

**ABINGDON HEALTH PLC**

("Abingdon Health" or the "Company")

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

**York, U.K - 9 March 2021:** Abingdon Health PLC (AIM: ABDX), a leading international developer and manufacturer of high quality and effective rapid tests, announces its unaudited interim results for the six months ended 31 December 2020.

**Operational highlights:**

- IPO of Abingdon Health on AIM in December 2020 raising £20m (net) to further build operational capacity;
- CE-marking for professional use of AbC-19™ COVID-19 rapid antibody test;
- Completion of stage 1 of York and Doncaster manufacturing sites build-out; and
- Appointment of Mary Tavener as a Non-Executive Director on the Board.

**Financial Highlights:**

- Revenue increased significantly to £7.69m (2019: £1.55m) predominantly due to COVID-19 related activities;
- Like-for-like revenue growth (excluding Covid-19 related contracts) increased by 111.6% to £3.28m (2019: £1.55m);
- Gross profit margin increased to 40.1% (2019: 39.4%);
- Operating loss before exceptional items of £0.06m (2019: loss of £0.75m); and
- Profit after tax of £0.14m (2019: loss of £0.78m).

**Post-period operational highlights:**

- Completed delivery of 1m units of AbC-19™ COVID-19 rapid antibody test to the Department of Health and Social Care (DHSC);
- Completed delivery of 1m units of our PCRd device, a nucleic acid lateral flow immunoassay (NALFIA), to a customer in the U.S.;
- Contract agreed in January 2021 for technical transfer to manufacture of a COVID-19 antigen test for a customer in the UK;
- Resubmission of AbC-19™ data for US FDA Emergency Use Authorization (EUA);
- Good commercial progress with AbC-19™ COVID-19 rapid antibody test being evaluated in over 30 countries worldwide, with several contracts in late-stage negotiations subject to registration;
- Stage 2 of York and Doncaster capacity expansion builds underway and planned for completion by April 2021;
- Appointment of Melanie Ross as Chief Financial Officer and to the Board;
- Collaboration and co-marketing agreement signed with Abcam plc;
- Grant of AppDx patent around use of artificial intelligence and machine learning in reading lateral flow tests with smartphones; and
- Initial test data shows the effectiveness of AbC-19™ COVID-19 rapid antibody test in demonstrating immune response of patients to the first dose of the Pfizer-BioNTech COVID-19 vaccine.

**Chris Yates, CEO at Abingdon Health PLC, commented:**

*"I am pleased to report Abingdon Health's maiden set of interim results since our listing on the AIM market in December 2020. Over the past six months, the Company has made significant commercial progress across the COVID-19 and non-COVID-19 commercial pipeline and, operationally, Abingdon Health has successfully completed the first phase of its manufacturing expansion. Due to the growing global demand for lateral-flow tests, the Company is continuing to scale up and is on track to be able to produce 150 million tests per annum by the end of 2021.*

*Over recent weeks, there has been growing evidence that rapid antibody testing can be used to determine an individual's antibody status both prior to and after vaccination, a crucial factor in stratifying patients and determining resource allocation on overburdened health systems. As a result of this, and the leading accuracy of Abingdon Health's test, the Company anticipates an increased demand for rapid antibody tests that can be used as a companion to COVID-19 vaccines.*

*Whilst the timing of any antibody testing programme roll-outs and future orders are difficult to accurately predict given the range of factors that the Company is dealing with from, inter alia, the evolving regulatory processes and the impact of COVID-19 virus mutations, the Board remains confident in both the short and medium-term growth opportunities. The Company's Tier 1 order pipeline for AbC-19™ continues to grow and this gives the Board the confidence in the Company's ability to achieve market expectations for the year".*

**For further information, please contact:**

**Abingdon Health PLC**

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**About Abingdon Health PLC**

Abingdon Health is a world leading developer and manufacturer of high-quality rapid tests across all industry sectors, including healthcare and COVID-19. Abingdon Health is the partner of choice for a growing global customer base and takes projects from initial concept through to routine and large-scale manufacturing and has also developed and marketed its own labelled tests. The Company offers product development, regulatory support, technology transfer and manufacturing services for customers looking to develop new assays or transfer existing laboratory-based assays to a lateral flow format. Abingdon Health aims to support the increase in need for rapid results across many industries and locations and produces lateral flow tests in areas such as infectious disease, clinical testing including companion diagnostics, animal health and environmental testing. Faster access to results allows for rapid decision making, targeted intervention and can support better outcomes. This ability has a significant role to play in improving life across the world. To support this aim Abingdon Health has also developed AppDx®, a patented customisable image capturing technology

that transforms a smartphone into a self-sufficient, standalone lateral-flow reader. Founded in 2008, Abingdon Health is headquartered in York, England.

