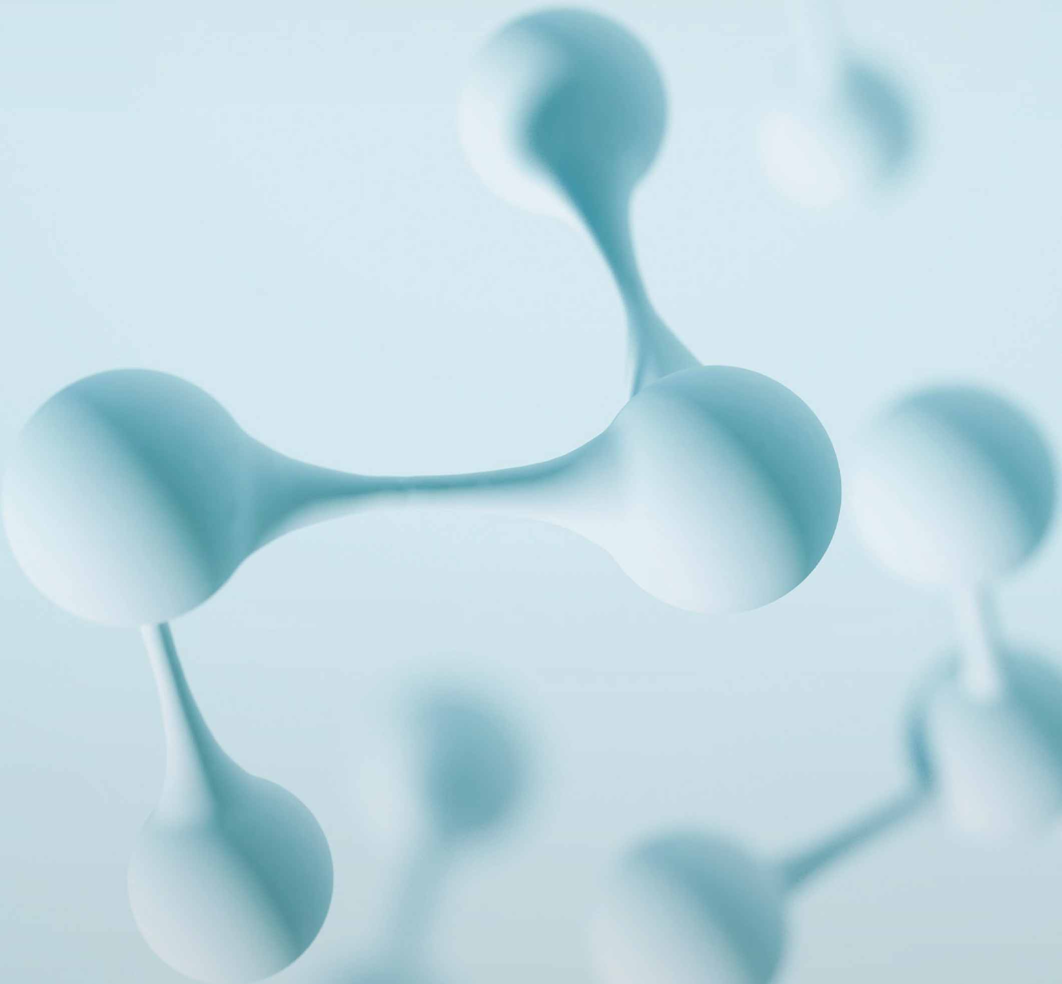
Enabling Precision Medicine

Oncimmune Holdings PLC
Annual Report and Financial Statements 2023



Oncimmune®

Welcome
to our 2023 Annual Report

Our vision is to become globally recognised experts in technology which enables breakthroughs in precision medicine.

Strategic Report

Governance

Financial Statements

Who we are

Oncimmune is now a precision medicine company, specialising in analysing immune interactions through the autoantibody profile. Taking a platform approach to generating insights, Oncimmune is partnering with global pharmaceutical and biotech companies, as well as contract research organisations (CROs) to discover novel biomarkers for the development of more targeted and effective therapies across many immune-mediated diseases.

What we do

Autoantibodies are antibodies that mistakenly target the body's own proteins, or 'self-antigens' rather than external threats. These self-antigens can be found in all cell types, or be specific and tailored to particular cell types of an organ. By understanding how autoantibodies target self-antigens, we gain valuable insights into the intricate mechanisms of the immune system's role in a wide array of diseases and how its dysregulation can be linked to the pathogenesis of autoimmune diseases. Thus, autoantibodies offer a window into immune-mediated interactions, unveiling a new class of biomarkers that captures the unique autoimmune signatures of patients. ImmunoINSIGHTS™ unlocks the immune system to discover and convert these autoantibodies into actionable biomarkers.

Our unique perspective on diseases through the lens of the immune system has allowed us to utilise autoantibodies for both early disease detection and response prediction, with demonstrated success through our early cancer detection and immune-related adverse event (irAE) prediction offerings.

Having realised the predictive power of autoimmune biomarkers, we are now taking a platform approach to generating insights, refocusing the entire business to maximise the capabilities of the ImmunoINSIGHTS technology.

Underpinned by one of the largest commercially available antigen libraries spanning over 9,000 antigens, validated in humans as well as multiple animal models, the technology can be utilised for early-stage discovery, mechanism of action validation, patient stratification in clinical trials, and to develop companion diagnostics across a wide spectrum of immune-mediated diseases. 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.

Our mission

Our mission at Oncimmune is to enable precision medicine. We help our partners to discover novel biomarkers and drug targets, and predict treatment efficacy through the application of our platform. We are able to do this by deploying our world-class scientific team and our cutting-edge technology platform, built on years of experience in the field. Our aim is to make this an essential tool in drug discovery and development.

Financial highlights

For continuing operations, FY2023 is the 12-month period to 31 August 2023.

For discontinued operations, FY2023 is the period starting 1 September 2022 and ending 19 May 2023.

FY2022 is the 15-month period to 31 August 2022 for both continuing and discontinued operations.

Revenue for the period

£2.1M

(FY2022: £3.8M)

Continuing operations
FY2023: £1.2M, (FY2022: £2.3M)

Discontinued operations
FY2023: £0.9M, (FY2022: £1.5M)

Gross profit for the period

£1.5M

(FY2022: £1.8M)

Continuing operations
FY2023: £0.8M, (FY2022: £1.2M)

Discontinued operations
FY2023: £0.7M, (FY2022: £0.6M)

Share-based payment (credit)/charge

£(1.2)M

(FY2022: £1.7M)

Continuing operations
FY2023: £(1.2)M, (FY2022: £1.6M)

Discontinued operations
FY2023: n/a, (FY2022: £0.1M)

Administrative expenses

£6.1M

(FY2022: £8.7M)

Continuing operations
FY2023: £5.0M, (FY2022: £4.9M)

Discontinued operations
FY2023: £1.1M, (FY2022: £3.8M)

Profit for the financial period

£4.1M

(FY2022: loss of £11.4M)

Continuing operations
FY2023: loss of £6.2M, (FY2022: loss of £6.8M)

Discontinued operations
FY2023: profit of £10.3M, (FY2022: loss of £4.6M)

Gain on disposal

£12.2M

(FY2022: n/a)

Loss excluding disposal

£8.1M

(FY2022: n/a)

Cash balance at period end

£3.2M

(FY2022: £1.4M)

Net debt of £2.1M (FY2022: net debt £9.2M) **including lease liabilities**

Net debt of £2.0M (FY2022: net debt £8.6M) **excluding lease liabilities**

Net cash inflow of £1.8M (FY2022: net cash outflow £(7.2)M)

Business highlights

- Reprofiled debt facility with IPF Management SA, including new payment terms
- Completed an equity fundraise, raising gross proceeds of £2.1M to provide the Group with additional near-term working capital
- Disposal of EarlyCDT® business, including the EarlyCDT Lung product, EarlyCDT platform and autoantibody development business, based in Nottingham, to Freenome for a total of £13.0M (the "Sale")
- Relaunching the business with a clear strategy to focus on ImmunoINSIGHTS, underpinned by appointment of a new leadership team and changes to the Board of Directors
- Continued collaboration with Dana-Farber Cancer Institute using ImmunoINSIGHTS for metastatic urothelial carcinoma (mUC) cancer patients, investigating the role of autoantibodies as biomarkers in checkpoint inhibitor therapies, versus chemotherapies
- Signed 12 contracts, including extensions, over half with both global pharma and biotech companies

Introduction to the company

Oncimmune is now a company enabling precision medicine, unlocking the immune system's potential to generate actionable insights. We enable this by discovering unique autoimmune signatures and potential biomarkers across many immune-mediated diseases.

Using its novel ImmunoINSIGHTS™ platform, Oncimmune unlocks the immune system, to discover and convert autoantibodies into actionable biomarkers. Our technology leverages the team's world class expertise in autoantibody signature detection and interpretation in order to consistently generate insights not only among our traditional areas of operation across immune-mediated diseases, but also into newer indication areas, such as central nervous system disorders, diabetes and metabolic diseases.

The Company is catalysing breakthroughs in precision medicine by demonstrating its predictive power of immune-related adverse events. Additionally, they are enabling life science organisations to harness autoantibody profiling for early-stage discovery, mechanism of action validation, patient stratification in clinical trials or as companion diagnostics.

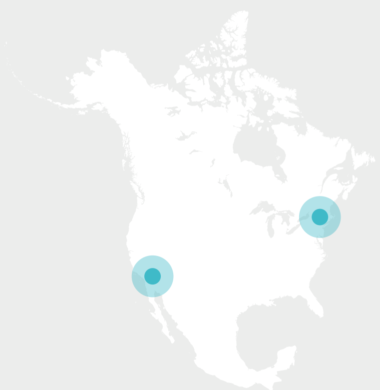
Our technology is underpinned by one of the largest commercially available antigen libraries spanning over 9,000 antigens, validated in humans as well as multiple animal models. While delivering ImmunoINSIGHTS through its contract service, Oncimmune is actively seeking customers who are developing new biomarkers and therapies, ultimately paving the way for more effective treatments and improved patient outcomes.

Oncimmune is headquartered in the UK, with its ImmunoINSIGHTS platform team located in Dortmund, Germany.
The business development team is based in the US and Europe, to facilitate access to our services for potential partners across the globe.

Oncimmune's Global Presence

UK Presence
London, Cambridge, Oxford

US Presence
San Diego and Boston



Germany Operations
Dortmund

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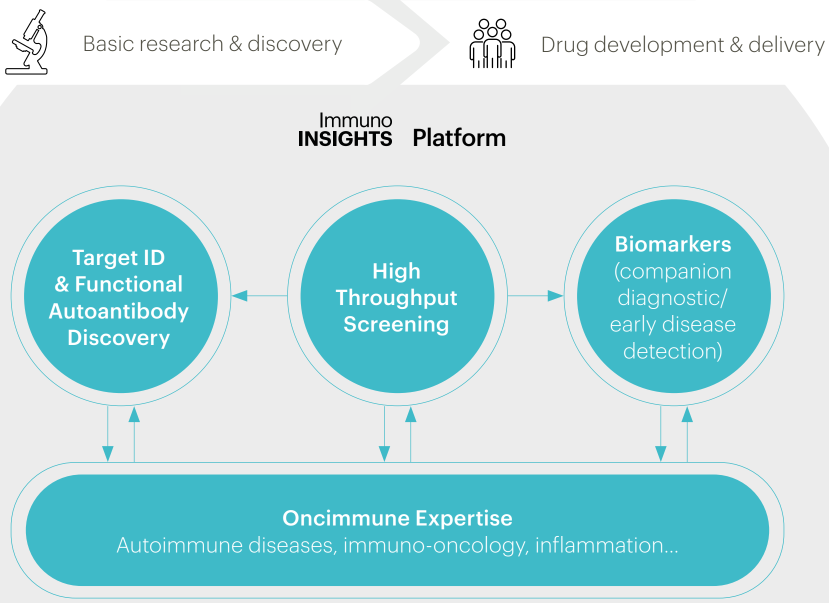
In my first couple of months with Oncimmune I have had the pleasure of meeting with a number of our current and potential customers, as well as some of our wider stakeholders, and have been very pleased to see our technological offering and customer service has been so well received. These discussions underscored the pivotal role our platform plays in drug development, reaffirming our dedication to its continued growth and impact.

Martin Gouldstone
CEO



How we create value *through our platform*

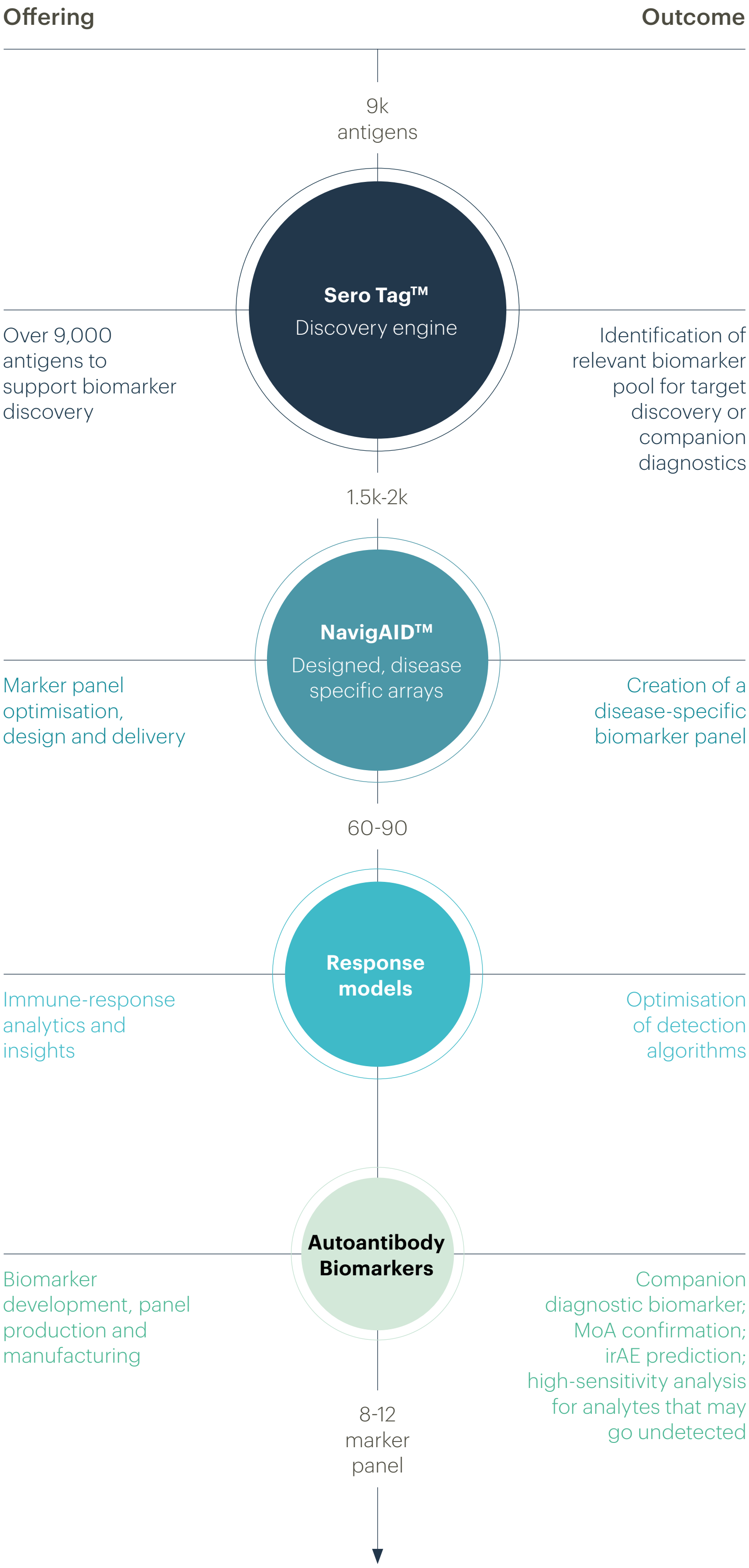
Oncimmune is now a company enabling precision medicine, unlocking the immune system's potential to generate actionable insights. We enable this by discovering unique autoimmune signatures and potential biomarkers across many immune-mediated diseases.

