respectively.

Notes to the consolidated financial statements cont.

2. Accounting policies continued

Share-based compensation

The Group operates a number of share schemes under which it makes equity-settled share-based payments to certain employees. The fair value of employee services received in exchange for the grant of the options is recognised as an expense and a credit to Retained earnings. The total amount to be expensed is determined by reference to the fair value of the options granted: including any market performance conditions and any non-vesting conditions but excluding the impact of any service and non-market performance vesting conditions (for example, profitability targets and remaining an employee of the Group for a specified period).

Non-market conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where the Group is obliged to pay employer's National Insurance contributions on the difference between the market value of the underlying shares and their exercise price when the options are exercised, a liability is measured using the value of the Company's shares at the statement of financial position date and charged to the income statement over the vesting period of the share options.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital, with any excess being recorded as share premium. The liability for social security costs arising in relation to the awards is measured at each reporting date based upon the share price at the reporting date and the elapsed portion of the relevant vesting periods to the extent that it is considered that a liability will arise.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled.

Contributions to the Group's defined contribution pension scheme and employees' personal pension plans are charged to the income statement as employee benefit expenses when they are due. The Group has no further payment obligation once the contributions have been paid.

Employee benefit trust

Assets, other than shares, held by the Oncimmune Limited's Employee Benefit Trust (EBT) are included in the Group's statement of financial position under the appropriate heading. Shares in the Company held by the EBT are disclosed as a deduction from shareholders' funds. Reflecting the substance of these arrangements, any amounts which the trustees of the EBT may resolve, pursuant to their discretionary powers, to pay to any beneficiaries of the EBT are charged to the profit or loss account only when paid, subject to statutory deductions.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker of the Group, which collectively comprises the Executive Director and CFO. The Executive Director and CFO are responsible for allocating the resources and assessing the performance of the operating segments.

Exceptional items

Exceptional items are treated as such if the matters are non-recurring, material and fall outside of the operating activities of the Group.

Government grants

Government grants receivable are recognised at their fair value and are recognised when the Group will comply with all attached conditions. The grants relate to expenditure, and are therefore recognised at the point at which the expenditure is incurred that they are intended to compensate. Government grants received in advance of expenditure are treated as deferred income.

Financial instruments

The Group's financial instruments comprise cash and various items, such as trade receivables and trade payables that arise directly from its operations. Finance payments associated with financial liabilities are dealt with as part of finance expenses.

Financial assets

The Group's financial assets comprise trade and certain other receivables as well as cash and cash equivalents.

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument and are recognised at fair value, except trade receivables which are initially measured at transaction price, and subsequently measured at amortised cost using the effective interest method less any provision for expected credit losses, based on the receivable ageing, previous experience with the debtor and known market intelligence. Any change in their value is recognised in the statement of comprehensive income. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Financial instruments continued

Financial assets continued

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for expected credit losses is undertaken at least at each statement of financial position date.

2. Accounting policies continued

Financial liabilities

The Group's financial liabilities comprise and trade and other payables.

Financial liabilities are initially recognised at the fair value of the consideration received net of issue costs and subsequently measured at amortised cost using the effective interest method.

All interest-related charges are included in the statement of comprehensive income line item "finance expense". Financial liabilities are derecognised when the obligation to settle the amount is removed.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short-term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Equity

Equity comprises the following:

- Share capital: financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's Ordinary Shares are classified as equity instruments.
- Share premium: includes any premium received on the sale of shares. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any income tax benefits.
- Own share reserve: arose on creation of a Joint Share Ownership Plan in 2010.
- Retained earnings: accumulated losses and adjustments in respect of warrants.
- Foreign currency translation reserve: differences arising from translation of investments in overseas subsidiaries. The differences arise from the translation of foreign operations' results and financial positions from their respective functional currencies to the Group's presentation currency.
- Merger reserve: The merger reserve represents the difference between the parent company's cost of investment and a subsidiary's share capital and share premium. The merger reserve in these accounts has arisen from a Group reconstruction upon the incorporation and listing of the parent company that was accounted for as a common control transaction.
- The directors have reconsidered the presentation of Other reserves and in order to simplify the presentation of the Company's financial position, has decide to record share-based payments and similar charges within retained earnings rather than within a separate reserve.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the, 'functional currency'). The consolidated financial statements are presented in Sterling (£), which is the Company's functional and the Group's presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the retranslation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to cash and borrowings are presented in the consolidated statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within operating loss.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate if material.

Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period, excluding those held in Treasury.

The diluted earnings per share would be calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of shares in issue during the period, adjusted for potentially dilutive shares that are not anti-dilutive. A diluted earnings per share has not been presented as the Group is loss making.

Notes to the consolidated financial statements cont.

2. Accounting policies continued

Prior period adjustment

The warrants issued by the Company to IPF Partners in the financial year ended 31 May 2021 (details of which are in Note 24) have been re-calculated based on a re-appraisal of the Company's historic share price volatility. The updated fair values of these warrants has resulted in a prior period adjustment, increasing finance cost by £364,000. As the opposite entry is recorded in Retained earnings, there is no impact on the Consolidated statement of financial position as at 31 May 2021.

3. Accounting estimates and judgements

The preparation of financial statements under IFRS requires the Group to make estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements 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 estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Sources of estimation uncertainty

- **Revenue stage of completion**

  Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the working hours completed per the project plan. In order to determine the revenue to recognise on these long-term contracts providing autoantibody profiling services in a specific period, management makes certain estimates as to the stage of completion of those contracts. Management estimates the remaining time and external costs to be incurred in completing the contracts and the customer's willingness and ability to pay for the services provided. A different assessment of the outturn on a contract may result in a different revenue for the work.

- **Estimated goodwill and financial asset impairment**

  The determination of the value of any impairment of goodwill and financial assets requires an estimation of the value in use of the Cash-generating Units (CGUs) to which goodwill has been allocated. The value in use calculation requires an estimate of the future cash flows expected from these CGUs, including the anticipated growth rate of revenue and costs, as well as resulting operating margin and requires the determination of a suitable discount rate to calculate the present value of the cash flows. Goodwill is tested for impairment at least annually. An impairment loss is recognised for the amount by which the asset's or CGUs carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Goodwill is subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows from other assets or groups of assets (CGUs).

- **Share-based compensation**

  The Group has a number of share-based payment arrangements, principally with its employees. These awards are valued at the point of grant for the purpose of computing the share-based payment charge. The charge is spread over the vesting period. The charge is reduced for known leavers whose awards will not vest and an estimate of future forfeitures is taken into account following management review of historical forfeitures. The outturn of these awards may differ from estimates made at the point of preparing these financial statements and will be incorporated into future accounting periods in line with IFRS 2.

  Determining the value of share-based payments to be expensed requires management to estimate of the key variables used in the selected valuation model. These include:

  - Expected life.
  - Expected volatility.
  - Expected dividend yield.
  - Interest rate.

  Further details on the assumptions used can be found in Note 24.

- **Acquisition of the China IP**

  On the acquisition of the IP rights for the EarlyCDT Lung blood test in the Peoples Republic of China and Hong Kong, an amount of £2M was agreed to be paid to Genostics Company Limited upon the satisfaction of certain events - £1M on successful registration of EarlyCDT Lung blood test with the National Medical Products Administration in China and £1M on the successful commercialisation (subject to a minimum sales volume) of the EarlyCDT Lung blood test in China. Further details are provided in Note 20.

Judgements in applying accounting policies

- **Revenue recognition: identification of performance obligations**

  Determining the number of performance obligations in the contractual arrangements with customers sometimes involves significant judgement. If performance obligations were determined differently, then this could affect both the timing and extent of the revenue recognised in a financial period.