<https://www.abingdonhealth.com/>

## **BUSINESS REVIEW**

### **Strategy**

Abingdon Health's goal is to make rapid testing accessible to all and to provide our customers with a comprehensive lateral flow contract development and automated manufacturing service. The Company's key strategic objectives are to use its expertise to innovate and build the largest automated lateral flow manufacturing capacity globally, and this interim results statement outlines the solid progress that the Company has made across the areas below.

### **AbC-19™ COVID-19 Rapid Test**

The AbC-19™ COVID-19 rapid antibody test ("AbC-19™") is a single use test for the detection of neutralising IgG antibodies to the full trimeric spike protein of the SARS-CoV-2 virus in human capillary whole blood. The potential use cases for the AbC-19™ rapid test include: testing the immune response of vaccines both post-vaccination and on a longitudinal basis; population testing to provide information about the levels of immunity, both from COVID-19 infection or vaccination; as part of an immunity passport solution to reduce the need to lockdown and get people back to work; and in regions of vaccine scarcity providing a method to determine whether one vaccine dose or two is required. Studies are underway, including the one detailed below with the University of Birmingham, to support these use cases, with early results positive and further data to be released in due course.

AbC-19™ was CE-marked for professional use in July 2020 and is now being distributed through the UK Rapid Test Consortium ("UK-RTC"), and the Company is in the process of registering the product in over 30 countries worldwide. In March 2021, Abingdon Health resubmitted data to the FDA for an Emergency Use Authorization ("EUA") process, which showed that AbC-19™ meets the sensitivity and specificity guidelines of the FDA.

In the UK, Abingdon Health completed the delivery of 1m units of AbC-19™ at a price of £5.15 per test to the DHSC in January 2021, with the DHSC contract expiring in February 2021 as planned. In addition, Abingdon Health continues to work towards the approval of AbC-19™ for home testing in various jurisdictions.

The Company is making good progress in the approval of AbC-19™ for testing in the US as well as with over 30 other countries worldwide. The Company has identified customers in seven countries that are being prioritised internally as Tier 1 commercial targets where, following registration of AbC-19™, the Company anticipates significant sizeable orders, ahead of the end of Abingdon Health's financial year. At this stage, the Tier 2 commercial targets are not anticipated to convert until the next financial year.

Abingdon Health continues to work closely with its consortium partners within the UK-RTC on securing additional orders for AbC-19™ and believes that its highly accurate neutralising antibody test can be used as a companion diagnostic alongside vaccines to assess their efficacy across the general population and the level of immunity to the SARS-CoV-2 virus. The Company is further encouraged by both the independent and internal research recently published on the benefits of specifically neutralising antibody testing either prior to or post vaccination.

In February 2021, an initial study carried out at the University of Birmingham examined the performance of AbC-19™ with 193 individuals that had received a single dose of the Pfizer-BioNTech COVID-19 vaccination. The study showed that AbC-19™ was effective in demonstrating the immune response of patients to the first dose of the Pfizer-BioNTech COVID-19 vaccine and highlighted a differential immune response of two cohorts of patients: those previously infected with COVID-19 and those not infected, with patients previously infected with COVID-19 showing a stronger immune response to the first dose of the Pfizer-BioNTech COVID-19 vaccine.

Although much of the focus from governmental agencies worldwide has been on the approval of antigen tests, the roll-out of vaccines has highlighted the potential to use AbC-19™ as a

companion test and this is proving of high interest to many of our potential UK and international customers.

### **Other COVID-19 testing products and projects**

Abingdon Health was pleased to announce in January 2021 that an international customer had achieved a CE-mark for professional use for its COVID-19 lateral flow antigen test. Having completed the technical transfer to manufacturing of this product, the Company remains in dialogue with this customer around the placing of manufacturing orders. Also in January 2021, Abingdon Health agreed a contract for technical transfer of a UK customer's COVID-19 antigen test into manufacturing and that project commenced in February 2021. The Company welcomed the news from Avacta plc in February 2021 regarding the very encouraging performance data on their COVID-19 antigen test. As a manufacturing partner for Avacta, the Company looks forward to moving their product through technical transfer in due course.