Through its ImmunoINSIGHTS™ platform, Oncimmune provides insights to discover and validate novel biomarkers, validate drug mode of action mechanisms, improve treatment responses and adverse event (irAE) prediction, patient screening and diagnostic accuracy.

In the late 20th century, immunotherapies emerged as a promising therapeutic strategy for treating cancer, by targeting the immune system rather than cancer cells. This shift effectively reduced side effects, holding promising potential in the fight against cancer. Yet despite this shift, fewer oncology drugs are still making it to market[1]. Oncimmune believes that the lack of effective translational biomarkers for predicting both efficacy and immune-related toxicity is a significant contributor towards this high failure rate.

The issue of toxicity associated with autoimmunity remains prevalent across many immune-mediated diseases. Oncimmune's immunoprofiling technology has been demonstrated to unlock the immune system to reveal autoimmune signatures that characterise these immune-related adverse events before they happen. It can also be used to predict efficacy as well as identify potential new therapeutic targets.

ImmunoINSIGHTS is underpinned by a comprehensive library of over 9,000 antigens, validated in human as well as multiple animal and disease models. Coupled with our experience and know-how on maximising the performance of the Luminex® system, Oncimmune offers high content biological insights and analytics powered by proprietary machine learning algorithms, models, and deep data mining solutions, to convert autoantibody detection into actionable biomarkers. Oncimmune enables biopharma and biotech companies to harness these autoantibody biomarkers across the entire drug development value chain: for early-stage target discovery and mode of action validation, to later-stage patient enrichment studies. Oncimmune's services have been used by some of the world's leading pharma companies to help de-risk their key assets through the utilisation of autoantibody biomarkers (AABs) for stratifying patient populations, or to identify companion diagnostics.



1. Wong, Siah and Lo, (2019). Estimation of clinical trial success rates and related parameters. Biostatistics. 2019 Apr 1;20(2):273-286.

"Autoantibody profiling can be compared to building bridges: using extraordinary precision and cutting-edge machinery you can connect highly dimensional multiplexing data with patient phenotypes. Each project from last year has allowed us to characterise a unique path between the autoantibody reactivity, microbiome reactivity, and/or immunoglobulin sub-types to clinical study data. Our advanced bioinformatics modules, in conjunction with our ability to maximise the Luminex XMAP technology, helps us forge these connections between data and clinical outcomes, by creating bespoke solutions that generate novel insight.

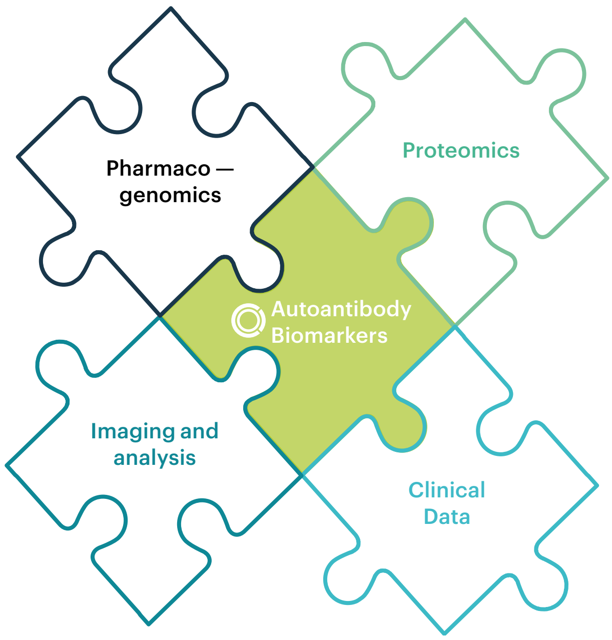
Hans-Dieter Zucht
Chief Technology Officer

A growing utilisation of autoantibody profiling in drug discovery

Autoantibody biomarkers can provide orthogonal biological validation for multiple data modalities which pharma companies traditionally collect, and help bridge the translational gap between the various lab-based 'omic' data and real-world clinical outcomes.

Instead of having to collect (for example) proteomics and immunohistochemistry data, in addition to clinical outcomes data, autoantibody biomarkers alone serve as a validation tool for traditional omics.

While providing commercial services directly to customers, Oncimmune continues to enhance its understanding of diseases and their treatment. This leads to the creation of new intellectual property and experimental know-how, which allows Oncimmune to rapidly execute new projects and, in turn, deliver insight and value to new and repeat customers.



Refocusing our efforts *on ImmunoINSIGHTS™*

We are pleased to report the Group's audited results to 31 August 2023, and provide an update on the further operational and strategic progress made since year end.

Oncimmune is a precision medicine company, specialising in analysing immune interactions through the autoantibody profile. Taking a platform approach to generating insights, Oncimmune is partnering with global pharmaceutical and biotech companies, as well as contract research organisations (CROs) to discover novel biomarkers for the development of more targeted and effective therapies across many immune-mediated diseases.

As a specialist immunology testing business, Oncimmune 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.

Oncimmune is headquartered in the UK, with commercial presence in the US and Europe. The ImmunoINSIGHTS platform team is based in Dortmund, Germany.

Business update

FY2023 continued to be a downturn for the biopharma industry, marked by fewer IPOs in the life science industry, particularly in the UK. The rising interest rates in economies around the world, along with persisting geopolitical tensions, have all impacted investor appetite in the sector, and subsequently our customers' access to capital. Additionally, large companies whose valuations rose as a result of the response to the pandemic are now seeing slumping revenues and valuations, which have had a knock-on effect on the wider industry. This downturn has impacted our customers' readiness to use our services.

This period of economic uncertainty and industry-wide cutbacks, has also affected pharma and biotech companies' access to multidisciplinary experience and talent. Consequently, pharma companies have been forced to rely further on the outsourcing market to preserve capital, focus on core competencies, and de-risk their high-value assets. However, this presents a huge opportunity for the ImmunoINSIGHTS platform we have established. Our unique expertise in autoimmune profiling and deep understanding of the immune system will prove our platform's ability to remain robust and resilient, as reflected in our growing pipeline, as well as mounting interest from current clients to explore potential strategic partnerships.

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. This year, 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 proportion of our pipeline made up of repeat customers, accounting for 83% of our current client base. This approach will persist through FY2024, where we will look to not only maximise the value of those MSAs in place, but also continue to mature relationships of both pilot projects as well as MSAs through to multi contract commercial engagements with top 20 pharma companies.

In FY2023, the team signed 12 new contracts, including extensions. Despite the backdrop of the distraction of the Freenome deal alongside the dearth of capital available for our customers that lead to slower trading in 2023, it should be emphasised that executing on 12 contracts in this current industry is an achievement and a true reflection of the platform's resilience and robustness in delivering quality results and insights.

Strategy update

During Martin's first few weeks of joining the Company, one of his first tasks as new CEO was to complete an initial assessment of Oncimmune's strategic positioning as a team, to relaunch our strategic priorities as well as establish our mission and vision.

Our updated strategy was formally announced post period end on 12 October 2023.

We believe that Oncimmune's previous focus on leveraging MSAs with larger pharma companies, whilst successful in securing a number of these agreements, led the Group to be vulnerable to delays in contracting and sample delivery, which impacted on the ability to robustly forecast revenue. The sale of Oncimmune Limited (including the EarlyCDT® blood test business) to Freenome Holdings, Inc has allowed us to refocus our efforts on the ImmunoINSIGHTS platform and scale this business with additional commercial models, encompassing strategic partnerships and value-based pricing. These should help us to deliver a more robust, predictable and sustainable revenue stream from FY2024 onwards.

We will continue to provide ImmunoINSIGHTS service for our customers using a fee for service pricing model, but aim to expand the business model by maximising the value of MSAs already in place and exploring strategic opportunities in new customer verticals, such as translational medicine and clinical CROs.

Our mission at Oncimmune is to enable precision medicine, by using our platform, together with our partners, to discover novel biomarkers and drug targets and to predict the efficacy of treatment. We are able to do this by deploying our world class scientific team and our cutting-edge technology platform, built on years of experience in the field. Our aim is to make this an essential tool in drug discovery and development. Our vision is to become the global experts in technology which enables breakthroughs in precision medicine.

We would like to take this opportunity to extend our sincere gratitude to our dedicated staff, suppliers, and loyal customers for their continued support throughout the recent fiscal period. Their commitment has been instrumental in bolstering our performance amid the year's turbulent financial environment. We also express appreciation to our shareholders for their steadfast support in navigating uncertain market conditions and the Company's transition during this period. Furthermore, we would like to thank Oncimmune's Board and management team, recognising their resourcefulness and resilience throughout the year.

> Oncimmune has an impressive portfolio of MSAs, including agreements with some of the largest global pharma companies by revenue. The Company's commercial pipeline's composition, largely consisting of repeat customers, highlights the consistently high-quality results we deliver. To me, this was a strong signal of not just the value of our insights, but also that we were likely not maximising the capabilities of the platform or leveraging new opportunities. I joined the Company realising that we were essentially relaunching with a sole focus on maximising the value of the ImmunoINSIGHTS platform, both scientifically and commercially. I believe that our new strategic approach, which encompasses CRO partnerships, the extension of our world-class technology into new scientific areas and the use of new commercial models, will help us to drive growth in FY2024 and beyond, following a tough FY2023.

Martin Gouldstone
CEO

EarlyCDT sale

In May 2023, Oncimmune sold its wholly-owned subsidiaries, Oncimmune Limited (including the CE-marked IVD EarlyCDT Lung blood test, antibody platform and research and development pipeline) and Oncimmune Europe GmbH to Freenome Holdings, Inc. for a total of £13M.

The disposal of this business enabled Oncimmune to refinance its debt with IPF Management SA ("IPF Partners") (the "IPF Facility"), allowing us to refocus the business on ImmunoINSIGHTS, primarily through Oncimmune's subsidiary, Oncimmune Germany GmbH. Separately, Freenome have signed a long-term MSA, under which Freenome will leverage the ImmunoINSIGHTS discovery services for five years, with an initial fixed term of two years, with option to extend for a further three years on the same terms.

Signing the MSA between ImmunoINSIGHTS and Freenome, in addition to the sale, adds Freenome as a new global client alongside eight of the top 15 global pharma companies who utilise the ImmunoINSIGHTS platform. This long-term agreement recognises the inherent value of our platform to generate actionable insights for therapy development as well as diagnostics — further reinforcing our position as a trusted industry leader in enabling precision medicine.

New business model

Since acquiring our immune-profiling business in March 2019, we have built a flexible multiplexing technology platform, capable of processing tens of thousands of samples per year, with a library of more than 9,000 antigens which have been validated for use on the platform (some of which are proprietary to Oncimmune) and a deep understanding of specific disease areas, backed by academic publications and intellectual property. We have worked for eight of the top 15 global pharma companies and have become a qualified supplier with several long-term master services agreements in place, generating repeat business.

During this period, we have successfully delivered 50 commercial projects for 26 customers, eight of which are the largest pharmaceutical companies by revenue.

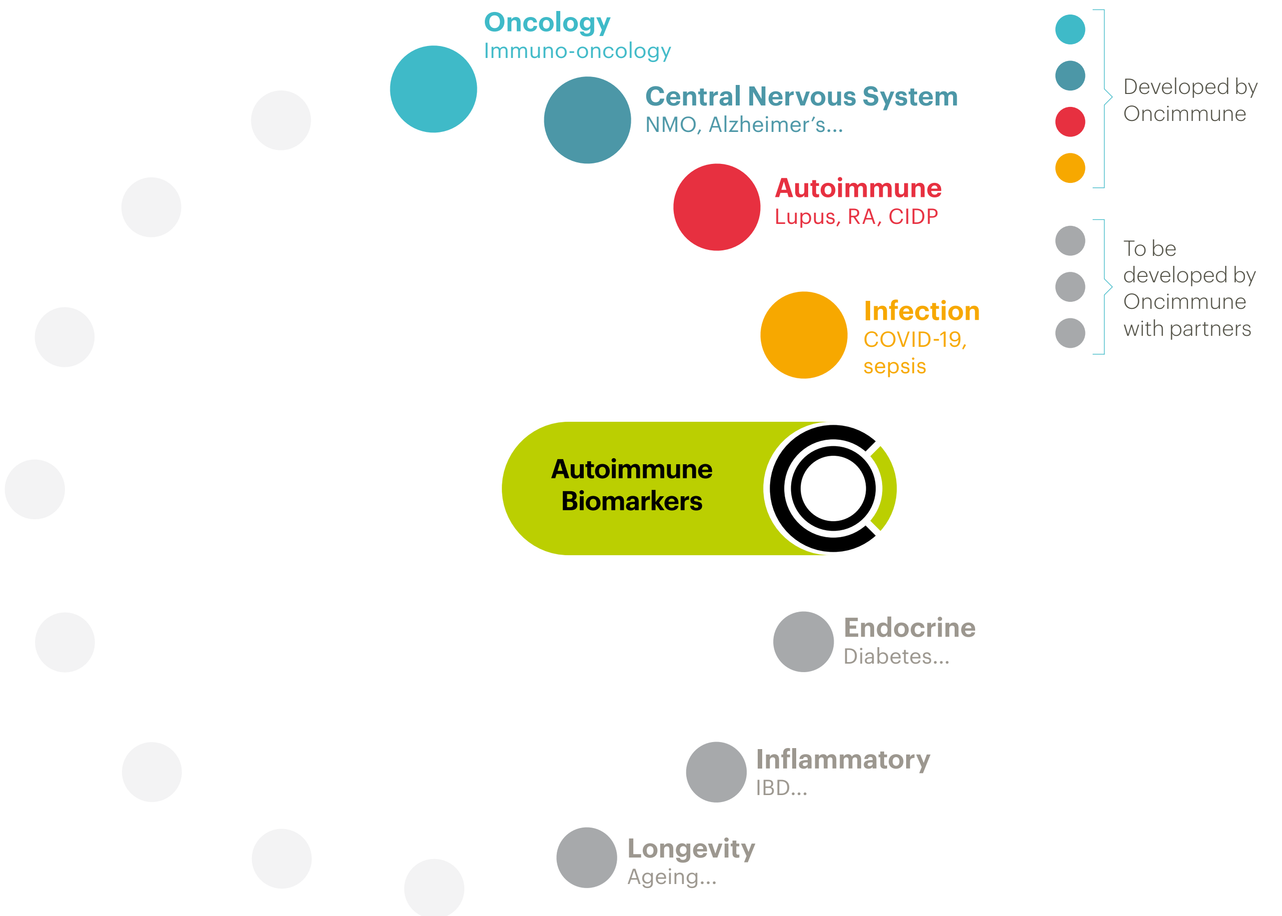
Our track record has allowed us to amass a wealth of data, experimental know-how, and refine statistical workflows across a number of applications – we are now in a position to productise the technology in multiple avenues without requiring significant additional capital investment. As a result, we are now also well-positioned to diversify the Company's business model, expanding from a price-per-sample approach to more strategic partnership models, similar to our long-term relationship with Freenome. This may include co-development projects with upfront project and milestone success fees, with pricing based on the value generated by ImmunoINSIGHTS.

In addition to partnering with biopharma and biotech companies, we intend to accelerate new commercial contracts through strategic partnerships with both translational medicine CROs focused on discovery and pre-clinical projects, and traditional clinical CROs.

This should enable us to reach through to a wider customer base beyond our existing commercial infrastructure.

Ultimately, this will allow us to expand our scientific expertise in autoantibody analysis to venture into new areas, such as predicting adverse events in immuno-oncology therapies and developing companion diagnostics. We are also planning to explore new areas in Central Nervous System disorders, longevity and diabetes.

To support the execution of this new commercial strategy, we have augmented and grown our commercial team. Key hires have already been made in Europe and the US, with further expansion planned in the short- and medium-term.



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I am encouraged to see the commercial traction already being made on delivering our strategy, including our ability to expand the application of our ImmunoINSIGHTS platform into drug discovery as well as clinical trials. I have recently spent time discussing our strategy with some of our key stakeholders and have been pleased to see how well it has been received, also allowing us to recruit top talent to further accelerate our ability to deliver on it.