3. Accounting estimates and judgements continued

- IFRS – 16 Leases

  The following critical accounting estimates have been made in relation to right of use assets and liabilities in the period:

Judgements in applying accounting policies continued

- IFRS – 16 Leases continued
  - Lease term

    The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease if the outcome is considered reasonably certain.

    The Group applies judgement in evaluating whether it is reasonably certain whether or not to extend or terminate the lease. This includes consideration of all economic factors, such as incentives or penalties, along with the relative importance of the underlying asset to the Group's operations and possible disruption caused by replacement. This is reassessed following significant events or changes in circumstances.

    The Group has several lease contracts for land and buildings that include extension and terminations options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: the costs and business disruption required to replace the leased asset.

    Renewal periods have not been included as part of the lease but periods covered by termination options have been included as part of the lease term for leases of land and buildings. The leases have been entered into in the last three years and the Group has not exercised its option to terminate as this would have a negative effect to the business.
  - Incremental borrowing rate (IBR) 3% being the rate of interest that was judged the Company would have to pay to borrow over a similar term and with a similar security in the current economic environment.
- Deferred tax asset

  The deferred tax asset recognised of £441,000 (2021: £627,000) relates to carried forward tax losses of Oncimmune Germany GmbH. The subsidiary has historically incurred losses, however, returned a profit in 2021. As a consequence, a deferred tax asset was recognised, which was reduced in the period by £186,000. The subsidiary has continued to commercialise the autoantibody profiling service and does not expect losses to incur in the future. The Group has concluded that the balance of deferred tax assets will be recovered based on the forecast future profits of the subsidiary. The subsidiary is expected to generate taxable income from 2023 onwards. The losses can be carried forward indefinitely and have no expiry date. The deferred tax asset of £201,000 relates to the timing difference produced by the recognition of the right of use assets and lease liabilities in Oncimmune Ltd.

4. Segmental information

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, comprising the CEO and CFO. The business has two segments. Early CDT Lung, which is the production and sale of kits for the early detection of lung cancer via a blood test, and ImmunoINSIGHTS, an autoantibody profiling service. The segmental information is split on the basis of geographical analysis, however, management report only the contents of the statement of comprehensive income and therefore no additional statement of financial position information is provided on a segmental basis in the following tables:

	Early CDT Lung		**ImmunoINSIGHTS**		
Period ended 31 August 2022	**United Kingdom £'000**	**Rest of World £'000**	**Europe £'000**	**Rest of World £'000**	**Total £'000**
Segment revenue from external customers	**233**	**1,252**	**562**	**1,741**	**3,788**
Timing of revenue recognition					
At a point in time	**233**	**381**	**–**	**–**	**618**
Over time	**–**	**871**	**562**	**1,741**	**3,170**
	233	**1,252**	**562**	**1,741**	**3,788**

	Early CDT Lung		ImmunoINSIGHTS		
Year ended 31 May 2021	United Kingdom £'000	Rest of World £'000	Europe £'000	Rest of World £'000	Total £'000
Segment revenue from external customers	156	1,122	2,316	128	3,722
Timing of revenue recognition					
At a point in time	156	433	–	–	3,033
Over time	–	689	2,316	128	689
	156	1,122	2,316	128	3,722

4. Segmental information continued

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	31 August 2022 £'000	31 May 2021 £'000
Current contract assets relating to:		
Early CDT Lung	356	200
ImmunoINSIGHTS	61	–
Loss allowance	–	–
Total contract assets	**417**	200
Current contract liabilities relating to:		
Early CDT Lung	55	176
ImmunoINSIGHTS	125	81
Total contract liabilities	**180**	257

For comparability purposes, we reclassified certain balances between trade receivables and contract liabilities. The level of trading has not resulted in material change in either Contract assets or Contract liabilities.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Revenue recognised that was included in the contract liability balance at the beginning on the period		
Early CDT Lung	138	97
ImmunoINSIGHTS	83	–
Revenue recognised from performance obligations satisfied in previous periods	–	–

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Geographical analysis by origin		
United Kingdom	233	1,278
Europe	750	2,444
North America	1,996	–
Rest of the World	809	–
Total revenues	**3,788**	3,722

4. Segmental information continued

Operating segments

Period ended 31 August 2022

	Early CDT Lung £'000	ImmunoINSIGHTS £'000	Holdings £'000	Total £'000
Revenue	**1,485**	**2,303**	**–**	**3,788**
Cost of sales	**(830)**	**(1,132)**	**–**	**(1,962)**
Gross profit	**655**	**1,171**	**–**	**1,826**
Operating loss	**(3,666)**	**(1,208)**	**(5,131)**	**(10,005)**
Finance costs – net				**(1,554)**
Loss before tax				**(11,559)**
Income tax credit				**173**
Loss for the financial period				**(11,386)**

Year ended 31 May 2021 (restated)

	Early CDT Lung £'000	ImmunoINSIGHTS £'000	Holdings £'000	Total £'000
Revenue	1,278	2,444	–	3,722
Cost of sales	(407)	(458)	–	(865)
Gross profit	871	1,986	–	2,857
Operating (loss)/profit	(3,222)	944	(2,867)	(5,145)
Finance costs – net				(915)
Loss before tax				(6,060)
Income tax credit				1,068
Loss for the financial year				(4,992)

The costs of sales for Early CDT Lung represents the cost of production, including materials and staff costs. The cost of sales for ImmunoINSIGHTS represents the cost of production, including materials and staff costs, calculated on the basis of the proportion of working hours spent on the projects to date.

Operational expenditure for non-revenue generating segments, such as the management expense of the parent company, are reported under the Holdings segment.

Assets are not reported by business segment.

In the period to 31 August 2022, the Group had three customers (2021: two) who contributed more than 10% of Group revenue. Individually these customers contributed 50% (2021:61%) of Group revenue.

Notes to the consolidated financial statements cont.

5. Expenses – analysis by nature

	Note	Period ended 31 August 2022 £'000	Year ended 31 May 2021 (restated) £'000
Depreciation of property, plant and equipment and right-of-use assets	14,15	**544**	468
Amortisation of intangible assets	13	**1,099**	272
Research and development		**1,851**	1,615
Share-based payment expense	8,24	**1,691**	1,046
Employee costs (excluding share-based payment expense)	8	**6,324**	3,648
Fair value movement on contingent consideration		**–**	176
Insurance		**609**	211
Audit and non-audit services:			
Fee payable to the company's auditor:			
Fee for the audit of the parent company and consolidated financial statements		**45**	41
Fee payable for audit of the subsidiary		**45**	41
Fee payable for audit-related assurance services*		**9**	6
Net foreign exchange (gains)/losses		**(40)**	130
Other administrative expenses		**67**	659
Total administrative expenses		**12,244**	8,313

* Paid to previous auditors

6. Other income

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Compensation for foregone commercial activity	**7**	–
Profit on disposal of property, plant and equipment	**–**	32
Coronavirus Job Retention Scheme	**7**	40
Innovation grants	**397**	239
	413	311

There are no unfulfilled conditions or other contingencies attached to grant income.

7. Remuneration of key management personnel

The Group consider that the Directors of Oncimmune Holdings plc and Frank Matthew Sunderland Hall, who is a director of Oncimmune Ltd and Ron Kirschner, to be key personnel.

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Salary, fees, bonuses and other short-term emoluments	**1,727**	1,105
Social security costs	**220**	125
Pensions	**–**	14
Share-based payments expense	**1,635**	1,035
	3,582	2,279

Details of Directors' remuneration are disclosed in the Directors' report.