Abingdon Health was pleased to complete the previously notified 1m order of our PCRD product to a US customer in February 2021. PCRD is a lateral flow assay that allows rapid nucleic acid detection post isothermal amplification. This customer is using Abingdon Health's PCRD product as a component to their COVID-19 rapid molecular testing solution and is currently going through the FDA EUA process. Subject to the successful conclusion of this process, Abingdon Health anticipates further orders of its PCRD product.

### **Non-COVID-19 pipeline**

Abingdon Health continues to work closely with its contract development and manufacturing customers across the clinical, animal health, plant and environmental testing markets. The Company is encouraged by the sales pipeline of non-COVID-19 products and believes that this growth is in part a consequence of the impact that the pandemic has had on increasing the profile of lateral flow tests, and the recognition of their perceived benefits in terms of cost and ease-of-use.

To further support the build-out of its pipeline, the Company was pleased to announce in February 2021 a collaboration and co-marketing agreement with Abcam plc. This strategic partnership will establish a collaborative relationship to enable both parties to identify and maximise opportunities for the provision of their products and services to one another.

### **Operational capacity**

Following the IPO and associated fundraise, Abingdon Health continues to invest in both its York and Doncaster manufacturing sites and the Company was pleased to obtain an extension to the scope from the British Standards Institute in January 2021 to our ISO13485 quality management system in January 2021 to cover manufacturing in Doncaster. This operational expansion is focused on three elements: increased operational footprint, increased automated manufacturing equipment and building of the operational team. Abingdon Health has made good progress in all three areas, with the first stage of the build completed in York and Doncaster in H1 2020/21. The second stage of the build plan has commenced at both sites and is due for completion in Q4 2020/21. The Company also has additional automated equipment on order to support increasing its manufacturing capacity and remains on track for total production capacity of 3m units per week by the end of the calendar year.

### **AppDx® lateral flow smartphone reader**

Abingdon Health is pleased to have secured (but not yet drawn down) a £1m loan from Innovate UK to fund the development of a fully quantitative AppDx® solution. This project kicked off in January 2021 and is designed to produce a fully quantitative smartphone-based lateral flow device reader with performance similar or better to laboratory-based bench top readers.

Abingdon Health's AppDx® Smartphone based lateral flow reader system uses artificial intelligence and neural networks to read, interpret, record, and transmit the results of a lateral flow test using a standard smartphone in both Android® and iPhone® formats. This technology can be applied to any lateral flow device format and can be used alongside antibody and antigen tests for COVID-19, other infectious diseases, drugs of abuse, hormones, proteins and other biomarkers. AppDx® will help meet the increasing market requirement for the integration of lateral flow testing with a

digital health solution which will support the anticipated growth in decentralised point of care testing.

In February 2021, the Company was granted a UK patent relating to its proprietary smartphone lateral flow device app. This patent covers an Artificial Intelligence based approach for analysing captured digital photos of lateral-flow tests. The approach deploys neural networks and mathematical modelling to interpret the digital image and computes the outcomes relevant to each individual assay.

## **People**

During the six months to 31 December 2020, the Company strengthened its team from 63 people to 164 and as at the end of February there were 183 people employed by Abingdon Health. A significant proportion of new recruits are local graduates and, specifically, life science graduates. As a business, Abingdon Health has undergone significant change in the past year and thanks all of its staff for their flexibility and support during this challenging period. Their commitment continues to be greatly appreciated. Throughout the COVID-19 pandemic, more than ever, the safety and well-being of the Company's staff has been the priority.

To support the Company's manufacturing scale-up, Olly Gardner was appointed as Chief Operating Officer in July 2020. The Board was also pleased to appoint Mary Tavener as Non-Executive Director in November 2020. Mary has extensive experience in the healthcare sector, having previously been Chief Financial Officer and Board member of AIM listed Advanced Medical Solutions plc for 19 years.

In January 2021, Melanie Ross was appointed as Chief Financial Officer and to the Board. Melanie has broad experience in managing rapidly growing businesses, fund raisings, acquisitions, and corporate governance and recently served as Chief Financial Officer and Chief Operating Officer at AIM-listed Surgical Innovations Group Plc. At the time of Melanie's appointment, Scott Page stepped down from the Board and continues in his role as Finance Director and Company Secretary.