Martin Gouldstone
CEO
Oncimmune announcement 30 November 2023

Progress against strategy

After setting out our vision and strategic priorities to the Company, we are pleased to provide the following update on progress against the new strategy during FY2024 so far:

- Seven contracts have been signed for new projects, with additional contracts having been approved by customers and expected to be signed in Q2 FY2024.
- Four of the contracts are with three global pharmaceutical companies who were existing customers, demonstrating Oncimmune's ability to consistently deliver high quality outputs and win repeat business from key accounts. Two of the global pharmaceutical companies have entered into long-term MSAs with us, with the third indicating that it would like to discuss entering into an MSA.
- The fifth contract is with a new customer focused on high throughput drug discovery, reflecting Oncimmune's ability to expand the scientific application of its technology platform in line with its strategy.
- The sixth contract is with a new biotech customer, facilitated through a global CRO. This signals a strong validation of our capacity to effectively leverage CRO collaborations to grow and diversify our customer base.
- Certain of the new contracts signed cover projects in adverse event prognosis and expanding the application of Oncimmune's ImmunoINSIGHTS platform, similarly in line with the strategic objectives previously set out.
- Oncimmune intends to accelerate the generation of new commercial contracts by offering its highly specialised services through CROs, enabling it to reach through to a wider customer base beyond its own direct commercial infrastructure. Discussions have begun with several CROs, including translational medicine (discovery and pre-clinical) and clinical trial focused CROs.

Alistair Macdonald
Chairman

Martin Gouldstone
Director and Chief Executive Officer

28 February 2024

Leading with science *through global partnerships*

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

During FY2023, the ImmunoINSIGHTS™ platform showcased its adaptability in categorising patients based on their autoimmune signatures, particularly in Non-Small-Cell-Lung-Cancer (NSCLC) cases, shedding light on a critical aspect of immune checkpoint inhibitor (ICI) therapy.

Patients with pre-existing autoimmune diseases, or those previously exposed to ICI therapy, are at greater risk of experiencing a flare up or immune-related adverse events (irAE). Consequently, these groups are often excluded from ICI studies. In collaboration with Roche, Oncimmune delved into the baseline autoantibody profiles of this high-risk group (the experimental group), and those without prior exposure of ICIs or history of autoimmune diseases (the control group), before enrolling in the TAIL[2] study to receive atezolizumab.

Through a detailed post-hoc exploratory analysis utilising immuno-oncology bead-based antigen arrays comprising 1,340 tumour, autoimmune disease, and immune mediated antigens, the research revealed significant differences in AABs between the experimental and control group at baseline, which were associated with overall survival and irAEs. This analysis offers preliminary yet crucial insights into the drivers of clinical outcomes of ICIs in patients with pre-existing autoimmune disease and prior ICI therapy. These insights validate the need for further developmental studies aimed at utilising AABs to provide orthogonal validation for predicting the effectiveness and safety of ICI therapies, or revealing potential therapeutic antigens. These findings were presented as an oral presentation this year at the American Society for Clinical Oncology 2023, and featured as an abstract in the May 2023 issue of the Journal of Clinical Oncology, titled "Baseline autoantibody profiling in patients with NSCLC with preexisting autoimmune diseases or who had received prior anti-PD-1 therapy before enrolling in the TAIL study"[3].

Following successful profiling of hospitalised patients with severe Covid-19, using the ImmunoINSIGHTS platform and in collaboration with Roche, the study was able to demonstrate a clear link between the antibody reactivity towards various viral and bacterial antigens, to the clinical endpoint, time-to-hospital-discharge (TTHD). The team confirmed that specific antibodies fighting the SARS-CoV-2 virus were strongly connected to extended hospital stays. In this collaboration, the team were able demonstrate further utility of the ImmunoINSIGHTS platform for predicting clinical outcomes, using epitope-specific multiplexed autoantibody profiling of anti-SARS-CoV-2; this work was presented at the Immunology 2023 conference and the conference abstract published in the Journal of Immunology[4].

The versatility of the ImmunoINSIGHTS platform in confirming the mode of action in novel ICI therapies has been demonstrated in Oncimmune's work with Faron Pharmaceuticals. This joint research sought to profile autoantibodies treated with Faron's novel immunotherapy candidate, bexmarilimab. While the Faron team investigated the B-cell phenotype and clonality, Oncimmune provided evidence on autoantibody formation in bexmarilimab treated patients in the 'Macrophage Antibody to Inhibit Immune Suppression' (MATINS) trial and confirmed the drug can induce activation and secondary immunoglobulin (Ig) G rearrangements in mature B-cells, as reflected in the autoantibody profile of these patients analysed by Oncimmune. The findings were presented at the American Association for Cancer Research (AACR) Annual Meeting 2023 and the abstract was published in the American Association for Cancer Research[5].

This research demonstrates ImmunoINSIGHTS platform's ability to confirm mechanism of actions of novel drugs, which further validates the potential of using our autoantibody biomarkers as a clinical endpoint across any B-cell mediated therapies.

After a number of years of collaboration with the Dana-Faber Cancer Institute, the ImmunoINSIGHTS team was able to jointly present research investigating the role of autoantibodies as biomarkers in ICI-treated compared to chemotherapy-treated metastatic urothelial carcinoma (mUC) cancer patients. The study investigated autoantibodies as potential predictive biomarkers of clinical outcome for mUC patients. The study was able to demonstrate that patients on ICI showed a greater induction of autoantibodies compared to patients receiving chemotherapy and that this was associated with improved response to ICI. The study was presented at 74th Mosbacher Kolloquium[6].

2. TAIL Study: A Phase III/IV, Single Arm, Multicenter Study of Atezolizumab (Tecentriq) to Investigate Long-term Safety and Efficacy in Previously-treated Patients With Locally Advanced or Metastatic Non-small Cell Lung Cancer (TAIL).
3. Rodriguez-Abreu, D. (2023) Baseline autoantibody profiling in patients with NSCLC with pre-existing autoimmune diseases or who had received prior anti-PD-1 therapy before enrolling in the TAIL study. Journal of Clinical Oncology 41, no. 16_suppl (June 01, 2023) 2512-2512.
4. Shrivastava, D. Profiling of the antibody response to viral and bacterial antigens and its correlations with time-to-hospital discharge: Covacta and Mariposa study. Journal of Immunology 1 May 2023; 210 (1_Supplement): 59.48.
5. Elisa M. Vuorinen (2023). Bexmarilimab induces B-cell activation and autoantibody production. Cancer Res (2023) 83 (7_Supplement): Abstract 2269.
6. 74th Mosbacher Kolloquium - Immune Engineering from Molecules to Therapeutic Approaches.

Collaborating closely with both a global pharma customer team and clinical experts has shed light on a crucial issue in cancer immunotherapy clinical trials. Patients with pre-existing autoimmune diseases frequently face exclusion due to concerns about potentially exacerbating their conditions. This exclusion not only limits their access to potentially life-saving treatments but also hampers our understanding of how these therapies could benefit a broader patient population. Presenting the groundbreaking data from the TAIL[2] study at ASCO 2023 stands as a testament to the immense value of the science and technology at the core of Oncimmune.

Dr Petra Budde
Chief Scientific Officer

Our commitment *to ESG*

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 the development of more personalised treatment.

Whilst its overall mission has societal benefits, Oncimmune strives to achieve this by acting ethically and responsibly at all times. The Group has formalised its environmental, social and governance (ESG) goals by adopting an ESG Policy and implementing a strategy to deliver the objectives set out in the policy. As the Group's business and structure has changed it has amended some of its ESG goals and actions, to ensure they remain appropriate for the Group's size and activities. The table on the following pages sets out the Group's commitments under its ESG Policy, the actions it has taken towards those commitments in FY2023 and the priorities it has set itself for FY2024.

Corporate Values

We strive to:

Lead with science

We champion a culture where every decision, every innovation, and every solution is rooted in rigorous scientific principles. We lead with unwavering dedication to excellence, where top quality science is at the core of what we deliver to our customers, driving advancements that will set industry standards

Unite to create an impact

The key to our success is the close relationship we have as a team and our partners. At every level, we grow relationships with our colleagues and partners, aiming high to make an impact for all stakeholders across the life science ecosystem

Enjoy the challenge

We challenge ourselves, our colleagues and our partners to find new and better ways to realise the potential of our science, with each drop

Commitment	2023 progress	2024 priorities
Environment Oncimmune strives to reduce any negative impact it is having on the environment in general, but specifically in the areas set out below.		
Carbon usage Oncimmune will take steps to reduce its use of carbon emitting resources, both in its operations and in the business-related activities of its employees and contractors.	• A baseline energy use was determined for the Group's operations in Nottingham, UK (in collaboration with Nottingham Trent University). • Freezer capacity was arranged such that unused capacity led to the switching off of two freezers. • The freezer storage temperature was increased from -80°C to -70°C, leading to reduction in energy consumption. • A hybrid working model was formalised, leading to a reduction in travel requirements.	• Taking the lessons learnt in the UK operations and implementing them in the operations in Germany. • Appoint environmental champions to drive continued reduction in carbon footprint.
Resource management, including water conservation Oncimmune monitors the use of resources, including water, paper, chemicals and minerals, and intends to reduce such use year-on-year. To the extent that use cannot be eliminated, steps will be taken to increase recycling or reuse of resources.	Oncimmune has moved to an almost paperless environment with the use of electronic laboratory books and electronic signatures on documents.	Continue to investigate additional methods for reducing consumption.
Use and disposal of hazardous materials and human tissue Certain chemicals are considered hazardous if they are harmful to humans or the environment. As part of Oncimmune's business it is required to use certain hazardous chemicals and to handle human derived material (which may in itself be potentially hazardous). Oncimmune minimises its use of hazardous material and at all times complies with all applicable laws and regulations pertaining to the use and disposal of hazardous materials and human tissue.	• Oncimmune complies with applicable laws and regulations on the use and disposal of hazardous materials. • The use of hazardous materials is regularly assessed, with a view to using safer materials if possible.	Continue to comply with all laws and regulations and to review the use of hazardous materials.

Commitment	2023 progress	2024 priorities
Social Responsibility Oncimmune's employees are its key resource and looking after its workforce is imperative to Oncimmune's business. By extension, Oncimmune believes that all employees should be treated fairly and legally and therefore expects those it does business with to respect appropriate employment practices.		
Human rights Oncimmune has the utmost respect for human rights and a zero-tolerance approach to any breach of them.	Oncimmune has in place appropriate policies against abuses of human rights and does not knowingly do business with anyone who Oncimmune reasonably believes or suspects is involved in the abuse of human rights.	Continue to monitor compliance with human rights policy by global suppliers through the regular monitoring of suppliers.
Health and Safety The health and safety of Oncimmune's employees and contractors, as well as all those who visit its sites, is paramount and of the highest priority. Oncimmune complies with all applicable health and safety legislation, including the Health and Safety at Work Act 1974, the German Occupational Safety Act (Arbeitsschutzgesetz), and other relevant regulations, approved codes of practice and guidance.	Oncimmune has thorough health and safety policies in place and its Health and Safety Committee regularly reassesses and audits its health and safety procedures. Health and safety is also monitored through Oncimmune's certified quality management system.	Continue to place health and safety at the core of operations and regularly review.
Employee relations and diversity Oncimmune is an equal opportunities employer. It is committed to providing equal opportunities throughout all stages of employment, including in recruitment, selection, training and promotion. Oncimmune believes that each individual is entitled to dignity and respect and requires all staff to adhere to acceptable levels of conduct and behaviour to allow everyone to work to their fullest potential without harassment, bullying or intimidation.	‣ In the UK, Oncimmune put in place Wellbeing Champions, who were trained in mental health and safety. ‣ A stress risk assessment was introduced in the UK. ‣ Policies to allow flexible work locations and hybrid working model were formalised following the Covid pandemic. ‣ Employees sponsored and supported with time off to pursue PhD and other educational courses.	‣ Continue to support employees wanting to obtain post-graduate qualifications. ‣ Promote regular staff engagement, to keep all employees informed of Oncimmune's strategy and performance. ‣ Establish corporate values and clear performance metrics.
Community engagement Oncimmune will engage with local communities where it operates and will allow and encourage its employees to do the same. As a leader in the scientific community, Oncimmune may support the enhancement of the scientific and technological profession through engaging with local academic institutions and individual students.	‣ An internship programme was run for students from local educational institutions. ‣ The facility to make charitable donations through payroll has been provided to employees in Germany.	‣ Continue to provide internship programmes. ‣ Facilitate employee participation in events to support their local community.

Commitment	2023 progress	2024 priorities
Corporate Governance A robust corporate governance structure delivers long-term growth and protects shareholder value. To ensure it meets globally recognised corporate governance best practice, Oncimmune has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code and adheres to its principles		
Corporate governance standards As Oncimmune is part of a group listed on the Alternative Investment Market (AIM) of the London Stock Exchange it is subject to certain obligations, including those relating to regular reporting, shareholder engagement and the trading in its shares. Oncimmune shall at all times comply with such obligations and have in place adequate policies, procedures and training to ensure its employees and contractors are aware of their individual obligations and comply with them.	• Continued adherence to the QCA Corporate Governance Code as appropriate. • New Board members were trained by the Company's Nominated Adviser on compliance with appropriate regulations and the Board as a whole received its annual update from the Nominated Adviser.	Continue to adhere to the QCA Corporate Governance Code, the AIM Rules and all other appropriate laws and regulations.
Board independence, diversity and structure It is generally considered that an independent, diverse Board can provide objectivity and appropriate scrutiny, mitigate conflicts of interest, and better protect shareholders' interests. Oncimmune is committed to appointing a Board of Directors made up of a majority of Non-Executive Directors, with at least two independent Non-Executive Directors. Appointments to the Board will be made on the basis of the merit, experience, potential and personal attributes that they will bring to the Board regardless of gender, marital/civil partnership status, sexual orientation, race, colour, national or ethnic origin, nationality, religion, belief, age or disability.	A number of changes have taken place on the Board, as described on page 20 of this Report. Following the changes, the Board consists of four Directors, two of whom are independent, a Non-Executive Chairman and one Executive Director.	Continue to monitor the effectiveness of the Board.
Executive pay It is important that executive pay is properly evaluated and determined independently of senior management and in the best interests of the Company's stakeholders.	Details of the Company's remuneration strategy and executive pay are set out in the Remuneration Report.	
Bribery and corruption and ethical business practices One of Oncimmune's core values is to uphold responsible and fair business practices. It is committed to promoting and maintaining the highest level of ethical standards in relation to all of its business activities. Its reputation for maintaining lawful business practices is of paramount importance and therefore Oncimmune has a zero-tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all of its business dealings and relationships and implementing and enforcing effective systems to counter bribery.	Online training on bribery and corruption has been rolled out across the Group, coupled with all employees confirming adherence to the Group's antibribery and whistleblowing policies.	Refresh training as appropriate.

A year of change

A summary of the financial highlights of the 12-month period ended 31 August 2023 compared to 15-month period ended 31 August 2022:

Revenue for the period **(£)**

£2.1M

(FY2022: £3.8M)

Continuing operations
FY2023: £1.2M, (FY2022: £2.3M)

Discontinued operations
FY2023: £0.9M, (FY2022: £1.5M)

Gross profit for the period **(£)**

£1.5M

(FY2022: £1.8M)

Continuing operations
FY2023: £0.8M, (FY2022: £1.2M)

Discontinued operations
FY2023: £0.7M, (FY2022: £0.6M)

Share-based payment (credit)/charge **(£)**

£(1.2)M

(FY2022: £1.7M)

Continuing operations
FY2023: £(1.2)M, (FY2022: £1.6M)

Discontinued operations
FY2023: n/a, (FY2022: £0.1M)

Gain on disposal **(£)**

£12.2M

(FY2022: n/a)

Loss excluding disposal **(£)**

£8.1M

(FY2022: n/a)

Administrative expenses **(£)**

£6.1M

(FY2022: £8.7M)

Continuing operations
FY2023: £5.0M, (FY2022: £4.9M)

Discontinued operations
FY2023: £1.1M, (FY2022: £3.8M)

Cash balance at period end **(£)**

£3.2M

(FY2022: £1.4M)

Profit for the financial period **(£)**

£4.1M

(FY2022: loss of £11.4M)

Continuing operations
FY2023: loss of £6.2M, (FY2022: loss of £6.8M)

Discontinued operations
FY2023: profit of £10.3M, (FY2022: loss of £4.6M)

Net debt of £2.1M (2022: net debt £9.2M) **including lease liabilities**

Net debt of £2.0M (2022: net debt £8.6M) **excluding lease liabilities**

Net cash inflow of £1.8M (FY2022: net cash outflow £(7.2)M)

For continuing operations, FY2023 is the 12-month period to 31 August 2023.