8. Employees

The average number of employees (including Directors) during the period was as follows:

	Period ended 31 August 2022	Year ended 31 May 2021
Directors	5	5
Lab staff	24	28
Sales and administration	27	19
	56	52

The cost of these employees (including Directors) during the period was made up as follows:

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Wages and salaries	5,406	3,100
Social security costs	833	463
Pension cost	85	85
Share-based payments	1,691	1,046
	8,015	4,694

9. Net finance costs

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 (restated) £'000
Finance income		
Interest receivable	8	3
Net exchange gains on foreign currency borrowings	–	400
	8	403
Finance costs		
Interest payable on borrowings	(1,054)	(791)
Warrant expense	(278)	(364)
Lease interest	(27)	(46)
Arrangement fees amortised	(161)	(117)
Net exchange losses on foreign currency borrowings	(42)	–
Finance costs expensed	(1,562)	(1,318)
Net finance costs	(1,554)	(915)

Notes to the consolidated financial statements cont.

10. Income tax credit

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Current tax:		
Current tax on losses for the period	**317**	293
Adjustments for current tax of prior periods	**117**	54
Total current tax credit	**434**	347
Deferred income tax		
Decrease/(increase) in deferred tax liabilities	**63**	(216)
(Decrease)/increase in deferred tax assets	**(324)**	937
Total deferred tax (charge)/credit	**(261)**	721
Tax credit in the period	**173**	1,068

Factors affecting current tax credit:
The tax assessed on the loss for the period is different to the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
Loss before income tax	**(11,559)**	(5,696)
Loss for the period multiplied by the standard rate of corporation tax 19% (2021: 19%)	**(2,196)**	(1,082)
Adjustment in respect of prior periods	**(117)**	(54)
Expenses not deductible for tax purposes	**447**	232
Losses surrendered for R&D claims	**(144)**	(125)
Losses carried forward	**1,837**	2,097
	173	1,068

The Group has unrelieved UK tax losses with no expiry date of £32,100,596 (2021: £25,296,000) and unrelieved overseas tax losses with no expiry date of £85,753,773 (2021: £88,716,000). Deferred tax has not been provided given the uncertainty over the timing of a future reversal. At period end, management have recognised an estimated research and development tax credit of £317,120 (2021: £292,500) as calculated in line with IFRIC 23. The Group did not recognise the deferred tax arising on the share-based payments given the uncertainty over the future realisation of the asset and as the entity is loss making, it does not expect to recover the position sufficiently to make use of the deferred tax asset.

11. Loss per share

The basic earnings per share is calculated by dividing the loss attributable to the owners of Oncimmune Holdings plc by the weighted average number of Ordinary Shares in issue during the period. Diluted earnings per share has not been calculated as the entity is loss making.

	Period ended 31 August 2022	Year ended 31 May 2021
Earnings		
Loss for the purposes of basic loss per share (£'000)	**(11,386)**	(4,992)
Number of shares		
Weighted average number of shares for calculating basic earnings per share	**69,032,780**	64,571,180
Loss per share		
Basic loss per share (pence)	**(16.49)p**	(7.73)p

12. Goodwill

	Goodwill £'000
Cost	
At 1 June 2021	1,578
Additions	–
Foreign exchange movement	–
At 31 August 2022	**1,578**
Impairment	
At 1 June 2021	–
Impairment	–
Foreign exchange movement	–
At 31 August 2022	**–**
Net book values	
At 31 August 2022	**1,578**
At 31 May 2021	1,578

Goodwill of £1.58M was recognised on the acquisition of Oncimmune Germany GmbH, being the excess of the purchase consideration over the fair value of net assets acquired and represents key customer relationships, employee knowledge and skills and the acceleration of bringing the technology to our platform rather than building in-house.

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to cash generating units (CGUs) that are expected to benefit from that business combination.

The carrying amount of goodwill relates to the Oncimmune Germany GmbH's trading activities. This has been tested for impairment during the current period by comparison with the recoverable amounts of the CGU. Recoverable amounts for the CGU is based on the higher of value in use and fair value less costs to sell. The recoverable amounts of the CGU have been determined from value in use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. These cash flows are discounted using a discount rate of 17% (2021: 20%) post-tax per annum, calculated by reference to period end data on equity values and interest, dividend and tax rates. Changes in income and expenditure are based on past experience and expectations of the future changes in the market. An annual percentage growth rate of revenue of 20.4% (2021: 21.5%) and a forecast gross margin of 81.0% (2021: 83.5%) have been assumed in the calculations, The directors have considered the sensitivity of the key assumptions, including the discount rate and long-term growth rate of 1% (2021: 2%), and have concluded that any possible changes they may be reasonably contemplated in these key assumptions would not result in the value falling below the carrying value of goodwill, given the amount of headroom available.

Notes to the consolidated financial statements cont.

13. Intangible assets

	Intellectual Property Rights £'000	Internal Developments £'000	Technology Platform £'000	Total £'000
Cost				
At 1 June 2021	3,250	849	920	5,019
Additions	–	–	–	–
At 31 August 2022	**3,250**	**849**	**920**	**5,019**
Accumulated amortisation				
At 1 June 2021	20	653	230	903
Charge for the period	812	172	115	1,099
At 31 August 2022	**832**	**825**	**345**	**2,002**
Net book values				
At 31 August 2022	**2,418**	**24**	**575**	**3,017**
At 31 May 2021	3,230	196	690	4,116

The remaining amortisation periods are: Intellectual Property Rights - 3.7 years; Internal Developments - 1 year; Technology Platform - 3.2 years.

14. Property, plant and equipment

	Laboratory Equipment £'000	Computer Equipment £'000	Office Equipment £'000	Total £'000
Cost				
At 1 June 2021	1,231	88	55	1,374
Additions	283	23	–	306
Disposals	–	–	–	–
Foreign exchange movement	(16)	–	–	(16)
At 31 August 2022	**1,498**	**111**	**55**	**1,664**
Accumulated depreciation				
At 1 June 2021	624	47	39	710
Charge for the period	136	21	9	166
Disposals	–	–	–	–
Foreign exchange movement	–	–	–	–
At 31 August 2022	**760**	**68**	**48**	**876**
Net book values				
At 31 August 2022	**738**	**43**	**7**	**788**
At 31 May 2021	607	41	16	664

15. Right-of-use assets

	Office Equipment £'000	Land and Buildings £'000	Total £'000
Cost			
At 1 June 2021	97	1,262	1,359
Additions	–	–	–
At 31 August 2022	**97**	**1,262**	**1,359**
Accumulated depreciation			
At 1 June 2021	34	395	429
Charge for the period	30	348	378
At 31 August 2022	**64**	**743**	**807**
Net book values			
At 31 August 2022	**33**	**519**	**552**
At 31 May 2021	63	867	930

16. Inventories

	31 August 2022 £'000	31 May 2021 £'000
Finished goods (at cost)	**430**	143

No provision was made for inventory at the period end (2021: £nil). During the period, no inventory was written off due to obsolescence. Inventories expensed through cost of sales during the period were £508,000 (2021: £144,000).

17. Trade and other receivables

	31 August 2022 £'000	31 May 2021 £'000
Trade receivables	**891**	1,355
Other debtors	**49**	87
Prepayments	**83**	427
Current tax asset	**317**	292
	1,340	2,161

Trade receivables represents amounts due from contracts with customers. At 31 August 2022 trade receivables were stated net of provisions of £119,000 (2021: £25,000). The remaining balances were considered recoverable on normal trade terms. Due to their short-term nature of these assets there is no material difference between their fair value and the carrying value of these assets. The maximum credit risk exposure at the reporting date equated to the carrying value of trade receivables as stated net of provisions. Standard payment terms are 30 days net. For comparability purposes, we reclassified certain balances between trade receivables and contract liabilities.