## **Financial Performance**

The Company completed an Initial Public Offering on 15 December 2020 raising approximately £20m net of costs. Due to the timing of the IPO, the cash position at 31 December 2020 reflects the inflow of these funds and the outflow of these funds on specifically identified strategic projects.

Revenues during the period were £7.69m (2019: £1.55m), representing an increase of 394.6%. The Company's contract with the DHSC for the supply of AbC-19™ forms a substantial portion of its revenue for the period. Of these revenues, £4.41m relate to AbC-19™ sales and as such the increase in sales on a like-for-like basis is £1.73m, or 111.6%.

The gross profit margin for the period improved to 40.1% (2019: 39.4%). As the business continues to invest in automated equipment and integrate manufacturing efficiencies as capacity scales up, the Board expects that margin will continue to improve in line with these advancements.

Adjusted operating loss has reduced significantly from the prior period to £0.06m (2019: loss of £0.75m). As the business upscales its activities to reach its capacity plans, overhead costs have also increased, predominantly in staff costs (£2.29m) and professional fees (£0.34m).

Adjustments made to the operating loss are share-based payment expenses (£0.74m) and one-off listing costs not relating to the issue of new share capital (£0.57m). The finance costs of £0.21m include £0.18m of interest on convertible loan notes which were converted into equity as part of the IPO, and as such this cost is not expected to recur.

The taxation credit of £1.71m (2019: £0.07m expense) reflects the current period introduction of a deferred taxation asset and associated liability of net value £1.83m.

The Company had cash of £16.5m at 31 December 2020. At this time the DHSC owes Abingdon Health £5.2m in relation to the supply of AbC-19™. Whilst this payment is overdue, Abingdon Health has received both written and verbal assurances that the funds will be received.

## **Outlook**

Abingdon Health is working in a complex and uncertain environment. The timing of any antibody testing programme roll-outs are difficult to accurately predict given the range of factors that the Company is dealing with from, *inter alia*, the evolving regulatory processes, timing of vaccine programme roll-outs and the impact of COVID-19 virus mutations. Whereas the Board is confident that large future orders will be forthcoming, the timing of these is difficult to predict.

In the current financial year, the key driver of the Company's financial performance will be the predicted roll-out of antibody testing in the territories that Abingdon Health is targeting and the sales of its AbC-19™ COVID-19 rapid test. Abingdon Health has a growing pipeline of international opportunities, with seven countries now identified as Tier 1 commercial targets which have potential to deliver significant order volume in this financial year.

Whilst the timing and volume of contracts remains subject to each individual jurisdiction's regulatory approval process, the Board remains confident in both the short and medium-term growth opportunities. The Company's Tier 1 order pipeline for ABC-19™ continues to grow and this gives the Board confidence in the Company's ability to achieve market expectations for the year subject to the timing of receipt and delivery of orders before year-end. The business is continuing to scale-up to meet this anticipated demand for the growth in both COVID-19 and non-COVID-19 testing requirements and, given the pipeline of AbC-19™ rapid test opportunities, the Company is building stock to satisfy this anticipated demand.

# Abingdon Health PLC

## Consolidated Statement of Total Comprehensive Income As at 31 December 2020

|   | Notes    | Unaudited<br>6 months<br>ended<br>31 December<br>2020<br>£'000 | As restated<br>Unaudited<br>6 months<br>ended<br>31 December<br>2019<br>£'000 | As restated<br>Audited<br>Year<br>ended<br>30 June<br>2020<br>£'000 |
|---|----------|--|---|---|
| <b>Revenue</b>  | <b>1</b> | 7,687  | 1,554   | 5,235   |
| Cost of sales   |          | (4,606)  | (942)   | (1,149)   |
| <b>Gross profit</b>   |          | 3,081  | 612   | 4,086   |
| Administrative expenses                                     |          | (3,270)  | (1,422)   | (3,959)   |
| Other income  |          | 134  | 63  | 125   |
| <b>Operating (loss)/profit before<br/>exceptional items</b> |          | (55)   | (747)   | 252   |
| Impairment charges  |          | -  | -   | (3,528)   |
| Share-based payment expenses                                |          | (741)  | (18)  | (36)  |
| Listing costs   |          | (570)  | -   | -   |
| <b>Operating loss</b>                                       |          | (1,366)  | (765)   | (3,312)   |
| Finance income  |          | -  | 1   | 2   |
| Finance costs   |          | (205)  | (11)  | (65)  |
| <b>Loss before taxation</b>                                 |          | (1,571)  | (775)   | (3,375)   |
| Taxation  |          | 1,713  | (7)   | 1   |
| <b>Profit/(loss) for the period</b>                         |          | 142  | (782)   | (3,374)   |
| Other comprehensive loss                                    |          | (16)   | -   | -   |
| <b>Total comprehensive<br/>income/(loss) for the period</b> |          | 126  | (782)   | (3,374)   |
| Basic earnings per share (pence)                            | <b>3</b> | 0.06   | (0.32)  | (1.38)  |
| Diluted earnings per share (pence)                          | <b>3</b> | 0.06   | (0.32)  | (1.38)  |