For discontinued operations, FY2023 is the period starting 1 September 2022 and ending 19 May 2023.

FY2022 is the 15-month period to 31 August 2022 for both continuing and discontinued operations.

Revenues and commercial progress

Revenue for the year to 31 August 2023, in particular revenue from the ImmunoINSIGHTS™ business, reflects the tight commercial conditions prevailing throughout the global pharma support services sector. ImmunoINSIGHTS continued to service its portfolio of global pharma customers, although it was disappointing that the potential pipeline of commercial contracts failed to materialise into signed projects. In some cases, these project opportunities have been delayed and therefore it is anticipated that they will be contracted in the future. The EarlyCDT® business was sold during the year and therefore revenue for the year reflects the absence of revenue for the period from May to August 2023.

As outlined in the Chairman and Chief Executive Officer's report, the sale of the EarlyCDT business has allowed the Group to focus its entire resources on the ImmunoINSIGHTS business. A rebuilding of the commercial team is underway which is resulting in an encouraging increase in the commercial pipeline.

ImmunoINSIGHTS

During the year the ImmunoINSIGHTS business signed 12 new contracts compared to 18 in the 15-month period to 31 August 2022. Nine of these contracts were for existing customers. The current pipeline of potential new opportunities also reflects the dominance of repeat business from existing customers wanting to utilise the ImmunoINSIGHTS service.

In May 2023 ImmunoINSIGHTS signed a Master Services Agreement ("MSA") with Freenome Holdings, Inc. ("Freenome"), under which Freenome will leverage the ImmunoINSIGHTS discovery services business to further accelerate its pipeline for multiple cancer diagnostics. The MSA contains a guaranteed commitment by Freenome to purchase ImmunoINSIGHTS services worth at least €1.14M per year. The MSA has an overall term of five years, with a fixed initial term of two years and Freenome's option to extend for a further three years on the same terms.

EarlyCDT

In May 2023 the Group sold its EarlyCDT business, including the EarlyCDT Lung product, EarlyCDT platform and autoantibody development business, based in Nottingham, to Freenome for £13.0M (the "Sale"). The Sale was structured as consideration for equity of £1.3M, which is being held in escrow for 12 months in the event of any claim by Freenome against the customary warranties and indemnity given to Freenome in the sale and purchase agreement, and debt repayment of £11.7M.

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.

Debt funding

In October 2022, the Group reprofiled its debt banking facility (the "IPF Facility") with IPF Management SA ("IPF Partners"). The new terms provided for the deferral of all principal repayments until June 2024, no further issue of warrants and the continued repayment of interest as from September 2023. An arrangement fee of €1.5M had 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 May 2023, the IPF Facility had an outstanding principal balance of €11.6M. As part of the sale of the EarlyCDT business, Oncimmune repaid €7.2M (being €5.6M of principal and €1.6M of interest) of the outstanding IPF Facility. At the same time, Oncimmune entered into a new debt facility (the "New IPF Facility") for the outstanding €6.0M in principal from the previous IPF Facility under which the principal amount is repayable over the next three years. There is a principal repayments holiday for the first 12 months, with interest commencing from September 2023 on the same cash margin rate as in the previous IPF Facility. Repayments under the New IPF Facility have been profiled such that 40% (or €2.4M) of the €6.0M facility will be repaid at the end of the agreement in March 2026. No further warrants were issued to IPF Partners in connection with the New IPF Facility.

The New IPF Facility is secured by fixed and floating charges over the assets of Oncimmune and the shares in Oncimmune Germany GmbH and may be repaid at any time, subject to an early repayment fee. The interest rate is 9% per annum over three-month EURIBOR (subject to a floor of 0%) and is payable quarterly.

Commentary on financial statements

Research and development activities in the year were largely associated with the EarlyCDT business, and as such, will be at lower levels within the ImmunoINSIGHTS business in the forthcoming year.

For the 12 months to 31 August 2023, gross profit was £1.5M.

Administrative expenses for the year were £6.1M (2022: £8.7M). This reduction reflects an overall decrease in costs as well as the removal of costs from the sale of the EarlyCDT business and the costs associated with the restructuring of the board and executive leadership team, announced in June and July 2023.

Cash balance at the end of the year was £3.2M (2022: £1.4M) and net debt was £2.1M including lease liabilities (2022: net debt £9.2M), with net debt of £2.0M excluding lease liabilities (2022: net debt £8.6M).

Having joined Oncimmune in September 2023 at the start of the new financial year, I would like to acknowledge the input provided by Matthew Hall, former CFO, in preparing the Annual Report and Accounts for the year to 31 August 2023.

Martin Hudson
Finance Director

28 February 2024

How we manage our risks

The Group may not achieve its financial targets through the sale of its services

The Group needs to achieve certain financial targets, including revenue, profit and cash collection, in order to remain a viable business and to enable it to meet its financial obligations. The Group also seeks to forecast its revenue and cash collection to determine its ability to meet its future obligations. The Group aims to achieve its financial targets by selling services to its customers. The commercial success of the 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 services offered by Oncimmune and the funding available to customers and prospective customers in the areas in which they are likely to benefit from such services. The Group engages in marketing and business development efforts to drive customer demand and its commercial success therefore depends on the ability of these efforts to achieve sales. The commercial success also requires Oncimmune to be able to charge for its services a price which is acceptable by its customers and provides a profit to the Group as a whole. The Group seeks to manage these risks by investing in marketing and business development and by expanding the range of offered services. The Group carefully monitors its commercial success and regularly reviews its commercial strategy, as well as carefully monitoring its costs to ensure profitability.

Oncimmune also invests in the generation of clinical evidence and scientific data to support and promote the utility and quality of the services it offers where it believes such efforts would enhance its commercial strategy.

Loss of facilities

The Group manufactures protein antigens and carries out multiplex testing services for its customers at its laboratory facilities in Dortmund, Germany. The Group also stores previously produced protein antigens and biological samples received from its customers and other sources at these facilities. Any disruption to the facilities may result in the Group being unable to provide services to its customers for some period of time or complete ongoing contracted projects for its customers.

The Group is managing risks associated with its facilities by ensuring it has stringent policies and procedures in place, maintained within a high standard quality management system (certified under ISO 9001), as well as back-up storage facilities and business continuity plans. The Group also maintains, and regularly reviews, its insurance policies, including cyber insurance, to provide coverage in the event of certain disruptions to its operations.

Equipment failure and supply of materials

The Group is reliant on specialist equipment and consumables to carry out the services it offers to customers, some of which are provided by third parties. Any breakdown of equipment or disruption to the supply of consumables may result in the Group being unable to provide its services for some period of time. The Group is managing the risk of equipment failure by ensuring that equipment is regularly and professionally serviced and that critical work is not dependent on a single piece of equipment. To mitigate the risk of supply of consumables the Group maintains internal stocks beyond those it requires for immediate work. The Group maintains close relationships with its key suppliers, to attempt to anticipate any forthcoming issues and resolve any that do occur as swiftly as possible. The Group also regularly assesses the possibility of dual sourcing of consumables wherever possible.

Loss of data

The Group produces and handles a large amount of data, in particular as part of the services it offers to its customers. 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 customers and therefore generate revenue. To mitigate the risk of losing data the Group has built a robust IT infrastructure, including on-site and off-site backup facilities and tight IT security controls, and regularly monitors and tests its recovery capabilities. The Group engages internal and external IT specialists to maintain its IT infrastructure. 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.

Risks from competitors

The Group operates in a competitive market and faces competitors who may develop more advanced or alternative products and services or offer similar services at a lower price. The Group mitigates this by monitoring competitor activity and investing in its technological capabilities to ensure that its service offering remains competitive and meets customer demands. The Group also regularly reviews its manufacturing and delivery process to ensure that it is efficient and therefore the Group's high quality service can be delivered at competitive prices.

Legislation and regulatory compliance

The Group operates in a highly regulated environment and must comply with a range of laws and regulations, including those regulating the handling of human blood serum and patient related data. As the Company's shares are listed on AIM, the Company is also required to comply with certain laws and regulations applying to listed companies. The Group's activities may be investigated by regulatory authorities and it may be sanctioned in the event that such authorities conclude that the Group did not comply with its legal or regulatory obligations. If the Group is sanctioned it may incur financial or other penalties (such as the delisting of its shares) or reputational damage. The Group mitigates these risks by engaging internal and external professionals (such as legal advisers and the Group's Nominated Adviser) to advise on its obligations and putting in place policies, procedures and controls to ensure compliance.

During FY2023 the Board reviewed the processes by which it receives financial information to enable it to oversee the business of the Group and comply with its legal and regulatory obligations and has implemented certain improvements to such processes. The Group regularly trains relevant staff on the Group's obligations and compliance therewith. Any change in legislation or regulation may have an adverse effect on the way that the Group's services can be delivered and the cost of delivery. The Group mitigates this as far as possible by ensuring a continuous awareness of the legislative environment so that it can plan and change its operations as necessary 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 Directors' requirements under S172(1) of the Companies Act 2006 are included in the Directors' report on pages 22 to 24.

On behalf of the Board

Martin Gouldstone
Director and Chief Executive Officer

28 February 2024

Our Board

Board changes

Throughout FY2023 and since the end of the financial year the Board has gone through several changes, to be better aligned with the Company's focus on its services business. On 13 January 2023, John Goold was appointed as a Director, bringing additional capital markets and investment relations experience to the Board. On 22 June 2023, Dr Adam M Hill stepped down as the Company's Chief Executive Officer and resigned from his position as Director. Ron Kirschner was appointed as interim Chief Executive Officer and was a Director between 22 June 2023 and 1 August 2023. On 1 August 2023, Martin Gouldstone became the Company's Chief Executive Officer and a Director. Andrew Unitt, who had been engaged with Oncimmune since 2014 and was an Independent Non-Executive Director, stepped down from the Board on 30 September 2023. On 11 October 2023 Timothy Bunting also stepped down as a Director of the Company, having supported Oncimmune for over 15 years, including as a Director since 2016. To complete the latest changes on the Board, in October 2023 Dr Annalisa Jenkins decided to step down from the Board by the end of 2023, allowing time for her to hand her responsibilities over to Sally Waterman, who became a Director on 11 October 2023. Dr Annalisa Jenkins ceased being a Director on 30 November 2023. The current members of the Board are therefore as follows:

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 also serves in the following positions: non-executive chairman of Validant LLC; non-executive director of Seqens S.A.; non-executive director of Nexus Bioquest Limited and non-executive director of Klick Health LLC.

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

Martin Gouldstone

Chief Executive Officer

Martin brings 30 years of corporate finance and business development experience in the CRO, healthcare and pharmaceutical sectors to his role as CEO at Oncimmune. Most recently, Martin was a Global SVP Business Development at Owkin, where he managed all of the commercial teams in the USA and Europe and led new strategic research partnerships. Over the last few years, Martin was Chief Business Officer at Sensyne Health where he helped to drive growth with particular focus on expanding reach in the US market and Pharmaceutical sector; Global SVP at Syneos One and Head of Capital Solutions for Syneos Healthcare where he developed and led Capital Solutions service; Chief Business Officer at BenevolentAI where he was responsible for all commercial activities. He was previously a Partner at Results Healthcare, where he co-led the healthcare practice; Head of Lifesciences in the UK for BDO, the Lead for the M&A process in Europe for Quintiles, and Business Development and Licensing Lead at Confirmant, Pharmacopeia, Sareum. He has extensive experience buying and selling multi-billion dollar deals across Europe and the US, architecting end to end portfolio out-sourcing deals, and negotiating multi-year research partnerships. Currently, Martin is a Non-Executive Board Director for Open Orphan Plc and sits on the Board of Trustees of Orthopaedic Research UK. He holds a BSc in Genetics and has completed a range of postgraduate management courses.

Dr Sally Waterman
Senior Independent
Non-Executive Director

Sally has more than 30 years' experience as a senior executive and Director in multiple early-stage biopharmaceutical companies and service providers with roles leading R&D, operations and corporate development. She has developed and implemented strategies for growth and been involved in multiple M&A transactions and IPOs. In her R&D roles, Sally has led in-house and virtual teams developing small molecules and biologics for a wide range of indications. She has worked closely with numerous contract research and development organisations spanning all aspects of drug development from lead selection to clinical trials. Sally's previous roles include R&D Director at KS Biomedix and Protherics and, more recently, Chief Operating Officer at Abzena and Medherant. She is currently a non-executive director and chair of Magnitude Biosciences, a specialist CRO which used the nematode worm C. elegans to rapidly screen compounds for their impact on longevity and diseases of ageing, and a non-executive director of Cumulus Oncology, an oncology company creator.

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.

The Directors present their report and audited consolidated financial statements for the financial period ended 31 August 2023.

Results and dividends

The consolidated statement of comprehensive income is set out on page 34 and shows revenue from continuing operations of £1.2M (2022: £2.3M). The profit for the financial period was £4.1M (2022: loss of £11.4M). No dividend will be paid in respect of the financial year (2022: £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 judgement. At the beginning of the financial period ended 31 August 2023 the Board consisted of five Directors, two of which were considered independent Non-Executive Directors under the QCA guidelines.

Throughout the financial period ended 31 August 2023 and subsequently the following changes to the Board took place:

13 January 2023 – John Goold was appointed as a Director

22 June 2023 - Dr Adam M Hill stepped down as the Company's Chief Executive Officer and ceased to be a Director

22 June 2023 – Ron Kirschner was appointed as interim Chief Executive Officer and was appointed as a Director

1 August 2023 – Ron Kirschner ceases to be a Director and Martin Gouldstone became the Company's Chief Executive Officer and was appointed as a Director

30 September 2023 – Andrew Unitt retired from the Board and ceased to be a Director

11 October 2023 – Timothy Bunting retired from the Board and ceased to be a Director

11 October 2023 – Dr Sally Waterman was appointed as a Director

30 November 2023 – Dr Annalisa Jenkins retired from the Board and ceased to be a Director

The Board therefore currently consists of four 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 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. Three of the four current members of the Board were appointed during the financial period ended 31 August or thereafter – prior to their appointment the skills and experience of each Director were assessed by the Company to ensure that these were appropriate and would add value to the Board. Each newly appointed Director was also vetted and trained by the Company's Nominated Adviser prior to appointment.

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.

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 2023, the Audit Committee was comprised of Andrew Unitt (Chair) and Dr Annalisa Jenkins. Upon Andrew Unitt's retirement from the Board in September 2023, John Goold was appointed as Chair of the Audit Committee and the Audit Committee now consists of John Goold (Chair) and Dr Sally Waterman.

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 aims to meet at least twice a year, though in the financial period ended 31 August 2023 the Remuneration Committee only met once, with some items regarding remuneration being discussed by the Board as a whole. During the financial period ended 31 August 2023, the Remuneration Committee was comprised of Dr Annalisa Jenkins (Chair), Tim Bunting and Alistair Macdonald. In October 2023, Dr Sally Waterman joined the Remuneration Committee as its Chair, taking over from Dr Annalisa Jenkins, and the Remuneration Committee now consists of Dr Sally Waterman (Chair) and Alistair Macdonald.

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 (FY2022: £Nil).

Going concern

The Group has prepared the 2023 financial statements on a going concern basis. In preparing the accounts on a going concern basis, the Directors have considered a forecast for the period to 31 March 2025, which includes the impact of the Group's debt obligations, which are described below (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 and contracts from as yet unidentified opportunities. The base case also assumes that the Group will receive the sum of £1.3M in May 2024, which is currently held in escrow related to the disposal of Oncimmune Limited, as also detailed further below. It is assumed under the base case scenario that budgeted operating costs are sufficient to support the forecast revenue without the need for material additional cost increases.

In respect of the Group's funding position, the Group continues to have a credit facility with IPF Management SA ("IPF Facility" and "IPF Partners" respectively). As at 31 August 2023, the outstanding principal value of the IPF Facility was €6.0M. Interest payments commenced from September 2023 and principal repayments begin in June 2024. Repayments under the IPF Facility have been profiled such that 40% (or €2.4M) of the €6.0M facility will be repaid at the end of the agreement in March 2026. 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 exercised by 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. To monitor compliance with the terms of the IPF Facility, the Directors review monthly management accounts. The base case does not result in breaches of the cash covenant with IPF Partners in the period under consideration.