18. Cash and cash equivalents

Cash balances at the end of each period are as follows:

	31 August 2022 £'000	31 May 2021 £'000
Cash at bank and in hand per statement of financial position	**1,425**	8,631
Cash per statement of cash flows	**1,425**	8,631

Notes to the consolidated financial statements cont.

19. Trade and other payables

	31 August 2022 £'000	31 May 2021 £'000
Trade payables	**446**	768
Other creditors	**77**	53
Accruals	**653**	1,158
	1,176	1,979

20. Other liabilities

	31 August 2022 £'000	May 2021 £'000
Contingent consideration – non-current	**2,000**	2,000
	2,000	2,000

The contingent consideration relates to amounts due under the contract with Genostics Company Limited for the IP rights to the EarlyCDT Lung product in the Peoples Republic of China and Hong Kong. The Board's current best estimate is that the contingent consideration will be payable within the next 2-3 years.

21. Borrowings

	31 August 2022 £'000	31 May 2021 £'000
Loan payable – current	**6,105**	2,248
Loan payable – non-current	**3,917**	6,239
	10,022	8,487

The Group reprofiled its debt banking facility with IPF Management SA in October 2022. The total loan has a four-year term with Tranche 1 and Tranche 2 now repayable by December 2023 (2021: September 2023), Tranche 3 now repayable in September 2024 (2021: October 2024) and Tranche 4 now repayable in September 2025 (2021: September 2025). All tranches were interest-only for the first 12 months, with principal repayments will recommence thereafter. Following modification of the loan terms, no interest repayments were due between 1 January 2022 to 30 June 2022 and recommenced in September 2022. Principal repayments will recommence in June 2023.

The facility includes a financial covenant obligation which requires the Group (on a quarterly basis for the term of the facility) to be able to demonstrate that it holds a minimum amount of cash equal to the next nine months' of operating cash flow, including the amounts required to service the credit facility. In order to monitor compliance with this financial covenant, the Board prepares monthly financial accounts including a calculation of covenant compliance for the following 12 months. The facility includes a floating charge over the assets of Oncimmune Holding plc and Oncimmune Ltd.

The fair value of the loans are not materially different to the carrying value, as the interest payable is close to the current market rate.

22. Leases

Amounts recognised in the statement of financial position

Right-of-use assets

Details of the Right-of-use assets held at the period end can be found in note 15, the land and building additions relate to leased properties that do not meet the definition of investment property.

Lease liabilities

	31 August 2022 £'000	31 May 2021 £'000
Current	**321**	310
Non-current	**295**	671
	616	981
Future minimum lease payments are as follows:		
Not later than one year	**324**	316
Later than one year and not later than five years	**294**	697
Later than five years	**–**	–
Total gross payments	**618**	1,013
Impact of finance expenses	**(2)**	(32)
Carrying amount of liability	**616**	981

Lease liabilities have been recognised on the incremental borrowing rate for Land and Buildings and Office Equipment.

Amounts recognised in the statement of comprehensive income

	31 August 2022 £'000	31 May 2021 £'000
Depreciation charge	**(378)**	(301)
Interest on lease liabilities	**(27)**	(46)
Rental payments with lease term less than 12 months	**(146)**	(17)
	(551)	(364)

Amounts recognised in the statement of cash flows

	31 August 2022 £'000	31 May 2021 (restated) £'000
Principal elements of lease payments	**(392)**	(211)
Rental payments with lease term less than 12 months	**(146)**	(17)
	(538)	(228)

Notes to the consolidated financial statements cont.

23. Share capital and Share premium

Group and Company

	31 August 2022		31 May 2021	
	Shares	**£**	Shares	£
Allotted, and fully paid:				
Ordinary Shares of £0.01 each	**69,475,480**	**694,755**	69,121,949	691,219

Movements in the period were as follows:

	Number of shares (thousands)	Share capital £'000	Share Premium £'000	Total £'000
At 31 May 2021	69,121	691	40,497	41,188
New issue of shares	–	–	–	–
Exercise of options and warrants	354	4	137	141
	69,475	695	40,634	41,329
Less: transaction costs arising on share issue	–	–	–	–
At 31 August 2022	**69,475**	**695**	**40,634**	**41,329**

Ordinary Shares have a par value of £0.01. They entitle the holder to participate in dividends, and to share in the proceeds of the winding up of the Company in proportion to the number of shares held. Each share is entitled to one vote in any circumstance. There were 221,000 issued Ordinary Shares in Own shares.

24. Share-based payments

The Group has granted options to certain directors and employees in respect of Ordinary Shares.

The Group has the following share options schemes in place:

The 2005 share option scheme

The 2005 share option scheme has the following principal terms:

- the scheme is limited to eligible persons, being employees, officers Scientific Advisory Board (SAB) members and consultants of the Group;
- the scheme provides for options to be granted to eligible persons to subscribe for Ordinary Shares of 0.01p each in the capital of Oncimmune Holdings plc;
- the scheme was limited to options over 14,500 Ordinary Shares in Oncimmune Limited (now 725,000 options over Ordinary Shares of Oncimmune Holdings plc), all of which have been granted and options may be issued under the Enterprise Management Incentive (EMI) rules or as unapproved options;
- no option may be exercised later than the tenth anniversary of the date of grant, extended to 20 years for certain option holders;
- each option issued under the scheme had a vesting period commencing for employees, officers and consultants on the first anniversary of the date of the grant and expiring on the fourth anniversary of the date of grant and for SAB members commencing on the second anniversary and expiring on the fourth anniversary of the date of grant;
- options issued under the scheme are non-transferable;
- vested options must be exercised (i) within 24 months of an option holder's death; (ii) within 3 months of an option holder ceasing to hold office for reasons of disability, redundancy or retirement (unless otherwise agreed by the Directors); and (iii) within 6 months of an option holder's resignation (if an employee, officer or consultant of the Group) and within 24 months of an option holder's resignation (if an SAB member), or in each case the options shall lapse;
- If an option holder shall leave the Operating Group for any reason, options granted to that option holder shall only be exercisable in the Directors' discretion;
- on 'takeover' of Oncimmune Holdings plc where a general offer is made to acquire the whole of the issued share capital of Oncimmune Holdings plc (or any class of share capital of Oncimmune Holdings plc), the acquiring company may make a 'rollover' offer to the option holders, which the option holders shall be deemed to accept, such that their options shall rollover into options in the acquiring company upon the same terms; and
- Oncimmune Holdings plc may at any time add to or vary the scheme rules provided that this does not affect the liabilities of any option holder.

24. Share-based payments continued

The 2007 share option scheme

The 2007 share option scheme is on the same principal terms as the 2005 Share Option Scheme save that:

- the scheme was limited to an additional 25,029 (increased to 68,056 options over Ordinary Shares in Oncimmune Limited and which rolled over 3,402,800 options over Ordinary Shares), of which 23,511 options over Ordinary Shares in Oncimmune Limited (rolled over into 1,175,550 options over Ordinary Shares of Oncimmune Holdings plc) have been granted;
- the vesting period for all options issued under the scheme commenced on the first anniversary of the date of grant and expired on the third anniversary of the date of grant; and
- vested options must be exercised (i) within 12 months of an option holders death; (ii) within 3 months of an option holder ceasing to hold office for reasons of disability, redundancy or retirement (unless otherwise agreed by the Directors) and (iii) on or before an option holders resignation, or in each case the options shall lapse.