# Abingdon Health PLC

## Consolidated Statement of Financial Position As at 31 December 2020

|                                | Notes | Unaudited<br>31 December<br>2020<br>£'000 | Unaudited<br>31 December<br>2019<br>£'000 | Audited<br>30 June<br>2020<br>£'000 |
|--------------------------------|-------|---|---|-------------------------------------|
| <b>ASSETS</b>                  |       |   |   |                                     |
| <b>Non-current assets</b>      |       |   |   |                                     |
| Goodwill                       |       | 763                                       | 3,742                                     | 763                                 |
| Other intangible assets        |       | 174                                       | 605                                       | 16                                  |
| Property, plant and equipment  |       | 5,315                                     | 932                                       | 3,006                               |
| Deferred tax assets            | 2     | 1,204                                     | -   | -                                   |
|                                |       | <u>7,456</u>                              | <u>5,279</u>                              | <u>3,785</u>                        |
| <b>Current assets</b>          |       |   |   |                                     |
| Deferred tax assets            | 2     | 1,000                                     | -   | -                                   |
| Inventories                    |       | 5,833                                     | 459                                       | 779                                 |
| Trade and other receivables    |       | 7,076                                     | 1,047                                     | 1,875                               |
| Income tax debtor              |       |   |   | 141                                 |
| Cash and cash equivalents      |       | 16,516                                    | 329                                       | 4,388                               |
|                                |       | <u>30,425</u>                             | <u>1,835</u>                              | <u>7,183</u>                        |
| <b>Total assets</b>            |       | <b><u>37,881</u></b>                      | <b><u>7,114</u></b>                       | <b><u>10,968</u></b>                |
| <b>LIABILITIES</b>             |       |   |   |                                     |
| <b>Current liabilities</b>     |       |   |   |                                     |
| Trade and other payables       |       | 8,539                                     | 848                                       | 3,447                               |
| Borrowings                     |       | 73  | 13  | 3,318                               |
| Lease liabilities              |       | 228                                       | 149                                       | 221                                 |
|                                |       | <u>8,840</u>                              | <u>1,010</u>                              | <u>6,986</u>                        |
| <b>Non-current liabilities</b> |       |   |   |                                     |
| Borrowings                     |       | 177                                       | -   | 229                                 |
| Lease liabilities              |       | 888                                       | 780                                       | 1,003                               |
|                                |       | <u>1,065</u>                              | <u>780</u>                                | <u>1,232</u>                        |
| <b>Provisions</b>              |       |   |   |                                     |
| Deferred tax liabilities       | 2     | 509                                       | -   | -                                   |
|                                |       | <u>509</u>                                | <u>-</u>                                  | <u>-</u>                            |
| <b>Total liabilities</b>       |       | <b><u>10,414</u></b>                      | <b><u>1,790</u></b>                       | <b><u>8,218</u></b>                 |
| <b>Net assets</b>              |       | <b><u>27,467</u></b>                      | <b><u>5,324</u></b>                       | <b><u>2,750</u></b>                 |
| <b>EQUITY</b>                  |       |   |   |                                     |
| Share capital                  |       | 69  | 15  | 15                                  |
| Share premium                  |       | 24,262                                    | 13,195                                    | 13,195                              |
| Share based payment reserve    | 5     | 384                                       | 52  | 70                                  |
| Retained earnings              |       | 2,752                                     | (7,938)                                   | (10,530)                            |
| <b>Total equity</b>            |       | <b><u>27,467</u></b>                      | <b><u>5,324</u></b>                       | <b><u>2,750</u></b>                 |