As part of its disposal of Oncimmune Limited to Freenome Holdings, Inc. in May 2023, the Group agreed that the proceeds of £1.3M be held in escrow for 12 months as security against contractual obligations. Such arrangements are common in disposal transactions of this type. Although the Directors do not anticipate any material claims against the escrow funds and therefore expect the funds to be released to the Group in May 2024, a severe but plausible downside case was also considered. This severe but plausible downside case modelled lower order intake than the base case, and the absence of escrow funds being received. The Directors are satisfied that, in this unlikely scenario, the Group has sufficient headroom and mitigations to continue operating.

Based on the above, the Directors have a reasonable expectation that the Group 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 2022/23

	Board	Audit Committee	Remuneration Committee
Alistair Macdonald	10/10	–	1/1
Dr Adam M Hill	7/9*	–	–
Timothy Bunting	10/10	–	1/1
Andrew Unitt	8/10	1/1	–
Dr Annalisa Jenkins	10/10	1/1	1/1
John Goold	7/7**	–	–
Ron Kirschner	1/1***	–	–
Martin Gouldstone	0/0****	–	–

* Dr Adam M Hill was excluded from a number of meetings due to conflicts of interest.

** John Goold joined the Board in January 2023.

*** Ron Kirschner was only a Director from 22 June 2023 to 1 August 2023.

**** Martin Gouldstone joined the Board in August 2023 and did not participate in Board meetings as a Director during the financial year ended 31 August 2023.

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 18 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 on 7 July 2022)*
Dr Adam M Hill	Chief Executive Officer *(ceased to be a Director on 22 June 2023)*
Martin Gouldstone	Chief Executive Officer *(appointed on 1 August 2023)*
Ron Kirschner	Interim Chief Executive Officer *(appointed on 22 June 2023 and ceased to be a Director on 1 August 2023)*
Timothy Bunting	Non-Executive Director *(ceased to be a Director on 11 October 2023)*
Andrew Unitt	Independent Non-Executive Director *(ceased to be a Director on 30 September 2023)*
Dr Annalisa Jenkins	Senior Independent Non-Executive Director *(ceased to be a Director on 30 November 2023)*
John Goold	Independent Non-Executive Director *(appointed on 13 January 2023)*
Dr Sally Waterman	Senior Independent Non-Executive Director *(appointed on 11 October 2023)*

Directors' interests

At 31 August 2023, the Directors and their families had the following interests in the Company's Ordinary Shares and options to subscribe for shares:

	31 August 2023		31 August 2022	
	Shares	**Options**	**Shares**	**Options**
Alistair Macdonald	55,555	691,641	–	691,641
Martin Gouldstone *(appointed 1 August 2023)*	–	–	–	–
Dr Adam M Hill *(ceased to be a Director on 22 June 2023)*	–	–	65,867	3,490,862
Timothy Bunting	4,856,717	–	2,956,717	–
Andrew Unitt	–	–	–	–
John Goold	1,150,000	–	–	–
Dr Annalisa Jenkins	–	–	–	–

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

Oversight of remuneration

The Board, either in its full composition or through the Remuneration Committee, oversees the Group's remuneration strategy and sets the remuneration of the Group's most senior employees, including its Chief Executive Officer and the Company's Senior Leadership Team (which currently consists of the Group's Chief Executive Officer, Finance Director and Chief Operating Officer).

During the financial year to 31 August 2023 the Company's Remuneration Committee was chaired by Dr Annalisa Jenkins. As was announced on 12 October 2023, Dr Annalisa Jenkins decided to step down from the Board by the end of 2023 and Dr Sally Waterman has taken on the role of Chair of the Remuneration Committee.

During the financial year to 31 August 2023, one of the principal activities of the Remuneration Committee was agreeing the remuneration of the Company's new Chief Executive Officer, Martin Gouldstone, as well as agreeing the terms on which the Company's previous Chief Executive Officer, Dr Adam M Hill, left the Company. These terms are summarised more fully below.

Remuneration strategy

The Board endeavours to ensure that remuneration across the Group supports the Group's strategy and is designed to promote the best interests of shareholders. The Company's approach to remuneration is to set it at a level which is comparable with similar sized companies in its sector, motivates existing staff, allows the Group to attract new talent, and is affordable in line with the Group's budget. As the Group employs staff in different locations around the world, it also ensures that its remuneration strategy is sufficiently flexible to allow it to set remuneration at a level which is appropriate for each location and meets local legal requirements. In considering an appropriate level of remuneration the Company regularly carries out benchmarking and seeks external assistance with this when appropriate.

Remuneration

Base salary

The Board, directly or through the Remuneration Committee, approves the base salary of the Chief Executive Officer and other members of the Senior Leadership Team. The salaries of other employees are set by the Senior Leadership Team based on the Company's remuneration strategy.

Pension contributions

The Group makes pensions contributions as required by local laws and regulations in the jurisdictions in which it has employees. The Company's current Chief Executive Officer, Martin Gouldstone, is employed in the UK and was therefore automatically enrolled into the National Employment Savings Trust (NEST) scheme, with the Company making a contribution of 4% of base salary. The Company's previous Chief Executive Officer, Dr Adam M Hill, opted out of receiving pension contributions and his base salary was adjusted to account for his loss of pension benefits.

Performance-related bonus

The Group operates two discretionary bonus schemes: one of which is designed to directly incentivise its business development team based on cash received from customers and a separate scheme, for all other employees, which takes into account individual personal performance as well as the performance of the Group as a whole. Employees are only awarded a bonus under one scheme. In respect of FY2023 the Company did not pay a bonus to its previous Chief Executive Officer, Dr Adam M Hill, and did not pay a bonus to its current Chief Executive Officer, Martin Gouldstone, as he had only become an employee of the Company on 1 August 2023. Other employees were awarded bonuses in accordance with the Group's bonus schemes and the discretion of the Remuneration Committee based on the Company's remuneration strategy.

Share options

The Group operates two share option plans: the Oncimmune Holdings plc 2016 Unapproved & EMI Share Options Plan and the Oncimmune LLC Stock Option Plan (specifically for employees resident in the US). Under each plan, options are awarded at an exercise price set based on the market price of the Company's shares at the time of issue and the options vest in equal portions over a period of five years from grant. The Group uses the award of options to incentivise and reward its employees as part of its remuneration strategy. Options have been awarded to Martin Gouldstone, the Company's Chief Executive Officer, as further described below.

Life assurance

The Company maintains a life assurance scheme for all of its employees in the UK, which includes the Company's Chief Executive Officer and other members of the Senior Leadership Team.

Incentivisation scheme for senior management

As announced by the Company on 11 September 2020, the Company had put in place an incentivisation scheme for senior management at that time (the "2020 Incentivisation Scheme"), pursuant to which options were granted to subscribe for shares at an exercise price of £0.01. The options granted under the 2020 Incentivisation Scheme vested based on the Company's share price during the course of the following three years. The first target under the 2020 Incentivisation Scheme had been met and therefore 25% of the options granted under it, being options over 1,125,315 of the Company's ordinary shares, have vested, subject to the remaining terms of the 2020 Incentivisation Scheme. The 2020 Incentivisation Scheme has now expired and the Board is considering a new incentive scheme for senior management.

Directors' remuneration for FY2023

The remuneration paid to or receivable by each person who served as a Director[1] during the financial period to 31 August 2023 was as follows:

Directors	Salary/fees £'000	Other £'000	Bonus[8] £'000	Pension £'000	Benefits £'000	31 August 2023 Total £'000	31 August 2022 Total £'000
Alistair Macdonald	100	–	–	–	–	100	17
Meinhard Schmidt[2]	–	–	–	–	–	–	83
Adam Hill[3]	303	298[7]	250	–	–	851	785
Annalisa Jenkins	46	–	–	–	–	46	47
Andrew Unitt	41	–	–	–	–	41	46
Timothy Bunting	–	–	–	–	–	–	–
John Goold[4]	15	–	–	–	–	15	–
Martin Gouldstone[5]	20	–	–	1	–	21	–
Ron Kirschner[6]	26	–	–	1	–	27	–
Total	551	298	250	2	–	1,101	978

Change of Chief Executive Officer

Martin Gouldstone joined the Company as its new Chief Executive Officer on 1 August 2023. Summary details of Mr Gouldstone's remuneration package for FY24 are as follows:

- Base salary – £240,000 p.a.
- Pension contribution – 4% of base salary, in line with all UK staff.
- Annual bonus opportunity – 50% of base salary as on-target bonus.
- Share plan participation – On 7 November 2023, following completion of his probation period, Mr Gouldstone was awarded share options over shares worth £100,000 at the time of issue, being 589,971 share options at an exercise price of £0.1695 each. These options were issued under the rules of the Company's 2016 Share Option Plan and will vest equally over a 5 year period from grant.

In connection with Dr Hill leaving the Company it has been agreed that Dr Hill retains his entitlement to vested share awards held by him when he stepped down as Chief Executive Officer. This is a total of 474,398 time-vested share options awarded with exercise prices between £1.195 and £1.26 and 741,188 performance-vested share options with an exercise price of £0.01 per share which were made as part of the 2020 Incentivisation Scheme. All other share options awarded to Dr Hill have lapsed.

In order to ensure continuity with one of its global customers, Freenome Holdings, Inc. ("Freenome"), and incentivise growth of the relationship, the Company also has a continuing commercial agreement with Dr Hill linked to orders secured from Freenome above its minimum commitment during the first 12 months of the Company's Master Services Agreement with Freenome.

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

1. The Company's Chief Executive Officer is the only Executive Director of the Company.
2. Meinhard Schmidt ceased being a Director on 7 July 2022 and did not serve as a Director in financial year 2023.
3. Dr Adam M Hill ceased being a Director on 22 June 2023.
4. John Goold joined the Board as a Non-Executive Director on 13 January 2023.
5. Martin Gouldstone, Chief Executive Officer, joined the Board on 1 August 2023.
6. Ron Kirschner served as Interim Chief Executive Officer from 22 June 2023 to 1 August 2023.
7. Other payments to Dr Adam M Hill include payment in lieu of notice and for full and final settlement of any potential employment related claims.
8. During the financial period, this discretionary bonus was paid to Dr Adam M Hill in respect of the year ended 31 August 2022. Dr Adam M Hill will not be receiving a discretionary bonus in respect of the financial year 2023.

Significant shareholdings

As at 31 August 2023, 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	9.2%
Blind Trust (Richard Sharp)	4,891,444	6.6%
Mr Timothy Brian Bunting * #	4,856,717	6.6%
Credit Suisse Group	4,579,509	6.2%
Genostics Company Ltd	3,295,659	4.4%
Hargreaves Lansdown Asset Management	3,137,967	4.2%
Chelverton Asset Management	3,007,500	4.1%

* 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 nominated adviser, joint brokers and other advisers. 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 Company for the benefit of its members and other stakeholders as a whole. The Company conducts its business in an ethical way and takes seriously its responsibilities to its employees, contractors, 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 employment laws in the jurisdictions in which it has employees, and have ensured that the Group has implemented appropriate standards and systems to monitor and safeguard the welfare of those employees.

The complex nature of the services offered by the Group, means that the Group has built close working relationships with a number of key suppliers which are essential to ensure that the Group receives the highest quality products and services.

The Group 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 UK-adopted international accounting standards or UK Accounting Standards have been followed, subject to any material departures being 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

Martin Gouldstone
Director and Chief Executive Officer

28 February 2024

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 year ended 31 August 2023, which comprise:

- the Consolidated statement of comprehensive income for the year ended 31 August 2023;
- the Consolidated and Parent Company statements of financial position as at 31 August 2023;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year 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 2023 and of the Group's loss for the year 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; and
- 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.

Conclusions relating to going concern

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 Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment and underlying model
- Assessing the period of assessment used by management when considering the basis of preparation for the Group accounts
- Testing the mathematical accuracy of management's model and the key assumptions used by management when making their going concern assessment
- Reviewing and assessed the funding structure and availability of finance
- Assessing management's ability to forecast accurately
- Holding discussions with Directors and management on the key assumptions made in the forecasts and budgets
- Reviewing management's sensitivity analysis and scenario planning
- Considering management's assessment of industry risks, including supply chain, inflationary pressures, customer demand and availability of personnel, and the levers available to management to mitigate the risks
- Reviewing disclosures relating to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 £433,000 (FY22: £530,000), based on a 5% of the Group's draft loss before tax from continuing operations (FY22: loss before tax). We determined overall materiality for the Parent Company financial statements to be £160,000 (FY22: £400,000), based on a 1.33% of the Parent Company's draft 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 £303,000 (FY22: £371,000) and Parent Company financial statements of £112,000 (FY22: £280,000) 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 £22,000 (FY2022: £26,500). 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, and Oncimmune Germany GmbH, specified procedures were performed over Oncimmune Limited, and risk assessment analytics were conducted over 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 year 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 detailed above, those mattes 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
Disposal of subsidiaries– discontinued operations (Group and Parent) *Note 33 Subsidiaries Consolidated and Disposed* The Group disposed of Oncimmune Limited, Oncimmune Europe GmbH and Oncimmune Americas during the year. The profit or loss on disposal should only contain costs relating directly to the disposal itself. The level of judgement and estimate together with the potential risk of disposal costs being allocated incorrectly between continuing and discontinued operations increases the audit risk.	In responding to key audit matter, we performed the following audit procedures: • obtained an understanding of the systems and the processes in place for the recognition of the loss on disposals and assessed whether key controls had been designed and implemented appropriately; • checked all sale related agreements and cross-referenced to the budget by project to confirm the completeness of information supplied; considered if those meet the definition of discontinued operations; • assessed and tested the fair value of consideration receivable; • ensured appropriate assets and liabilities disposed of were derecognised appropriately; • checked the Directors' calculation of the losses on disposals; • with the use of internal specialists considered the impact of tax on the disposals; • ensured only direct costs related to disposals were included within the losses on disposals which is in accordance with the IFRS 5; • ensured appropriate disclosures were made in the financial statements.
Risk of fraud in revenue recognition / error and/or judgement (group) *Note 2 Accounting policies and Note 4 Segmental information* The incentives to misstated revenue may be to achieve personal performance targets and preserve or enhance personal reputations. The Group ecognizes revenue from 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. The group has long term contracts that involves significant estimates and judgements (specifically in relation to cost to be incurred) to calculate the revenue recognised in the year.	In responding to the key audit matter, we performed the following audit procedures: • obtained an understanding of the systems and the processes in place for the recognition of revenue and assessed whether key controls (order to payment and revenue journals review) had been designed and implemented appropriately; • obtained an understanding of the significant revenue arrangements entered into by the entity during the year and determined whether the arrangement is appropriately identified as a contract with a customer in accordance with IFRS 15; • For German component, we analysed revenue billed against the cash receipts to prove they are consistent; • substantively tested a sample of revenue transactions and determined whether a contract existed with the customer and whether services had been provided to support the recognition of revenue; • obtained management's assessment and corroborative evidence to support the key estimates and judgements made in the recognition of revenue; 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. • Read long-term revenue contracts including "take or pay" contracts, where Management applied judgment due to their complexity; confirmed Management • accounting for minimum commitment revenue is not materially different from IFRS 15 requirements. • agreed to documentation prepared to support the journals posted 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.

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 year 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 29, 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 and Germany being the principal jurisdictions in which the Group operates.
- As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made with management and those charged with governance concerning both whether they had any knowledge of any actual or suspected fraud and their assessment of the susceptibility to fraud;
- We considered the risk to be greater in areas involving significant management estimation or judgement with particular attention paid to estimates or judgements impacting revenue recognition, or which could impact on management bonuses and remuneration. Based on this assessment we designed audit procedures to focus on these specific areas including a retrospective review of management judgements and assumptions related to significant accounting estimates;
- 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 communicated relevant procedures to the component auditors to address the risks of management override, and compliance with laws and regulations in our group audit instructions. We reviewed their reporting on these matters and held discussions on their conclusions;

- We held discussions with management, the Group's legal counsel, and other staff members outside of the finance function to gain an understanding of areas any instances of non-compliance with laws and regulations.
- 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 significant transactions outside the normal course of business, or those that appear unusual;
- We obtained a list of related parties from management, and performed audit procedures to identify undisclosed related party transactions;
- We performed a detailed review of financial statements disclosures to ensure these were complete, having regard to the explanations and information received in the course of the audit; and
- We considered the narrative and presentation of matters in the front section of the annual report, including the Group's use of Alternative Performance Measures and the reconciliation of these items to GAAP measures.