In November 2015, the two existing option schemes were rolled over into the 2016 Oncimmune Holdings plc Scheme on the terms set out above.

Set out below are summaries of options granted under the plans:

	31 August 2022 WAEP*	31 August 2022 Number	31 May 2021 WAEP*	31 May 2021 Number
Outstanding as at 1 June 2021 (2021: 1 June 2020)	**0.46**	**9,147,330**	0.83	4,663,066
Granted	**0.58**	**1,017,818**	0.11	4,930,991
Lapsed	**0.49**	**(1,203,131)**	0.45	(217,772)
Exercised	**1.10**	**(127,281)**	0.45	(228,955)
Outstanding as at 31 August 2022 (2021: 31 May 2021)	**0.47**	**8,834,736**	0.46	9,147,330

* Weighted average exercise price

Share options outstanding at the period end have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 31 August 2022	Share options 31 May 2021
8 November 2016	7 November 2026	£0.01 – £1.08	**2,144,735**	2,578,773
30 November 2016	29 November 2026	£1.185	**48,565**	48,865
31 March 2017	30 March 2027	£1.19	**20,000**	20,000
21 April 2017	20 April 2027	£1.31	**30,534**	30,534
16 May 2017	15 May 2027	£1.475	**13,339**	13,339
25 October 2017	24 October 2027	£1.215	**320,000**	380,000
22 April 2018	21 April 2028	£1.26	**433,669**	451,403
25 July 2018	24 July 2028	£1.225	**47,883**	47,883
24 September 2018	23 September 2028	£1.285	**6,225**	6,225
24 January 2019	23 January 2029	£1.09	**96,330**	192,660
24 April 2019	23 April 2019	£1.08 – £1.26	**44,929**	44,929
1 July 2019	30 June 2029	£1.09	**27,890**	41,651
24 October 2019	23 October 2029	£0.02	**7,500**	7,500
29 November 2019	28 November 2029	£0.51	**29,649**	29,649
30 April 2020	29 April 2030	£0.76	**322,368**	322,368
5 June 2020	4 June 2030	£1.195	**297,187**	388,386
10 September 2020	9 September 2030	£0.01	**4,018,257**	4,510,509
11 November 2020	10 November 2020	£1.675	**–**	32,656
8 June 2021	7 June 2031	£2.10	**117,562**	-
21 December 2021	20 December 2031	£1.68	**135,109**	-
12 July 2022	11 July 2032	£0.01 – £0.78	**673,005**	-
Total			**8,834,736**	9,147,330
Weighted average remaining contractual life of outstanding options			**8.2 years**	8.1 years

Notes to the consolidated financial statements cont.

24. Share-based payments continued

The assessed fair value of all options granted by the Company has been arrived at using the Black-Scholes model except those granted on 10 September 2020 which used the Monte Carlo valuation model. The assumptions inherent in the use of the Black-Scholes model for options granted during the period ended 31 August 2022 are shown below,

164,345 share options: Grant date	8 June 2021
Expected volatility	15.0%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factors	10%
Fair value of options granted in the year	£77,000

135,109 share options: Grant date	21 December 2021
Expected volatility	50%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factors	10%
Fair value of options granted in the year	£67,000

226,112 share options: Grant date	12 July 2022
Expected volatility	15.0%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factors	10%
Fair value of options granted in the year	£21,000

- The option life is assumed to be at the end of the allowed period of exercise.
- Historical staff turnover is taken into account when determining the proportion of granted options that are likely to vest by the end of the period.
- Following the application of the vesting probability assumptions, there are no further vesting conditions other than remaining in employment with the Company during the vesting period.
- No variables change during the life of the option (e.g. dividend yield).
- Volatility has been estimated after reviewing the history of the Company's share price.

The options are subject to the rules of 2016 Share Option plan (an amalgamation of the Company's 2005 and 2007 Share option plans).

On 10 September 2020 the company put in place a new incentivisation scheme for senior management and options to subscribe for an aggregate of up to 4,510,509 Ordinary Shares of £0.01 each were granted to the Chairman, CEO, CFO and Company Secretary. The options granted have a exercise price of £0.01 and will vest based on the Company's share price during the course of the following three years, between £2.00 and £3.50 per share as set out below. The minimum number of options to vest is over 1,125,315 Ordinary Shares and the maximum number of options to vest is over 4,510,509 Ordinary Shares. Once vested, options must be held for a further two years, subject to certain exceptions and acceleration events. The Target share prices and vesting are as follows:

		Target Share Price		
£2.00	£2.50	£2.75	£3.00	£3.50
		Vesting		
25%	50%	62,5%	75%	100%

24. Share-based payments continued

The assumptions inherent in the use of the Monte Carlo model for options granted on 12 July 2022 included:

- Stock Price – £0.77 at 12 July 2022.
- Exercise Price – £0.01.
- Vesting schedule – as per the performance conditions above.
- Expiry date – 10 September 2030.
- Volatility – 50% as at 12 July 2022.
- Risk free rate – 0.12%.
- Dividend yield – 0%.

On 8 July 2022 Meinhard Schmidt resigned as Chairman. As a consequence, 492,252 share options lapsed and 164,083 share options which were fully vested, remain unexercised. On 12 July 2022 Alistair Macdonald was granted 492,252 share options under this scheme and the same terms as those issued to Meinhard Schmidt.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transaction recognised during the period as part of employee benefit expense were are follows:

	31 August 2022 £'000	31 May 2021 £'000
Total expenses arising from share-based payment transactions	1,691	1,046
	1,691	1,046

The Group has warrants outstanding as follows, over the £0.01 Ordinary Shares:

	Grant date	Number	Subscription price
Outstanding at 1 June 2021:			
Geoffrey Hamilton-Fairley	November 2015	762,500	£0.01
Harbert European Growth Fund	May 2016	282,515	£0.66368
Zeus Capital Investment Ltd	May 2016	1,041,314	£1.30
IPF Investco II Sarl	September 2019	2,036,015	£0.87091
IPF Investco II Sarl	October 2020	434,435	£1.46854
IPF Investco II Sarl	December 2021	383,994	£1.56600
Outstanding at 31 August 2022		**4,940,773**	

The assessed fair value of all warrants granted by the Company has been arrived at using the Black-Scholes model. The assumptions inherent in the use of the Black-Scholes model for warrants granted during the year to 31 May 2021 and for the period ended 31 August 2022 are shown below:

434,435 warrants: Grant date	October 2020
Expected volatility	50.0%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factors	10%
Fair value of warrants granted in the year	£363,000

383,994 warrants: Grant date	December 2021
Expected volatility	50.0%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factors	10%
Fair value of warrants granted in the year	£278,000

24. Share-based payments continued

- The warrant life is seven years.
- All warrants are fully vested on issue.
- No variables used in calculating the fair values are assumed to change during the life of the warrant.
- Volatility has been estimated after reviewing the history of the Company's share price.

25. Deferred tax

	31 August 2022 £'000	31 May 2021 £'000
Deferred tax assets		
As at 1 June 2021 (2021: 1 June 2020)	**937**	–
(Charge)/credit to income statement	**(324)**	937
As at 31 August 2022 (2021: 31 May 2021)	**613**	937
Deferred tax liabilities		
As at 1 June 2021 (2021: 1 June 2020)	**374**	133
Foreign exchange	**–**	25
(Credit)/charge to income statement	**(63)**	216
As at 31 August 2022 (2021: 31 May 2021)	**311**	374

26. Related party transactions

In the current and prior period, other than remuneration paid to Directors and key management there were no related party transaction.