# Abingdon Health PLC

## Consolidated Statement of Changes in Equity For the Period Ended 31 December 2020

|   | Share<br>capital | Share<br>premium | Share<br>based<br>payment<br>reserve | Retained<br>earnings | Total equity<br>attributable<br>to owners<br>of the<br>parent |
|---|------------------|------------------|--------------------------------------|----------------------|---|
|   | £'000            | £'000            | £'000                                | £'000                | £'000   |
| <b>At 1 July 2019</b>                     | 15               | 13,195           | 34                                   | (7,156)              | 6,088   |
| Profit and loss                           | -                | -                | -                                    | (782)                | (782)   |
| Total comprehensive income for the period | -                | -                | -                                    | (782)                | (782)   |
| Share option expenses                     | -                | -                | 18                                   | -                    | 18  |
| <b>At 31 December 2019</b>                | <b>15</b>        | <b>13,195</b>    | <b>52</b>                            | <b>(7,938)</b>       | <b>5,324</b>  |
| Profit and loss                           | -                | -                | -                                    | (2,592)              | (2,592)   |
| Total comprehensive income for the period | -                | -                | -                                    | (2,592)              | (2,592)   |
| Share option expenses                     | -                | -                | 18                                   | -                    | 18  |
| <b>At 30 June 2020</b>                    | <b>15</b>        | <b>13,195</b>    | <b>70</b>                            | <b>(10,530)</b>      | <b>2,750</b>  |
| Profit and loss                           | -                | -                | -                                    | 142                  | 142   |
| Deferred tax OCI movement                 | -                | -                | -                                    | (16)                 | (16)  |
| Total comprehensive income for the period | -                | -                | -                                    | 126                  | 126   |
| Capital reduction                         | -                | (13,145)         | -                                    | 13,145               | -   |
| Bonus share allotment                     | 46               | (46)             | -                                    | -                    | -   |
| Share option expense                      | -                | -                | 741                                  | -                    | 741   |
| Share options vested                      | 1                | 416              | (416)                                | -                    | 1   |
| Share options cancelled                   | -                | -                | (11)                                 | 11                   | -   |
| Conversion of loan notes                  | 1                | 3,481            | -                                    | -                    | 3,482   |
| Shares issued on listing                  | 6                | 21,994           | -                                    | -                    | 22,000  |
| Cost of issue of shares                   | -                | (1,633)          | -                                    | -                    | (1,633)   |
| <b>At 31 December 2020</b>                | <b>69</b>        | <b>24,262</b>    | <b>384</b>                           | <b>2,752</b>         | <b>27,467</b>   |

# Abingdon Health PLC

## Consolidated Statement of Cashflows For the Period Ended 31 December 2020

|  | Unaudited 6<br>months<br>ended<br>31 December<br>2020<br>£'000 | Unaudited<br>6 months<br>ended 31<br>December<br>2019<br>£'000 | Audited<br>Year<br>ended<br>30 June 2020<br>£'000 |
|--|--|--|---|
| <b>Cash flow from operating activities</b>               |  |  |   |
| Profit/ (Loss) for the period                            | 142  | (782)  | (3,374)   |
| <b>Adjustment for:</b>                                   |  |  |   |
| Other income   | (134)  | (63)   | (125)   |
| Net finance costs  | 205  | 10   | 63  |
| Tax credit   | (1,713)  | 7  | (1)   |
| Amortisation and impairment of intangible assets         | 7  | 185  | 3,898   |
| Share based payments                                     | 741  | 18   | 36  |
| Depreciation of property, plant and equipment            | 337  | 73   | 222   |
| <b>Changes in working capital:</b>                       |  |  |   |
| (Increase) in inventories                                | (5,054)  | (52)   | (373)   |
| (Increase) in trade and other receivables                | (5,124)  | (143)  | (1,115)   |
| Decrease in trade and other payables                     | 5,326  | 130  | 2,690   |
| <b>Cash generated from operations</b>                    | (5,267)  | (617)  | 1,921   |
| Interest paid  | (27)   | (11)   | (33)  |
| Income taxes received                                    | -  | 132  | 207   |
| <b>Net cash (used in)/from operating activities</b>      | (5,294)  | (496)  | 2,095   |
| <b>Cash flow from investing activities</b>               |  |  |   |
| Interest received  | -  | 1  | 2   |
| Purchase of intangible assets                            | (166)  | (9)  | (10)  |
| Purchase of property, plant and equipment                | (2,654)  | (15)   | (1,650)   |
| Proceeds on disposal of property, plant and equipment    | 8  | -  | -   |
| Business combinations, net of cash received              | -  | -  | (175)   |
| Payment of deferred consideration                        | (32)   | -  | (105)   |
| <b>Net cash used in investing activities</b>             | (2,844)  | (23)   | (1,938)   |
| <b>Cash flow from financing activities</b>               |  |  |   |
| Proceeds from issue of own shares                        | 20,368   | -  | -   |
| Proceeds from new bank loans and borrowings              | -  | -  | 250   |
| Repayment of bank loans and borrowings                   | (13)   | -  | -   |
| Payment of lease obligations                             | (109)  | (18)   | (137)   |
| Proceeds from issue of loan notes                        | 20   | -  | 3,252   |
| <b>Net cash from/(used in) investing activities</b>      | 20,266   | (18)   | 3,365   |
| <b>Increase/ (Decrease) in cash and cash equivalents</b> | 12,128   | (537)  | 3,522   |
| Net cash and cash equivalents at beginning of the period | 4,388  | 866  | 866   |
| <b>Net cash and cash equivalents at end of period</b>    | 16,516   | 329  | 4,388   |