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

28 February 2024

Consolidated statement of comprehensive income
For the year ended 31 August 2023

	Notes	Year to 31 August 2023 £'000 Total	15-month period to 31 August 2022 (Restated) £'000 Total
Continuing operations			
Revenue	4	1,152	2,316
Cost of sales		(360)	(1,119)
Gross profit		792	1,197
Research and development expenses		(1,255)	(988)
Administrative expenses		(4,961)	(4,866)
Share-based payment credit/(charge)	24	1,182	(1,636)
Total administrative expenses	5	(5,034)	(7,490)
Other income	6	318	6
Operating loss		(3,924)	(6,287)
Finance income	9	–	8
Finance costs	9	(2,004)	(299)
Finance costs – net		(2,004)	(291)
Loss before income tax from continuing operations		(5,928)	(6,578)
Income tax charge	10	(223)	(261)
Loss for the financial year/period from continuing operations		(6,151)	(6,839)
Discontinued operations			
Profit/(loss) after tax for the year/period from discontinued operations	33	10,255	(4,547)
Profit/(loss) for the year/period		4,104	(11,386)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss, net of tax			
Currency translation differences from continuing operations		(158)	20
Currency translation differences from discontinued operations		–	(150)
Total comprehensive income/(loss) for the year/period attributable to equity holders		3,946	(11,516)
Basic and diluted loss per share (pence) on continuing operations	11	(8.47)p	(9.91)p
Basic and diluted income/(loss) per share (pence) on discontinued operations	11	14.13p	(6.58)p
Basic and diluted income/(loss) per share (pence) on continuing & discontinued operations	11	5.66p	(16.49)p

The activities of the Group for the prior period are re-presented to disclose separately the discontinued operations.

All of the comprehensive income for the year/period stated above 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 2023

	Notes	31 August 2023 £'000	31 August 2022 £'000
Assets			
Non-current assets			
Goodwill	12	1,578	1,578
Intangible assets	13	483	3,017
Property, plant and equipment	14	471	788
Right-of-use assets	15	120	552
Deferred tax asset	25	219	613
		2,871	6,548
Current assets			
Inventories	16	235	430
Trade and other receivables	17	1,959	1,340
Contract assets	4	162	417
Cash and cash equivalents	18	3,209	1,425
		5,565	3,612
Total assets		8,436	10,160
Equity			
Capital and reserves attributable to the equity holders			
Share capital	23	741	695
Share premium	23	42,683	40,634
Merger reserve		1,095	31,882
Foreign currency translation reserve		(223)	(42)
Own shares		–	(1,926)
Retained earnings		(43,639)	(75,422)
Total equity		657	(4,179)
Liabilities			
Non-current liabilities			
Deferred tax	25	104	311
Lease liability	22	57	295
Borrowings	21	4,912	3,917
Other liabilities	20	1,284	2,000
		6,357	6,523
Current liabilities			
Trade and other payables	19	894	1,176
Contract liabilities	4	196	180
Other statutory liabilities		–	34
Lease liability	22	74	321
Borrowings	21	258	6,105
		1,422	7,816
Total liabilities		7,779	14,339
Total equity and liabilities		8,436	10,160

The accompanying notes form an integral part of these consolidated financial statements. The financial statements were approved by the Board on 28 February 2024.

Martin Gouldstone
Director and Chief Executive Officer

Company registration number: 09818395 (England and Wales)

Consolidated statement of changes in equity
For the year ended 31 August 2023

	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 2021	691	40,497	31,882	88	(1,926)	(66,005)	5,227
Loss for the period	–	–	–	–	–	(6,839)	(6,839)
Other comprehensive income:							
Currency translation differences	–	–	–	(130)	–	–	(130)
Total comprehensive expense	–	–	–	(130)	–	(6,839)	(6,969)
Discontinued operations	–	–	–	–	–	(4,547)	(4,547)
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)**
Loss for the year	–	–	–	–	–	(6,151)	(6,151)
Other comprehensive income:							
Currency translation differences	–	–	–	(158)	–	–	(158)
Total comprehensive income/(expense)	–	–	–	(158)	–	(6,151)	(6,309)
Exchange differences on discontinued operations	–	–	–	(23)	–	–	(23)
Discontinued operations	–	–	–	–	–	10,255	10,255
Transactions with owners:							
Reserves relating to discontinued operations	–	–	(30,787)	–	1,926	28,861	–
Shares issued	46	2,049	–	–	–	–	2,095
Share option credit	–	–	–	–	–	(1,182)	(1,182)
As at 31 August 2023	**741**	**42,683**	**1,095**	**(223)**	**–**	**(43,639)**	**657**

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

Consolidated statement of cash flows
For the year ended 31 August 2023

	Notes	Year to 31 August 2023 £'000	15-month period to 31 August 2022 (Restated) £'000 Total
Cash flows from operating activities			
Income/(loss) before income tax from continuing operations		(5,928)	(6,578)
Income/(loss) before income tax from discontinued operations		10,255	(4,981)
Income/(loss) before tax		4,327	(11,559)
Adjusted by:			
Depreciation and amortisation	13, 14, 15	981	1,643
Share-based payment (credit)/charge	24	(1,182)	1,691
Interest receivable	9	–	(8)
Interest expense	9, 33	2,954	1,562
Gain on sale of discontinued operations	33	(12,160)	–
Gain on lease modification		(47)	–
Changes in working capital:			
Decrease/(increase) in inventories		158	(287)
Decrease in trade and other receivables		50	629
(Decrease)/increase in trade and other payables		(231)	363
Cash used in operating activities		(5,150)	(6,692)
Interest paid		(1,635)	(597)
Interest received		–	8
Income tax (paid)/received		(6)	409
Net cash used in operating activities		(6,791)	(6,872)
Cash flows from investing activities			
Purchase of property, plant and equipment		(31)	(306)
Proceeds on sale of property, plant and equipment		39	–
Purchase of intangible assets		–	(625)
Settlement of liabilities assumed by acquirer on disposal		11,700	–
Net cash on sale of discontinued operations		(125)	–
Net cash generated from/(used in) investing activities		11,583	(931)
Cash flows from financing activities			
Net funds raised through share issues		2,095	141
Loan advances		–	2,546
Loan repayments		(4,885)	(1,643)
Principal elements of lease repayments		(225)	(392)
Net cash (used in)/generated from financing activities		(3,015)	652
Net increase/(decrease) in cash and cash equivalents		1,777	(7,151)
Movement in cash attributable to foreign exchange		7	(55)
Cash and cash equivalents at the beginning of the year/period		1,425	8,631
Cash and cash equivalents at the end of the year/period	18	3,209	1,425

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 1 Park Row, Leeds, LS1 5AB. The registered company number is 09818395.

The Group's principal activity is offering autoantibody biomarker profiling in immuno-oncology, autoimmune and infectious diseases.

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.

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 reorganisation 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. Prior to the disposal of the subsidiaries as discussed in Note 33, 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 12-month period to 31 August 2023. 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 six months of each calendar year and recognise the majority of the revenue. As the preceding period (the period to 31 August 2022) is three months longer than the current period, the amounts presented in these financial statements are not directly 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 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.

Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of comprehensive income.

Additional disclosures are provided in Note 33. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

2. Accounting policies continued

Going concern

The Group has prepared the 2023 financial statements on a going concern basis. In preparing the accounts on a going concern basis, the Directors have considered a forecast for the period to 31 March 2025, which includes the impact of the Group's debt obligations, which are described below (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 and contracts from as yet unidentified opportunities. The base case also assumes that the Group will receive the sum of £1.3M in May 2024, which is currently held in escrow related to the disposal of Oncimmune Limited, as also detailed further below. It is assumed under the base case scenario that budgeted operating costs are sufficient to support the forecast revenue without the need for material additional cost increases.

In respect of the Group's funding position, the Group continues to have a credit facility with IPF Management SA ("IPF Facility" and "IPF Partners" respectively). As at 31 August 2023, the outstanding principal value of the IPF Facility was €6.0M. Interest payments commenced from September 2023 and principal repayments begin in June 2024. Repayments under the IPF Facility have been profiled such that 40% (or €2.4M) of the €6.0M facility will be repaid at the end of the agreement in March 2026. 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 exercised by 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. To monitor compliance with the terms of the IPF Facility, the Directors review monthly management accounts. The base case does not result in breaches of the cash covenant with IPF Partners in the period under consideration.

As part of its disposal of Oncimmune Limited to Freenome Holdings, Inc. in May 2023, the Group agreed that the proceeds of £1.3M be held in escrow for 12 months as security against contractual obligations. Such arrangements are common in disposal transactions of this type. Although the Directors do not anticipate any material claims against the escrow funds and therefore expect the funds to be released to the Group in May 2024, a severe but plausible downside case was also considered. This severe but plausible downside case modelled lower order intake than the base case, and the absence of escrow funds being received. The Directors are satisfied that, in this unlikely scenario, the Group has sufficient headroom and mitigations to continue operating.

Based on the above, the Directors have a reasonable expectation that the Group 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
IAS 8 amendments	Definition of accounting estimates	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
IAS 12 amendments	International Tax Reform-Pillar Two Model Rules	23 May 2023
IAS 1 amendments	Non-current Liabilities with Covenants (Classification of Liabilities as Current or Non-current)	
1 January 2024	Supplier Finance Arrangements	1 January 2024
IAS 7 and IFRS 7 amendments	Supplier Finance Arrangements	1 January 2024
IFRS 16 amendments	Lease Liability in a Sale and Leaseback	1 January 2024

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 consolidated 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. For customer contracts for which there is an annual minimum guaranteed value, revenue is recognised only to the extent it cannot be reversed in future. The excess or breakage between the actual work performed and the minimum commitment is only recognised when it is clear it will not be reversed.

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

Notes to the consolidated financial statements *continued*

2. Accounting policies continued

Revenue continued

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 distributors 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 distributor 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 Quality report, and delivery of the final report.

Business combinations

Other than when merger accounting is considered appropriate, 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.

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 remeasured to fair value with changes in fair value recognised in profit or loss.

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 consolidated statement of 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).

2. Accounting policies continued

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 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 (2022: £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	–	10 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.

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

Notes to the consolidated financial statements
continued

2. Accounting policies continued

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 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

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 recognised a right-of-use asset and a lease liability on the consolidated 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 consolidated 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 *continued*

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 consolidated 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 recognised 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 consolidated 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 Oncimmune's Employee Benefit Trust (EBT) were included in the Group's consolidated 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.

2. Accounting policies continued

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 consolidated statement of comprehensive income. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

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 consolidated statement of financial position date.

Financial liabilities

The Group's financial liabilities comprise of trade and other payables, contingent considerations, lease liabilities, and borrowings.

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 consolidated statement of comprehensive income line item "finance expense". Financial liabilities are derecognised when the obligation to settle the amount is removed. The Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of or greater than ten percent (10%). The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income. Any fees incurred as part of modification are recognised as gain or loss on extinguishment.

On initial recognition, warrants are valued and recorded as a finance expense. Any subsequent pricing adjustment to warrants is not revalued due to the equity nature of the warrants.

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, have decided to record share-based payments and similar charges within retained earnings rather than within a separate reserve.

Notes to the consolidated financial statements *continued*

2. Accounting policies continued

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 re translation 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 hyper inflationary 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 or loss 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.

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 out-turn 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 (see note 12). 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).

3. Accounting estimates and judgements continued

Sources of estimation uncertainty continued

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 out turn 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.

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.

Arrangement fees

During the year, the loan arrangements were re-negotiated with IPF Partners. This resulted in the inclusion of an arrangement fee, which the Directors considered to be part of a substantial modification to debt. Therefore, the Directors have expensed the costs associated with the re-negotiated facilities in the year.

Deferred tax asset

The deferred tax asset recognised of £219,000 (2022: £441,000) 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 £222,000. 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 2024 onwards. The losses can be carried forward indefinitely and have no expiry date.

Notes to the consolidated financial statements *continued*

4. Segmental information

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers. The business had two segments until May 2023: EarlyCDT® 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. After the disposal in May 2023 of the EarlyCDT segment only the ImmunoINSIGHTS segment remains. The segmental information is split on the basis of geographical analysis, however, management reports only the contents of the consolidated statement of comprehensive income and therefore no additional consolidated statement of financial position information is provided on a segmental basis in the following tables:

	ImmunoINSIGHTS		
Year ended 31 August 2023	Europe £'000	Rest of World £'000	Total £'000
Segment revenue from external customers	80	1,072	1,152
Timing of revenue recognition			
Over time	80	1,072	1,152

	ImmunoINSIGHTS		
Period ended 31 August 2022	Europe £'000	Rest of World £'000	Total £'000
Segment revenue from external customers	562	1,754	2,316
Timing of revenue recognition			
Over time	562	1,754	2,316

Assets and liabilities related to contracts with customers

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

	31 August 2023 £'000	31 August 2022 £'000
Current contract assets relating to:		
EarlyCDT Lung (Discontinued Operations)	–	356
ImmunoINSIGHTS (Continuing Operations)	162	61
Total contract assets	162	417
Current contract liabilities relating to:		
EarlyCDT Lung (Discontinued Operations)	–	55
ImmunoINSIGHTS (Continuing Operations)	196	125
Total contract liabilities	196	180

Revenue recognised in relation to contract liabilities

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
EarlyCDT Lung (Discontinued Operations)	12	138
ImmunoINSIGHTS (Continuing Operations)	144	83
Revenue recognised from performance obligations satisfied in previous periods	–	–

4. Segmental information continued

Operating segments

Year ended 31 August 2023

	ImmunoINSIGHTS £'000	Holdings £'000	Total £'000
Revenue	1,152	–	1,152
Cost of sales	(360)	–	(360)
Gross profit	792	–	792
Operating loss	(1,854)	(2,070)	(3,924)
Finance costs – net			(2,004)
Loss before tax			(5,928)
Income tax expense			(223)
Loss for the financial year			(6,151)

Period ended 31 August 2022

	ImmunoINSIGHTS £'000	Holdings £'000	Total £'000
Revenue	2,316	–	2,316
Cost of sales	(1,119)	–	(1,119)
Gross profit	1,197	–	1,197
Operating loss	(1,208)	(5,079)	(6,287)
Finance costs – net			(291)
Loss before tax			(6,578)
Income tax expense			(261)
Loss for the financial period			(6,839)

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 year to 31 August 2023, the Group had three customers (2022: three) who contributed more than 10% of Group revenue. Individually these customers contributed 60% (2022: 50%) of Group revenue.

Notes to the consolidated financial statements *continued*

5. Expenses – analysis by nature

	Note	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Depreciation of property, plant and equipment and right-of-use assets	14,15	173	82
Amortisation of intangible assets	13	92	115
Research and development		1,255	988
Share-based payment (credit)/charge	8,24	(1,182)	1,636
Employee costs (excluding share-based payment charge)	8	4,388	4,013
Insurance		246	567
Audit and non-audit services:			
Fee payable to the Company's auditor:			
Fee for the audit of the parent company and consolidated financial statements		114	45
Fee payable for audit of the subsidiary		–	45
Fee payable for audit-related assurance services*		–	7
Net foreign exchange gains		(126)	(35)
Other administrative expenses		74	27
Total administrative expenses		5,034	7,490

* Paid to previous auditors.

6. Other income

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Coronavirus Job Retention Scheme	–	6
Other income	318	–
	318	6

The other income in the year ended 31 August 2023 represents additional amounts receivable under contracts entered into during the year.

7. Remuneration of key management personnel

The Group consider the Directors of Oncimmune Holdings PLC and Frank Matthew Sunderland Hall, who was a director of Oncimmune Ltd until 19 May 2023 and Ron Kirschner, to be key management personnel.