27. Categories of financial instruments

	Note	**31 August 2022 £'000**	31 May 2021 £'000
Current financial assets			
At amortised cost – Trade and other receivables	17	**939**	6,277
At amortised cost – Cash and cash equivalents	18	**1,425**	8,631
Total financial assets		**2,364**	14,908
Non-financial assets		**7,796**	9,370
Total assets		**10,160**	**24,278**
Current financial liabilities			
At amortised cost – Trade and other payables	19	**557**	2,034
At amortised cost – Lease liabilities	22	**321**	310
At amortised cost – Borrowings	21	**994**	2,248
Total current financial liabilities		**1,872**	4,592
Non-financial current liabilities		**833**	5,175
Total current liabilities		**2,705**	**9,767**
Non-current financial liabilities			
At amortised cost – Contingent liability	20	**2,000**	2,000
At amortised cost – Borrowings	21	**9,028**	6,239
At amortised cost – Lease liabilities	22	**295**	671
Total non-current Financial liabilities		**11,323**	8,910
Non-financial liabilities		**311**	374
Total non-current liabilities		**11,634**	**9,284**

28. Cash flow information

This sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	31 August 2022 £'000	31 May 2021 £'000
Net debt reconciliation		
Cash and cash equivalents	**1,425**	8,631
Borrowings – non-current liability (fixed interest rates)	**(9,028)**	(6,239)
Borrowings – current liability (fixed interest rates)	**(994)**	(2,248)
Lease liability – non-current liability	**(295)**	(671)
Lease liability – current liability	**(321)**	(310)
Net debt	**(9,213)**	(837)

	Liabilities from financing activities				
	Borrowings £'000	Leases £'000	Subtotal £'000	Cash & cash equivalents £'000	Total £'000
Net debt as at 1 June 2020	**(7,287)**	**(989)**	**(8,276)**	**4,240**	**(4,036)**
Cash flows	(1,593)	303	(1,290)	4,396	3,106
New leases	–	(249)	(249)	–	(249)
Foreign exchange adjustments	400	–	400	(5)	395
Other changes	(7)	(46)	(53)	–	(53)
Net debt as at 31 May 2021	**(8,487)**	**(981)**	**(9,468)**	**8,631**	**(837)**
Cash flows	(903)	392	(511)	(7,151)	(7,662)
Foreign exchange adjustments	(42)	–	(42)	(55)	(97)
Other changes	(590)	(27)	(617)	–	(617)
Net debt as at 31 August 2022	**(10,022)**	**(616)**	**(10,638)**	**1,425**	**(9,213)**

Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

Non-cash activities

Non-cash investing and financing activity disclosed in other notes are:

- Acquisition of right-of-use assets – Note 15.

Notes to the consolidated financial statements cont.

29. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk – Foreign exchange risk

The Group has exposure to market risk – foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities not denominated in Sterling. In the years to 31 August 2022 and 31 May 2021 over 90% of the Group's income by destination was into the North American and European markets and denominated in US dollars and Euros respectively. The Group's income stream is exposed to fluctuations in the US Dollar exchange rate and the Euro exchange rate against Sterling.

In addition, borrowings are denominated in Euros, and the Group therefore is exposed to foreign exchange risk on the interest, which is at a fixed rate and also the repayments.

These risks are managed via cash flow forecasting and sensitivity analysis. The risk management is predominantly controlled by policies approved by the Board of directors. Market risks are identified and evaluated in close co-operation with the Group's operating units. The Board provides written principles for overall risk management as well as policies covering specific areas. These are reviewed monthly from the information contained with the Board packs and discussions at the Board meetings.

The Group's exposure to foreign currency risk at the end or the reporting period, expressed in GBP was as follows:

	31 August 2022		31 May 2021	
	USD £'000	**EUR £'000**	USD £'000	EUR £'000
Trade receivables	**(6)**	**623**	–	655
Trade payables	**(5)**	**(304)**	(1)	(223)
Bank loans	**–**	**(10,023)**	–	(8,488)

	Period ended 31 August 2022 £'000	Year ended 31 May 2021 £'000
The aggregate net foreign exchange gains/(losses) recognised in profit or loss were:		
Exchange gains/(losses) on foreign currency borrowing included in net finance costs	**(42)**	400
Net foreign exchange gains/(losses) included in administrative expenses	**(40)**	(130)
Total net foreign exchange (loss)/gain recognised in loss before tax	**(82)**	270

Sensitivity

As noted above, the Group is primarily exposed to changes in EUR/GBP exchange rate. The sensitivity of profit or loss to changes in the exchange rates arises mainly from EUR denominated borrowings. A 10% shift in the rate would be expected to have an impact of +/-£100k on loss before tax.

Market risk – Interest rate risk

Borrowings are denominated in Euros and the Group interest is at a fixed rate, and therefore the directors consider no risk arises in respect of future cash flows.

Market risk – Price risk

The Group is not exposed to either commodity or equity securities price risk.

Credit risk

Credit risk arises from cash and contract assets that have been accrued where minimum amounts are due contractually, and the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with banks with a minimum rating of 'A'. The credit value of customer is assessed, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management, and the aggregate financial exposure continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of trade receivables, cash and cash equivalents and contract assets. Management have considered the concentration of risk within trade or other receivables and have provided prudently.

The Group applies the IFRS – 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled minimum revenue due and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

Loss rates are based on the payment profiles over the preceding two years.

29. Financial risk management continued

Credit risk continued

	Current	30-60 days past due	60-120 days past due	Over 120 days past due	Total
31 August 2022					
Gross carrying amount – trade receivables	**683**	**1**	**4**	**203**	**891**
Gross carrying amount – contract assets	**417**	**–**	**–**	**–**	**417**
Loss allowance	**–**	**–**	**–**	**157**	**157**
31 May 2021					
Gross carrying amount – trade receivables	5,573	–	–	725	6,298
Gross carrying amount – contract assets	200	–	–	–	200
Loss allowance	–	–	–	25	25

The loss allowances for trade receivables and contract assets as at 31 August reconcile to the opening loss allowances as follows:

	Contract assets		Trade receivables	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Opening loss allowance at 1 June 2021 (2021: 1 June 2020)	**–**	–	**25**	1
Increase in loss allowance recognised in profit or loss in period	**–**	–	**132**	24
Receivables written off during the period	**–**	–	**–**	–
Unused amount reversed	**–**	–	**–**	–
Closing loss allowance at 31 August 2022 (2021: 31 May 2021)	**–**	–	**157**	25

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to engage in a repayment plan, and from discussions with the customer as payment of the debt.

Liquidity risk

Prudent liquidity risk management implies management maintaining sufficient cash and the availability of funding through committed credit facilities to meet obligations when due. At the period end, the Group had net debt of £9,213,000 (2021: £837,000). The Group has a credit facility with IPF Management SA. Each tranche of the total loan is repayable over a four-year term, interest-only for the first 12 months, with principal repayments commencing thereafter. The loan can be repaid early. The facility includes a financial covenant obligation which requires the Group (on a quarterly basis for the term of the facility to be able to demonstrate that it holds a minimum amount of cash equal to the next nine months of operating cash flow, including the amounts required to service the credit facility. In order to monitor compliance with this financial covenant, the Board prepares monthly financial accounts including a calculation of covenant compliance for the following 12 months.

Trade and other payables are monitored as part of normal management routine.

2022	Less than six months £'000	Within six to twelve months £'000	One to two years £'000	Two to five years £'000
Trade payables, statutory liabilities, and accruals	**1,210**	**–**	**–**	**–**
Contract liabilities	**180**	**–**	**–**	**–**
Contingent consideration	**2,000**	–	–	–
Borrowings	**418**	**3,556**	**4,803**	**1,245**
	3,808	**3,556**	**4,803**	**1,245**

Notes to the consolidated financial statements cont.