# Abingdon Health PLC

## Notes to the Interim Financial Statements For the Period Ended 31 December 2020

### Corporate information

Abingdon Health PLC ("the Company") is a public limited Company domiciled and incorporated in England and Wales. The registered office is York Biotech Campus, Sand Hutton, York, YO41 1LZ. The consolidated financial information (or "financial statements") incorporate the financial information of the Company and entities (its subsidiaries) controlled by the Company (collectively comprising the "Group").

The principal activity of the Group is to develop, manufacture and distribute diagnostic devices and provide consultancy services to businesses in the diagnostics sector.

### Significant accounting policies

The Group has presented below key extracts of its accounting policies. All policies are consistent with the previous statutory financial statements for the year ended 30 June 2020, except for as described in note 6, and are expected to be consistently applied for the current year ended 30 June 2021 inclusive of these changes.

### Basis of preparation

These financial statements have been prepared in accordance with international accounting standards ("IFRS") in conformity with the requirements of the Companies Act 2006 insofar as these apply to interim financial statements.

The financial information set out in these interim consolidated financial statements for the six months ended 31 December 2020 is unaudited. The financial information presented are not statutory accounts prepared in accordance with the Companies Act 2006, and are prepared only to comply with AIM requirements for interim reporting.

The Group's financial statements for the year ended 30 June 2020 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) of the Companies Act 2006.

### Basis of measurement

The financial statements have been prepared on the historical cost basis, modified to include the revaluation of certain financial instruments at fair value.

### Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### Going concern

As at 31 December 2020, the Group has net current assets. The Group has a significant number of contracts in place which generate significant revenues, and are expected to continue doing so. The Group also has significant unused cash reserves available.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting.

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## Notes to the Interim Financial Statements For the Period Ended 31 December 2020 (continued)

### Significant accounting policies (continued)

#### Basis of consolidation

The Group financial information consolidates those of the Company and the subsidiaries that the Company has control of. Control is established when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

#### Electronic communications

The Company is not proposing to bulk print and distribute hard copies of this Interim Report for the six months ended 31 December 2020 unless specifically requested by individual shareholders. The Board believes that by utilising electronic communication it delivers savings to the Company in terms of administration, printing and postage, and environmental benefits through reduced consumption of paper and inks, as well as speeding up the provision of information to shareholders.

News updates, Regulatory News and Financial statements can be viewed and downloaded from the Group's website, [www.abingdonhealth.com](http://www.abingdonhealth.com) under Investors. Copies can also be requested from: Company Secretary, Abingdon Health PLC, York Biotech Campus, Sand Hutton, York YO41 1LZ.

#### Share-based payment

The fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest.