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Salary, fees, bonuses and other short-term emoluments	891	1,727
Social security costs	219	220
Pensions	7	–
Share-based payment (credit)/charge	(1,205)	1,635
Loss of office	110	–
Total key management personnel remuneration	22	3,582

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

8. Employees

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

	Year ended 31 August 2023	Period ended 31 August 2022
Directors	5	5
Laboratory staff	26	22
Sales and administration	7	6
	38	33

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

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Wages and salaries	4,060	3,442
Social security costs	278	558
Pension cost	50	13
Share-based payment (credit)/charge	(1,182)	1,636
	3,206	5,649

9. Net finance costs

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Finance income		
Interest receivable	–	8
	–	8
Finance costs		
Interest payable on borrowings	(513)	(21)
Arrangement fee	(1,284)	–
Warrant expense	–	(278)
Lease interest	(3)	–
Net exchange losses on foreign currency borrowings	(204)	–
Finance costs expensed	(2,004)	(299)
Net finance costs	(2,004)	(291)

Notes to the consolidated financial statements *continued*

10. Income tax charge

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Current tax:		
Current tax on loss for the period	(6)	–
Total current tax charge	(6)	–
Deferred income tax		
Decrease in deferred tax liabilities	5	63
Decrease in deferred tax assets	(222)	(324)
Total deferred tax charge	(217)	(261)
Tax charge for the year/period	(223)	(261)

Factors affecting the overall tax charge:

The tax assessed on the loss for the year/period is different to the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Loss before income tax	(5,928)	(11,559)
Loss for the period multiplied by the standard rate of corporation tax 19% (2022: 19%)	(1,126)	(2,197)
Expenses not deductible for tax purposes	980	1,702
Losses carried forward	140	495
Deferred tax movement	(217)	(261)
	(223)	(261)

The Group has estimated unrelieved UK tax losses, with no expiry date, of £15.4M (2022: £32.1M) and unrelieved overseas tax losses, with no expiry date, of £28.9M (2022: £85.8M). A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of timing of future taxable profits.

The Group has not recognised a deferred tax asset arising on 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

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 periods. Diluted earnings per share has not been separately presented as the entity is loss making.

	Year ended 31 August 2023	Period ended 31 August 2022
Earnings		
Loss for the purposes of basic loss per share - continuing operations (£'000)	(6,151)	(6,839)
Profit/(loss) for the purposes of basic loss per share – discontinued operations (£'000)	10,255	(4,547)
Profit/(loss) for the purposes of basic loss per share - total (£'000)	4,104	(11,386)
Number of shares		
Weighted average number of shares for calculating basic earnings per share	72,574,896	69,032,780
Gain/(loss) per share		
Basic earnings/(loss) per share – continuing operations	(8.47)p	(9.91)p
Basic earnings/(loss) per share – discontinued operations	14.13p	(6.58)p
Basic earnings/(loss) per share - total	5.66p	(16.49)p

12. Goodwill

	£'000
Cost	
At 1 September 2022	1,578
Additions	–
Foreign exchange movement	–
At 31 August 2023	1,578
Impairment	
At 1 September 2022	–
Impairment	–
Foreign exchange movement	–
At 31 August 2023	–
Net book values	
At 31 August 2023	1,578
At 31 August 2022	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 Oncimmune Germany GmbH's trading activities. This has been tested for impairment during the current year by comparison with the recoverable amounts of the CGU. Recoverable amounts for the CGU are based on the higher of value in use and fair value less costs to sell.

The recoverable amount of the CGU has been determined using 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 post-tax discount rate of 17% (2022: 17%), 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. The Directors have considered the sensitivity of the key assumptions, including the discount rate and long-term growth rate of 1% (2022: 1%), 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 *continued*

13. Intangible assets

	Intellectual Property Rights £'000	Internal Developments £'000	Technology Platform £'000	Total £'000
Cost				
At 1 September 2022	3,250	849	920	5,019
Additions	–	–	–	–
Disposed assets relating to discontinued operations	(3,250)	(849)	–	(4,099)
At 31 August 2023	–	–	920	920
Accumulated amortisation				
At 1 September 2022	832	825	345	2,002
Charge for the year	468	24	92	584
Disposed assets relating to discontinued operations	(1,300)	(849)	–	(2,149)
At 31 August 2023	–	–	437	437
Net book values				
At 31 August 2023	–	–	483	483
At 31 August 2022	2,418	24	575	3,017

The remaining amortisation period for the Technology Platform is 5.25 years. Amortisation is included within Administrative expenses in profit or loss.

14. Property, plant and equipment

	Laboratory Equipment £'000	Computer Equipment £'000	Office Equipment £'000	Total £'000
Cost				
At 1 September 2022	1,498	111	55	1,664
Additions	29	2	–	31
Disposals	(171)	–	–	(171)
Disposed assets relating to discontinued operations	(852)	(111)	(55)	(1,018)
Foreign exchange movement	(3)	–	–	(3)
At 31 August 2023	501	2	–	503
Accumulated depreciation				
At 1 September 2022	760	68	48	876
Charge for the year	163	16	4	183
Disposals	(132)	–	–	(132)
Disposed assets relating to discontinued operations	(759)	(83)	(52)	(894)
Foreign exchange movement	(1)	–	–	(1)
At 31 August 2023	31	1	–	32
Net book values				
At 31 August 2023	470	1	–	471
At 31 August 2022	738	43	7	788

15. Right-of-use assets

	Office Equipment £'000	Land and Buildings £'000	Total £'000
Cost			
At 1 September 2022	97	1,262	1,359
Additions	18	–	18
Disposed assets relating to discontinued operations	(115)	(906)	(1,021)
Lease modification	–	8	8
Foreign exchange movement	–	3	3
At 31 August 2023	–	367	367
Accumulated depreciation			
At 1 September 2022	64	743	807
Charge for the year	17	197	214
Disposed assets relating to discontinued operations	(81)	(700)	(781)
Lease modification	–	6	6
Foreign exchange movement	–	1	1
At 31 August 2023	–	247	247
Net book values			
At 31 August 2023	–	120	120
At 31 August 2022	33	519	552

16. Inventories

	31 August 2023 £'000	31 August 2022 £'000
Materials (at cost)	235	430

No provision was made for inventory at the year-end (2022: £Nil). During the year, no inventory was written off due to obsolescence (2022: £nil). Inventories expensed through cost of sales during the period were £68,000 (2022: £508,000).

17. Trade and other receivables

	31 August 2023 £'000	31 August 2022 £'000
Trade receivables	321	891
Other debtors	1,439	49
Prepayments	199	83
Current tax asset	–	317
	1,959	1,340

Trade receivables represents amounts arising from contracts with customers. At 31 August 2023 trade receivables were stated net of credit loss provisions of £Nil (2022: £119,000). The remaining balances were considered recoverable on normal trade terms. Due to the short-term nature of these assets there is no material difference between their fair value and their carrying value. 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.

Other debtors includes £1.3M which is the proceeds from the sale of discontinued operations that are held in escrow as at 31 August 2023 and which is due to be received in May 2024. See Note 33 for further details of the disposal.

Notes to the consolidated financial statements *continued*

18. Cash and cash equivalents

Cash balances at the end of the period were as follows:

	31 August 2023 £'000	31 August 2022 £'000
Cash at bank	3,209	1,425

19. Trade and other payables

	31 August 2023 £'000	31 August 2022 £'000
Trade payables	172	446
Other creditors	84	77
Accruals	638	653
	894	1,176

20. Other liabilities

	31 August 2023 £'000	31 August 2022 £'000
Contingent consideration – non-current	–	2,000
Accruals	1,284	–
	1,284	2,000

Contingent consideration related 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 contingent consideration was disposed of together with the assets and liabilities of the discontinued operations in 2023. Refer to Note 33 for further details.

21. Borrowings

	31 August 2023 £'000	31 August 2022 £'000
Loan payable – current	258	6,105
Loan payable – non-current	4,912	3,917
	5,170	10,022

The Group retains a credit facility with IPF Management SA ("IPF Facility" and "IPF Partners", respectively). At 31 August 2023, the outstanding principal value of the IPF Facility was €6.0M. Interest payments commenced from September 2023 and principal repayments begin in June 2024.

Repayments under the IPF Facility have been profiled such that 40% (or €2.4M) of the €6.0M facility will be repaid at the end of the agreement in March 2026. 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 accordance with IFRS 9, the arrangement fee has been fully expensed in the year to 31 August 2023.

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 management accounts. The IPF Facility includes a fixed and floating charge over the assets of Oncimmune Holdings plc. The fair value of the loan is not materially different to the carrying value, as the interest payable is close to the current market rate of 12.15%.

22. Leases

Amounts recognised in the consolidated statement of financial position

Right-of-use assets

Details of the Right-of-use assets held at year 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 2023 £'000	31 August 2022 £'000
Current	74	321
Non-current	57	295
	131	616
Future minimum lease payments are as follows:		
Not later than one year	74	324
Later than one year and not later than five years	58	294
Later than five years	–	–
Total gross payments	132	618
Impact of finance expenses	(1)	(2)
Carrying amount of liability	131	616

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

Amounts recognised in the consolidated statement of comprehensive income

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Depreciation charge	(77)	(93)
Interest on lease liabilities	(3)	(12)
Rental payments with lease term less than 12 months	(127)	(135)
	(207)	(240)

Amounts recognised in the consolidated statement of cash flows

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Principal elements of lease payments	(225)	(392)
Rental payments with lease term less than 12 months	(127)	(146)
	(352)	(538)

Notes to the consolidated financial statements *continued*

23. Share capital and Share premium

Group and Company

	31 August 2023		31 August 2022	
	Shares	£	Shares	£
Allotted, and fully paid:				
Ordinary Shares of £0.01 each	74,142,147	741,421	69,475,480	694,755

Movements during the year were as follows:

	Number of shares (thousands)	Share capital £'000	Share premium £'000	Total £'000
At 1 September 2022	69,475	695	40,634	41,329
Issue of new shares	4,667	46	2,049	2,095
At 31 August 2023	74,142	741	42,683	43,424

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 no issued Ordinary Shares in Own shares.

In December 2022, the Company completed an equity fundraise, raising gross proceeds of £2.1M at a share price of £0.45 to provide the Group with additional near-term working capital.

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 six 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 three 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:

	WAEP*	31 August 2023 Number	WAEP*	31 August 2022 Number
Outstanding as at 1 September 2022 (2022: 1 June 2021)	0.47	8,834,736	0.46	9,147,330
Granted	0.50	185,000	0.58	1,017,818
Lapsed	0.01	(2,926,386)	0.49	(1,203,131)
Exercised	n/a	–	1.10	(127,281)
Outstanding as at 31 August 2023 (2022: 31 August 2022)	0.56	6,093,350	0.47	8,834,736

* 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 2023	Share options 31 August 2022
8 November 2016	7 November 2026	£0.01 – £1.08	2,013,795	2,144,735
30 November 2016	29 November 2026	£1.185	48,565	48,565
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	320,000
22 April 2018	21 April 2028	£1.26	409,922	433,669
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	96,330
24 April 2019	23 April 2019	£1.08 – £1.26	44,929	44,929
1 July 2019	30 June 2029	£1.09	27,890	27,890
24 October 2019	23 October 2029	£0.02	7,500	7,500
29 November 2019	28 November 2029	£0.51	–	29,649
30 April 2020	29 April 2030	£0.76	230,263	322,368
5 June 2020	4 June 2030	£1.195	231,971	297,187
10 September 2020	9 September 2030	£0.01	1,794,696	4,018,257
11 November 2020	10 November 2020	£1.675	–	–
8 June 2021	7 June 2031	£2.10	69,867	117,562
21 December 2021	20 December 2031	£1.68	–	135,109
12 July 2022	11 July 2032	£0.01 – £0.78	619,641	673,005
3 November 2022	3 November 2032	£0.50	60,000	–
Total			6,093,350	8,834,736
Weighted average remaining contractual life of outstanding options			7.1 years	8.2 years

Notes to the consolidated financial statements *continued*

24. Share-based payments continued

The assessed fair value of all options granted by the Company was determined 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 year ended 31 August 2023 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 factor	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 factor	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 factor	10%
Fair value of options granted in the year	£21,000

185,000 share options: Grant date	3 November 2022
Expected volatility	72%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factor	10%
Fair value of options granted in the year	£48,230

- 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 year.
- 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).

24. Share-based payments continued

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 then Chairman, CEO, CFO and Company Secretary. The options granted have an 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%

The assumptions inherent in the use of the Monte Carlo model for options grant 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 12 July 2022 Alistair Macdonald was granted 492,252 share options under this scheme and the same terms as those issued to previous Chairman Meinhard Schmidt.

Expenses arising from share-based payment transactions

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

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Total (credit)/charge arising from share-based payment transactions	(1,182)	1,636
	(1,182)	1,636

The credit in the year is due to options being forefeited on the departure of senior staff.

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

	Grant date	Number	Subscription price
Outstanding at 1 September 2022:			
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	£0.45
IPF Investco II Sarl	October 2020	434,435	£0.45
IPF Investco II Sarl	December 2021	383,994	£0.45
Outstanding at 31 August 2023		4,940,773	

Notes to the consolidated financial statements *continued*

24. Share-based payments continued

The assessed fair value of all warrants granted by the Company were determined using the Black-Scholes model. The assumptions inherent in the use of the Black-Scholes model for warrants granted during the period to 31 August 2022 and for the year ended 31 August 2023 are shown below:

434,435 warrants: Grant date	October 2020
Expected volatility	50.0%
Expected dividend yield	0%
Risk free rate	0.01%
Discount factor	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 factor	10%
Fair value of warrants granted in the year	£278,000

- 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 2023 £'000	31 August 2022 £'000
Deferred tax assets		
As at 1 September 2022 (2022: 1 June 2021)	613	937
Charge to income statement	(222)	(324)
Foreign exchange movement	29	–
Deferred tax relating to discontinued operations	(201)	–
As at 31 August 2023 (2022: 31 August 2022)	219	613
Deferred tax liabilities		
As at 1 September 2022 (2022: 1 June 2021)	311	374
Foreign exchange movement	–	–
Credit to income statement	(6)	(63)
Deferred tax relating to discontinued operations	(201)	–
As at 31 August 2023 (2022: 31 August 2022)	104	311

26. Related party transactions

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

27. Categories of financial instruments

	Note	31 August 2023 £'000	31 August 2022 £'000
Current financial assets			
At amortised cost – Trade and other receivables	17	1,959	939
At amortised cost – Cash and cash equivalents	18	3,209	1,425
Total financial assets		5,168	2,364
Non-financial assets		3,268	7,796
Total assets		8,436	10,160
Current financial liabilities			
At amortised cost – Trade and other payables	19	894	1,176
At amortised cost – Lease liabilities	22	74	321
At amortised cost – Borrowings	21	258	994
Total current financial liabilities		1,226	2,491
Non-financial current liabilities		196	214
Total current liabilities		1,422	2,705
Non-current financial liabilities			
At amortised cost – Other liabilities	20	1,284	2,000
At amortised cost – Borrowings	21	4,912	9,028
At amortised cost – Lease liabilities	22	57	295
Total non-current Financial liabilities		6,253	11,323
Non-financial liabilities		104	311
Total non-current liabilities		6,357	11,634

Notes to the consolidated financial statements *continued*

28. Cash flow information

Movements in net debt for each of the periods presented were as follows:

	31 August 2023 £'000	31 August 2022 £'000
Net debt reconciliation		
Cash and cash equivalents	3,209	1,425
Borrowings – non-current liability (fixed interest rates)	(4,912)	(9,028)
Borrowings – current liability (fixed interest rates)	(258)	(994)
Lease liability – non-current liability	(57)	(295)
Lease liability – current liability	(74)	(321)
Net debt	(2,092)	(9,213)

	Liabilities from financing activities				
	Borrowings £'000	Leases £'000	Subtotal £'000	Cash and cash equivalents £'000	Total £'000
Net debt as at 1 June 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)
Cash flows	4,885	225	5,110	1,777	6,887
Arising on disposal	–	251	251	–	251
Foreign exchange adjustments	(204)	–	(204)	7	(197)
Other changes	171	9	180	–	180
Net debt as at 31 August 2023	(5,170)	(131)	(5,301)	3,209	(2,092)

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

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 2023 and the period to 31 August 2022 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 operations. 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 2023		31 August 2022	
	USD £'000	EUR £'000	USD £'000	EUR £'000
Trade receivables	–	348	(6)	623
Trade payables	(2)	(135)	(5)	(304)
Bank loans	–	(5,170)	–	(10,023)

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
The aggregate net foreign exchange gains/(losses) recognised in profit or loss were:		
Exchange losses on foreign currency borrowing included in net finance costs	(204)	–
Net foreign exchange gains included in administrative expenses	126	35
Total net foreign exchange (losses)/gains recognised in loss before tax	(78)	35

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.