29. Financial risk management continued

Liquidity risk continued

Other liabilities mature according to the following schedule:

2021	Less than six months £'000	Within six to twelve months £'000	One to two years £'000	Two to five years £'000
Trade payables, statutory liabilities, and accruals	2,034	–	–	–
Contract liabilities	56	5,119	–	–
Contingent consideration	–	–	2,000	–
Lease liability	155	155	310	361
Borrowings	950	1,298	3,885	2,354
	3,195	6,572	6,195	2,715

Capital risk management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus cash and cash equivalents as presented on the face of the statement of financial position.

	August 2022 £'000	May 2021 £'000
Total equity	(4,179)	5,227
Cash and cash equivalents	1,425	8,631
Capital	(2,754)	13,858
Total financing		
Contingent consideration	2,000	2,000
Borrowings	10,022	8,487
Lease liabilities	616	981
Overall financing	12,638	11,468
Capital to overall financing ratio	(21.79)%	121.34%

The Board acknowledges the negative capital to overall financial ratio as at 31 August 2022 and considers the future commercial prospects for the Group are such that the ratio will become positive in the medium term.

30. Commitments

The Group has no capital commitments at the period end (2021: £nil).

31. Events after the end of the reporting period

In October 2022, the Group reprofiled its debt banking facility with IPF Partners. The new terms provide for a deferral of all principal repayments until June 2023, no further issue of warrants and the continued repayment of interest as from September 2022. An arrangement fee of €1.5M has been agreed which is payable at final maturity of the debt, with up to 50% (€0.75M) of this fee able to be offset against any warrants already issued to IPF Partners.

In December 2022, the Company completed an equity fundraise, raising gross proceeds of £2.1M to provide the Group with additional near-term working capital, fund future collaborations in biomarker tool development.

32. Ultimate controlling party

There is no ultimate controlling party of the Company.

33. Subsidiaries consolidated

The subsidiaries included in the consolidated financial statements of the Group are detailed below. No subsidiary undertakings have been excluded from the consolidation.

Company	Place of business/ Country of incorporation	Class of share capital held	Holding Direct %	Holding Indirect %	Principal activities
Oncimmune Limited MediCity – D6 Building, 1 Thane Road, Nottingham, NG90 6BH, UK	United Kingdom	Ordinary	100	–	Sale of blood test to identify people with a heightened risk of lung cancer and related research activities
Oncimmune Americas LLC 112 SW 7th Street Suite 3C, Topeka, KS 66603	United States of America	Ordinary	–	100	Promotion of blood test for early detection of lung cancer to the US market
Oncimmune Germany GmbH Otto-Hahn-Str 15, 44227 Dortmund Germany	Germany	Ordinary	100	–	Autoantibody profiling service
Oncimmune Europe GmbH Otto-Hahn-Str 15, 44227 Dortmund Germany	Germany	Ordinary	100	–	Distribution of blood test for early detection of lung cancer to the European market
Oncimmune LLC 251 Little Falls Drive Wilmington, DE 19808	United States of America	Ordinary	–	100	Business development and marketing services

Company statement of financial position
As at 31 August 2022

	Notes	31 August 2022 £'000	31 May 2021 £'000
Fixed assets			
Investment	3	**2,561**	2,561
		2,561	2,561
Current assets			
Debtors	4	**15,199**	18,106
Cash and cash equivalents	5	**59**	83
		15,258	18,189
Creditors: amounts falling due within one year	6	**(743)**	(979)
Net current assets		**14,515**	17,210
Total assets less current liabilities		**17,076**	19,771
Creditors: amounts falling due after more than one year		**–**	–
Total assets less total liabilities		**17,076**	19,771
Capital and reserves			
Called up share capital	7	**695**	691
Share premium account		**40,634**	40,497
Merger reserve		**1,095**	1,095
Profit and loss reserve		**(25,348)**	(22,512)
Shareholders' funds		**17,076**	19,771

In accordance with the exemptions permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been presented. The parent company loss for the period ended 31 August 2022 was £4,805,000 (2021: £3,359,000).

The accompanying notes form an integral part of the company financial statements.

The parent company financial statements were approved by the Board on 27 February 2023.

Dr Adam M Hill

Director and Chief Executive Officer

Oncimmune Holdings plc, Registered no. 09818395

Company statement of changes in equity
For the period ended 31 August 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
As at 31 May 2020	**635**	**31,459**	**1,095**	**(20,563)**	**12,626**
Loss for the year	–	–	–	(3,359)	(3,359)
Total comprehensive expense	–	–	–	(3,359)	(3,359)
Transactions with owners:					
Shares issued in settlement of contingent consideration	4	601	–	–	605
Shares issued in year	50	8,331	–	–	8,381
Options exercised in year	2	106	–	–	108
Share option charge	–	–	–	1,046	1,046
Warrants issued	–	–	–	364	364
As at 31 May 2021	**691**	**40,497**	**1,095**	**(22,512)**	**19,771**
Loss for the period	–	–	–	(4,805)	(4,805)
Total comprehensive expense	–	–	–	(4,805)	(4,805)
Transactions with owners:					
Options exercised in period	4	137	–	–	141
Share option charge	–	–	–	1,691	1,691
Warrants issued	–	–	–	278	278
As at 31 August 2022	**695**	**40,634**	**1,095**	**(25,348)**	**17,076**

The accompanying notes form an integral part of the company financial statements.

Notes to the company financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of the Company's financial statements are set out below.

Statement of compliance

The separate financial statements of the Company are presented in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' and the Companies Act 2006. They have been prepared under the historical cost convention, modified in respect of the revaluation of certain financial assets and liabilities at fair value.

Disclosure exemptions adopted

In preparing these financial statements, the Company has taken advantage of all disclosure exemptions available under FRS 101. Therefore these financial statements do not include:

- The requirements of IFRS 7 Financial Instruments: Disclosures, as equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 73 of IAS 16 Property, Plant and Equipment; and
  - paragraph 118 of IAS 38 Intangible Assets.
- The requirements of paragraphs 10(d) and 111 (statement of cash flows), 134 to 136 (managing capital), and 16 (statement of compliance with IFRS) of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows and related notes.
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share Based Payments, provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The effects of future accounting standards not adopted.

The preparation of financial statements in accordance with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

The financial statements of the Company have been prepared on a going concern basis and under the historical cost convention. The financial statements are presented in Sterling and have been rounded to the nearest thousand (£'000).

Further details on the going concern basis can be found in note 2 of the consolidated financial statements.

Investments

Investments in subsidiaries are valued at cost less impairment.

Impairment testing of non-current assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating Units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All other individual assets or Cash-generating Units are tested 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 or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

1. Accounting policies continued

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using current rates, and any adjustments to the tax payable in respect of previous years. In so far as Group companies are entitled to UK tax credits on qualifying research and development expenditure, such amounts are recognised based on the weighted probability of possible outcomes.

Deferred taxation is provided on all temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax is determined using the tax rates that have been enacted or substantially enacted by the statement of financial position date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax is recognised in the statement of comprehensive income, except where it relates to items recognised directly in equity, in which case it is recognised in equity.

Share-based compensation

Equity-settled share-based payments are recognised as an expense in profit or loss, based on the fair value of the option at the date of grant. Such costs are spread over the vesting period, adjusted for the best available estimate of the number of share options expected to vest, with a corresponding credit to equity, net of deferred tax where applicable. Such adjustments are only made in respect of non-market performance vesting conditions. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated. Vesting conditions relate to continuing employment.

Financial instruments

Financial instruments are assigned to their different categories by management on initial recognition, depending on the contractual arrangements.

Financial assets

The Company's financial assets comprise trade and certain other receivables, as well as cash and cash equivalents.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument, and are recognised at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment, based on the receivable ageing, previous experience with the debtor and known market intelligence. Any change in their value is recognised in the statement of comprehensive income.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date, whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

The Company's financial liabilities comprise contingent consideration and trade and other payables.

Financial liabilities are initially recognised at the fair value of the consideration received net of issue costs. After initial recognition contingent, considerations are measured at amortised cost using the effective interest method. All interest-related charges are included in the statement of comprehensive income line item "finance expense". Financial liabilities are derecognised when the obligation to settle the amount is removed. The contingent consideration and the contingent liability are measured on the fair value of the shares that are contingent.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short-term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Notes to the company financial statements cont.

1. Accounting policies continued

Equity

Equity comprises the following:

- Share capital: the nominal value of equity shares.
- Share premium: includes any premium received on the sale of shares. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any income tax benefits.
- Merger reserve: this recognises the excess over par value of the shares issued as part of the share-for share exchange with the previous shareholders of Oncimmune Limited.
- Retained earnings: accumulated losses and adjustments in respect of warrants.

The company has applied S612 merger relief by treating the cost of investment arising from the reorganisation as equal to the nominal value of shares issued (thus disregarding any premium arising).

2. Accounting estimates and judgements

The preparation of financial statements under FRS101 requires the Company to make estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements 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 key estimate and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities is discussed below:

- **Share-based compensation**
  Determining the value of share-based payments to be expensed requires management to make estimations of the key variables used in the selected valuation model. These include:
  - Expected life.
  - Expected volatility.
  - Expected dividend yield.
  - Interest rate.

Further details on the assumptions used can be found in note 24 of the consolidated financial statements.

- **Impairment**
  As at 31 August 2022, the Company has a gross amount due from its subsidiary Oncimmune Limited totalling £24,369,000 (2021: £28,576,000). This amount is repayable on demand and does not incur interest. Management have assessed the recoverability of this loan as at 31 August 2022 and found that given the resources available to Oncimmune Limited it would be unable to repay the full amount on demand.

  In accordance with the requirements of IFRS – 9, "Financial Instruments", management have assessed the credit risk of the loans to subsidiary undertakings and have evaluated how this has changed since the prior year. In arriving at an expected credit loss on loans to subsidiary undertakings, management have performed an unbiased probability-weighted calculation, evaluating a range of possible outcomes and incorporating the time value of money. Management estimated four scenarios, a base case scenario based on the discounted cash flows of the business to determine a recoverable amount and three further scenarios, including two downside scenarios. Each scenario was based on assumptions at the period-end date, taking into account forward-looking information and the macroeconomic environment. Each scenario was given a probability weighting percentage in determining the overall recoverable amount. Management has concluded that no further change is required to the balance of the loss allowance.

	Credit-impaired financial assets (lifetime expected credit losses) £'000
Loss allowance as at 1 June 2021	12,167
Changes in models/risk parameters	–
Loss allowance as at 31 August 2022	**12,167**

- **Prior period adjustment**
  The warrants issued by the Company to IPF Partners in the financial year ended 31 May 2021 have been re-calculated based on a re-appraisal of the Company's historic share price volatility. The updated fair values of these warrants has resulted in a prior period adjustment, increasing finance cost by £364,000. As the opposite entry is recorded in Retained earnings, there is no impact on the Statement of financial position as at 31 May 2021.

2. Accounting estimates and judgements continued

	Credit-impaired financial assets (lifetime expected credit losses) £'000
Gross carrying amount as at 1 June 2021	29,870
Other changes	(2,548)
Gross carrying amount as at 31 August 2022	**27,322**

3. Investments

	Investments in subsidiary £'000
At 1 June 2021	2,561
Additions	–
At 31 August 2022	**2,561**

Details of subsidiary undertakings as at 31 August 2022 are as follows:

			Holding		
Company	Country of incorporation	Class of share capital held	Direct %	Indirect %	Principal activity
Oncimmune Limited MediCity – D6 Building, 1 Thane Road, Nottingham, NG90 6BH, UK	United Kingdom	Ordinary	100	–	Sale of blood test to identify people with a heightened risk of lung cancer and related research activities
Oncimmune Americas LLC 112 SW 7th Street Suite 3C, Topeka, KS 66603	United States of America	Ordinary		100	Promotion of blood test for early detection of lung cancer to the US market.
Oncimmune Germany GmbH Otto-Hahn-Str 15, 44227 Dortmund, Germany	Germany	Ordinary	100	–	Autoantibody profiling service
Oncimmune Europe GmbH Otto-Hahn-Str 15, 44227 Dortmund, Germany	Germany	Ordinary	100	–	Distribution of blood test for early detection of lung cancer to the European market.
Oncimmune LLC 251 Little Falls Drive Wilmington, DE 19808	United States of America	Ordinary	–	100	Business development and marketing services

4. Trade and other receivables

	31 August 2022 £'000	31 May 2021 £'000
Loan to subsidiary undertakings	**15,155**	17,703
Other debtors	**44**	403
	15,199	18,106

At 31 August 2022 no reversal of impairment was recognised on the balance due from Oncimmune Limited. There is no material difference between the fair value and the carrying value of these assets. The assessment of impairment has been carried out under IFRS 9 using the expected credit loss model. There are no specific terms relating to the loan to subsidiary undertakings.

Notes to the company financial statements cont.

5. Cash and cash equivalents

	31 August 2022 £'000	31 May 2021 £'000
Cash at bank and in hand	59	83

6. Trade and other payables

	31 August 2022 £'000	31 May 2021 £'000
Creditors: amounts falling due within one year		
Trade payables	110	374
Amounts owed to Group undertakings	475	466
Other creditors	32	35
Accruals	127	104
	743	979

The amounts owed to Group undertakings relates to expenses incurred for Oncimmune Holdings plc by Oncimmune (USA) LLC. There are no specific terms relating to this loan.

7. Share capital

	31 August 2022		31 May 2021	
	Shares	£	Shares	£
Allotted, and fully paid:				
Ordinary Shares of £0.01 each	69,475,480	694,755	69,121,949	691,219

Detail of the movements in the period, and rights attached to the Ordinary Shares can be found in note 23 of the consolidation financial statements.

8. Employee remuneration

	August 2022 £'000	May 2021 £'000
Salary, fees, bonuses and other short-term emoluments	1,727	1,175
Social security costs	220	125
Share-based payments expense	1,635	1,001
	3,582	2,301

The average number of employees during the period was 8 (2021: 8) including 6 Directors (2021: 6) and 2 senior managers (2021: 2).

9. Events after the reporting period
Details of events after the reporting period can be found in Note 31 of the Consolidated financial statements.

10. Ultimate controlling party
There is no ultimate controlling party of the Company.

Company information

Company registration number
09818395

Registered office
MediCity – D6 Building
1 Thane Road,
Nottingham NG90 6BH

Website
www.oncimmune.com

Directors
Alistair Macdonald – Non-Executive Chairman
Dr Adam M Hill – Chief Executive Officer
Timothy Bunting – Non-Executive Director
Andrew Unitt – Non-Executive Director
Dr Annalisa Jenkins – Non-Executive Director
John Goold – Non-Executive Director

Company Secretary
Ron Kirschner

Nominated adviser
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