Notes to the consolidated financial statements *continued*

29. Financial risk management continued

Credit risk

Credit risk arises from cash, trade receivables, 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 recognise this risk, the Group endeavours only to deal with banks with a minimum rating of 'A'. The credit value of a 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.

	Current	30-60 days past due	60-120 days past due	Over 120 days past due	Total
31 August 2023					
Gross carrying amount – trade receivables	321	–	–	–	321
Gross carrying amount – contract assets	162	–	–	–	162
Loss allowance	–	–	–	–	–
31 August 2022					
Gross carrying amount – trade receivables	683	1	4	203	891
Gross carrying amount – contract assets	417	–	–	–	417
Loss allowance	–	–	–	119	119

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening loss allowance at 1 September 2022 (2022: 1 June 2021)	–	–	119	25
Increase in loss allowance recognised in profit or loss in period	–	–	–	94
Allowance relating to discontinued operations	–	–	(119)	–
Closing loss allowance at 31 August 2023 (2022: 31 August 2022)	–	–	–	119

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.

29. Financial risk management continued

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 year end, the Group had net debt of £2.1M (2022: £9.2M). The Group has a credit facility with IPF Management SA. 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 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.

2023	Less than six months £'000	Within six to 12 months £'000	One to two years £'000	Two to five years £'000
Trade payables, statutory liabilities, and accruals	894	–	–	–
Contract liabilities	196	–	–	–
Lease liabilities	28	29	74	–
Other liabilities	–	–	–	1,284
Borrowings	–	258	1,552	3,360
	1,118	287	1,626	4,644

2022	Less than six months £'000	Within six to 12 months £'000	One to two years £'000	Two to five years £'000
Trade payables, statutory liabilities, and accruals	1,210	–	–	–
Contract liabilities	180	–	–	–
Lease liabilities	160	161	295	–
Other liabilities	2,000	–	–	–
Borrowings	3,926	2,438	1,894	1,764
	7,476	2,599	2,189	1,764

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 consolidated statement of financial position.

	31 August 2023 £'000	31 August 2022 £'000
Total equity	657	(4,179)
Cash and cash equivalents	3,209	1,425
Capital/(Capital deficiency)	3,866	(2,754)
Total financing		
Contingent consideration	–	2,000
Borrowings	5,170	10,022
Lease liabilities	131	616
Overall financing	5,301	12,638
Capital to overall financing ratio	72.93%	(21.79)%

Notes to the consolidated financial statements *continued*

29. Financial risk management continued

Capital risk management continued

The Board acknowledges the negative capital to overall financial ratio as at 31 August 2022 which then normalised as at 31 August 2023, as a result of the Group's business strategies.

30. Commitments

The Group has no capital commitments at the year end (2022: £Nil).

31. Events after the end of the reporting period

There were no material events to report after the balance sheet date.

32. Ultimate controlling party

There is no ultimate controlling party of the Company.

33. Subsidiaries consolidated and disposed

The subsidiaries controlled at 31 August 2023 and included in the consolidated financial statements are detailed below. No subsidiary undertakings have been excluded from the consolidation.

			Holding		
Company	Place of business/ Country of incorporation	Class of share capital held	Direct %	Indirect %	Principal activities
Oncimmune Germany GmbH Otto-Hahn-Str 15, 44227 Dortmund Germany	Germany	Ordinary	100	–	Autoantibody profiling service
Oncimmune LLC 251 Little Falls Drive Wilmington, DE 19808, USA	United States of America	Ordinary	–	100	Business development and marketing services

In May 2023, the Group reached an agreement on the terms of a proposed sale of its 100% equity interest in its wholly-owned subsidiaries, Oncimmune Limited and Oncimmune Europe GmbH (jointly "the discontinued operations"). The transaction received Board approval on 18 May 2023, and the disposal was completed on 19 May 2023.

Oncimmune Limited and Oncimmune Europe GmbH were sold to Freenome Holdings, Inc. ("Freenome") for £1.3M which is being held in escrow for twelve (12) months in the event of any claim by Freenome against the customary warranties and indemnity given to Freenome in the sale and purchase agreement. The £1.3M escrow receivable is included within trade and other receivables in the consolidated statement of financial position.

The loss on disposal of the discontinued operations comprises the following:

	£'000
Gross proceeds	1,300
Less: Costs of disposal	(235)
Less: Net liabilities of the discontinued operations at the date of disposal	11,072
Foreign currency translation	23
Net gain on disposal of the discontinued operations	12,160

33. Subsidiaries consolidated and disposed continued

The overall loss incurred by the Group from discontinued operations from 1 September 2022 to 19 May 2023 and from 1 June 2021 to 31 August 2022 is broken down as follows:

	Period to 19 May 2023 £'000	Period to 31 August 2022 £'000
Revenue	954	1,472
Cost of sales	(248)	(843)
Gross Profit	706	629
Total administrative expenses	(1,669)	(4,754)
Other income	8	407
Operating loss	(955)	(3,718)
Finance costs	(950)	(1,263)
Loss before income tax	(1,905)	(4,981)
Income tax credit	–	434
Gain on disposal of discontinued operations (as above)	12,160	–
Gain/(Loss) after tax for the period from discontinued operations	10,255	(4,547)

The net liabilities of the discontinued operations as of 19 May 2023 were as follows:

	19 May 2023 £'000
Intangible assets	1,950
Property, plant and equipment	124
Right-of-use assets	240
Deferred tax asset	201
Inventories	37
Trade and other receivables	666
Contract assets	220
Cash and cash equivalents (Bank overdraft)	(110)
Other liabilities	(2,000)
Deferred tax liabilities	(201)
Trade and other payables	(174)
Intercompany payables	(11,700)
Lease liabilities	(251)
Contract liabilities	(74)
Net liabilities of the discontinued operations	(11,072)

Notes to the consolidated financial statements *continued*

33. Subsidiaries consolidated and disposed continued

The cash flows of the discontinued operations from 1 September 2022 to the disposal date, and the period from 1 June 2021 to 31 August 2022 were as follows:

	Period to 19 May 2023 £'000	Period to 31 August 2022 £'000
Net cash outflow from operating activities	(286)	(2,894)
Net cash outflow from investing activities	–	(113)
Net cash (outflow)/inflow from financing activities	(702)	580
Net cash flows from discontinued operations	(988)	(2,427)

Company statement of financial position
As at 31 August 2023

	Notes	31 August 2023 £'000	31 August 2022 £'000
Fixed assets			
Property, plant and equipment		2	–
Investments	3	2,380	2,561
		2,382	2,561
Current assets			
Debtors	4	6,963	15,199
Cash and cash equivalents	5	2,819	59
		9,781	15,258
Creditors: amounts falling due within one year	6	(753)	(743)
Net current assets		9,029	14,515
Total assets less current liabilities		11,411	17,076
Creditors: amounts falling due after more than one year	9	(6,196)	–
Total assets less total liabilities		5,215	17,076
Capital and reserves			
Called up share capital	7	741	695
Share premium account		42,683	40,634
Merger reserve		1,095	1,095
Profit and loss reserve		(39,304)	(25,348)
Shareholders' funds		5,215	17,076

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 year ended 31 August 2023 was £ 12,774,000 (2022: £4,805,000).

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

The parent company financial statements were approved by the Board on 28 February 2024.

Martin Gouldstone
Director and Chief Executive Officer

Oncimmune Holdings plc, Registered no. 09818395

Company statement of changes in equity
For the year ended 31 August 2023

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
As at 1 June 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 year	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**
Loss for the year	–	–	–	(12,774)	(12,774)
Total comprehensive expense	–	–	–	(12,774)	(12,774)
Transactions with owners:					
Shares issued in year	46	2,049	–	–	2,095
Share option charge	–	–	–	(1,182)	(1,182)
As at 31 August 2023	**741**	**42,683**	**1,095**	**(39,304)**	**5,215**

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.

Notes to the Company financial statements *continued*

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.

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.
- Own share reserve: arose from creation of a Joint Share Ownership Plan in 2010.
- 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 had a gross amount due from its subsidiary Oncimmune Limited totalling £22,580,153. This amount was repayable on demand and did not incur interest. On 19 May 2023, the Company disposed of its interest in Oncimmune Limited. Refer to Note 33 of the Notes to the Consolidated Financial Statements for further details.

	Credit-impaired financial assets (lifetime expected credit losses) £'000
Loss allowance as at 1 September 2022	12,167
Write-off	(12,167)
Loss allowance as at 31 August 2023	–

Notes to the Company financial statements *continued*

2. Accounting estimates and judgements continued

	Credit-impaired financial assets (lifetime expected credit losses) £'000
Gross carrying amount as at 1 September 2022	27,322
Write-off	(22,197)
Gross carrying amount as at 31 August 2023	**5,125**

3. Investments

	Investments in subsidiary £'000
At 1 September 2022	2,561
Additional capital contribution	4
Disposals	(185)
At 31 August 2023	**2,380**

Details of subsidiary undertakings as at 31 August 2023 are as follows:

			Holding		
Company	Country of incorporation	Class of share capital held	Direct %	Indirect %	Principal activity
Oncimmune Germany GmbH Otto-Hahn-Str 15, 44227 Dortmund, Germany	Germany	Ordinary	100	–	Autoantibody profiling service
Oncimmune LLC 251 Little Falls Drive Wilmington, DE 19808	United States of America	Ordinary	–	100	Business development and marketing services

On 19 May 2023, the Company sold its 100% equity interest in its wholly-owned subsidiaries, Oncimmune Limited (including its subsidiary Oncimmune Americas LLC) and Oncimmune Europe GmbH (the "Disposed Subsidiaries"). Refer to Note 33 of the Notes to the Consolidated financial statements for further details.

4. Trade and other receivables

	31 August 2023 £'000	31 August 2022 £'000
Loan to subsidiary undertakings	5,125	15,155
Other amounts receivable from subsidiary undertakings	235	–
Other debtors	1,603	44
	6,963	15,199

In respect of the loan to subsidiary undertakings as at 31 August 2023, the loan is unsecured, interest bearing and repayable on demand.

5. Cash and cash equivalents

	31 August 2023 £'000	31 August 2022 £'000
Cash at bank	2,819	59

6. Trade and other payables

	31 August 2023 £'000	31 August 2022 £'000
Creditors: amounts falling due within one year		
Trade payables	35	110
Amounts owed to Group undertakings	–	475
Borrowings	258	–
Other creditors	60	31
Accruals	400	127
	753	743

The amounts owed to Group undertakings as at 31 August 2023 relate to expenses incurred for Oncimmune Holdings PLC by Oncimmune Americas LLC, which has since been written off. There were no specific terms relating to this loan.

Details of Borrowings can be found in Note 21 of the Consolidated Financial Statements and Note 9.

7. Share capital

	31 August 2023		31 August 2022	
	Shares	£	Shares	£
Allotted, and fully paid:				
Ordinary Shares of £0.01 each	74,142,147	741,421	69,475,480	694,755

Detail of the movements in the year, and rights attached to the Ordinary Shares can be found in Note 23 of the Consolidated Financial Statements.

8. Employee remuneration

	31 August 2023 £'000	31 August 2022 £'000
Salary, fees, bonuses and other short-term emoluments	1,903	1,727
Social security costs	225	220
Pension costs	11	–
Share-based payment (credit)/charge	(1,182)	1,635
	957	3,582

The average number of employees during the year was 8 (2022: 8) including 6 Directors (2022: 6) and 2 senior managers (2022: 2).

Notes to the Company financial statements *continued*

9. Creditors: amounts falling due after more than one year

	Year ended 31 August 2023 £'000	Period ended 31 August 2022 £'000
Borrowings	4,912	–
Arrangement fee	1,284	–
	6,196	–

10. Events after the reporting period

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

11. Ultimate controlling party

There is no ultimate controlling party of the Company.

Company information

Company registration number
09818395

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1 Park Row
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Martin Gouldstone – Chief Executive Officer
Dr Sally Waterman – Non-Executive Director
John Goold – Non-Executive Director

Company Secretary
Ron Kirschner

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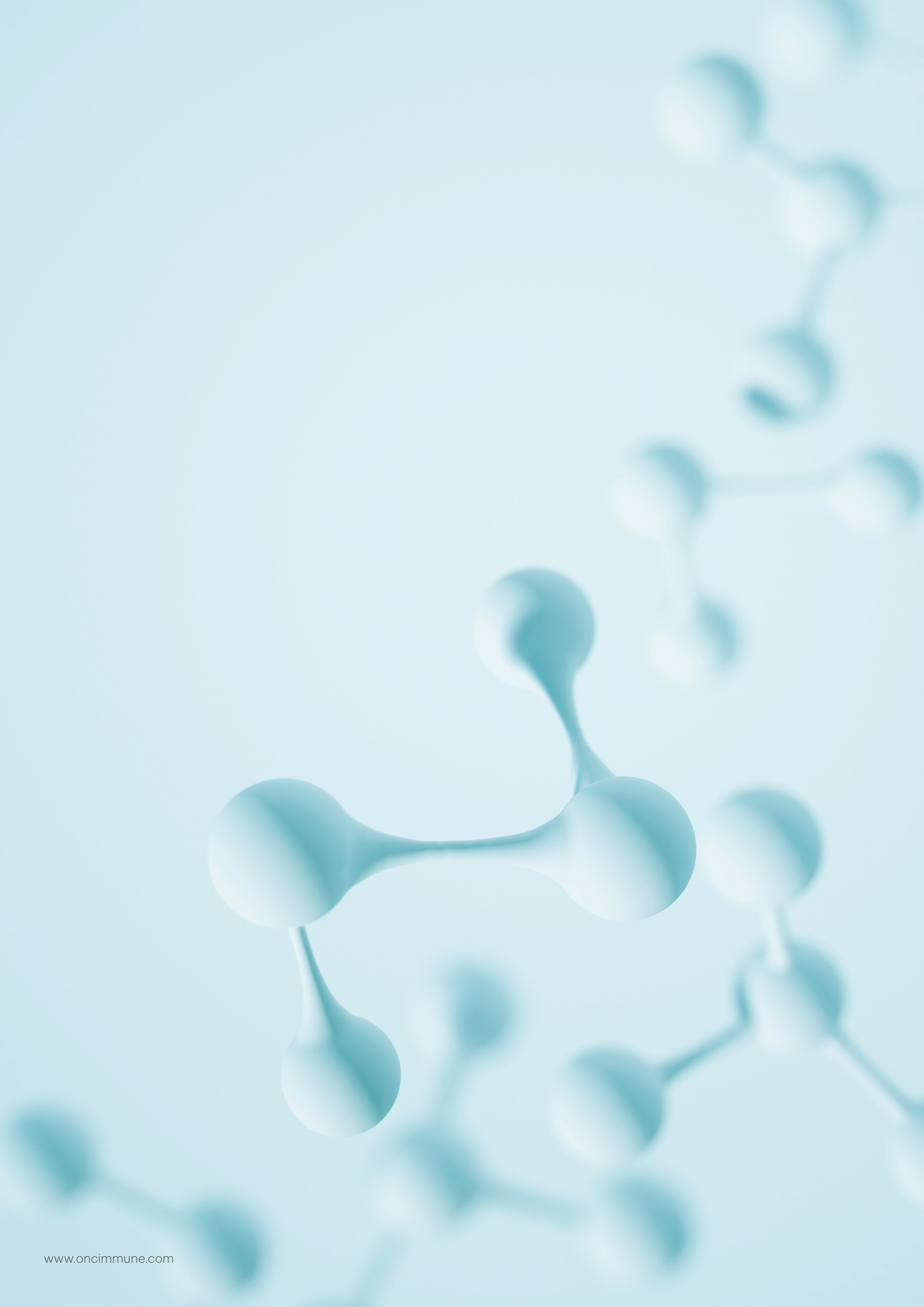

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