### 1. Revenue

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

#### Segmental analysis of revenue

|   | <b>Unaudited<br/>6 months<br/>to 31 Dec<br/>2020<br/>£'000</b> | <b>Unaudited<br/>6 months<br/>to 31 Dec<br/>2019<br/>£'000</b> | <b>Audited 12<br/>months to<br/>30 Jun<br/>2020<br/>£'000</b> |
|---|--|--|---|
| Contract services                           | 5,803  | 1,280  | 4,636   |
| Product sales                               | 1,884  | 274  | 599   |
| Total revenue from contracts with customers | <u>7,687</u>   | <u>1,554</u>   | <u>5,235</u>  |

#### Revenue analysed by geographical market

|                          | <b>Unaudited<br/>6 months<br/>to 31 Dec<br/>2020<br/>£'000</b> | <b>Unaudited<br/>6 months<br/>to 31 Dec<br/>2019<br/>£'000</b> | <b>Audited 12<br/>months to<br/>30 Jun<br/>2020<br/>£'000</b> |
|--------------------------|--|--|---|
| United Kingdom           | 5,022  | 1,012  | 4,103   |
| United States of America | 1,823  | 48   | 276   |
| Europe                   | 557  | 466  | 806   |
| Rest of World            | 285  | 28   | 50  |
|                          | <u>7,687</u>   | <u>1,554</u>   | <u>5,235</u>  |

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## Notes to the Interim Financial Statements For the Period Ended 31 December 2020 (continued)

### 2. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### Deferred taxation

As at the period end there is a net deferred tax asset of £1.7m in the Group (30 June 2020 - £nil, 31 December 2019 - £nil); as part of recognising this the Group has included a credit of £1.7m to its Statement of Comprehensive Income. Based on performance projections, the Directors have assessed that a deferred tax asset of £1.0m is expected to unwind within one year and as such this is included as a current asset.

The following is the deferred tax balances for reporting purposes:

|                                   | Liabilities                     |                                 |                          | Assets                          |                                 |                          |
|-----------------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------------|---------------------------------|--------------------------|
|                                   | 31<br>December<br>2020<br>£'000 | 31<br>December<br>2019<br>£'000 | 30 June<br>2020<br>£'000 | 31<br>December<br>2020<br>£'000 | 31<br>December<br>2019<br>£'000 | 30 June<br>2020<br>£'000 |
| Accelerated<br>capital allowances | 486                             | -                               | -                        | -                               | -                               | -                        |
| Tax losses                        | -                               | -                               | -                        | 2,136                           | -                               | -                        |
| IFRS 16                           | -                               | -                               | -                        | 11                              | -                               | -                        |
| Share options                     | -                               | -                               | -                        | 57                              | -                               | -                        |
| Capitalised R&D                   | 23                              | -                               | -                        | -                               | -                               | -                        |
|                                   | <u>509</u>                      | <u>-</u>                        | <u>-</u>                 | <u>2,204</u>                    | <u>-</u>                        | <u>-</u>                 |

During the period the Group listed on the AIM market which crystallised future growth and profitability plans and as such has provided sufficient support for the Group to recognise previously unrecognised deferred tax assets. In addition to these assets certain deferred tax liabilities have also been recognised as these had previously been omitted due to them unwinding against each other. The total previously unrecognised net deferred tax asset is £1.8m, which has subsequently partially unwound as an expense to the Statement of Comprehensive Income.

A deferred tax asset amounting to £0.84m (30 June 2020 - £2.78m), in respect of trading losses carried forward of £4.43m (30 June 2020 - £14.63m), has not been recognised due to uncertainty over the extent and timing of future profits within the Group.

### 3. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

|  | 31 December<br>2020 | 31 December<br>2019 | 30 June<br>2020 |
|--|---------------------|---------------------|-----------------|
| <b>Earnings used in calculation (£'000s)</b> | 142                 | (782)               | (3,374)         |
| Number of shares                             | 248,082,324         | 245,172,416         | 245,172,416     |
| <b>Basic EPS (p)</b>                         | 0.06                | (0.32)              | (1.38)          |
| Number of dilutable shares                   | 248,179,612         | 246,322,176         | 250,346,736     |
| <b>Diluted EPS (p)</b>                       | 0.06                | (0.32)              | (1.38)          |

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## Notes to the Interim Financial Statements For the Period Ended 31 December 2020 (continued)

### 3. Earnings per share (continued)

The directors have presented adjusted earnings before the introduction of deferred taxes which were previously unrecognised as a measure of ongoing profitability and performance, and before deduction of share based payment costs and listing costs. The calculated adjusted earnings for the current period of accounts is as follows:

| <b>Adjusted Earnings per Share</b>             | <b>6 Months<br/>Ended 31<br/>December<br/>2020<br/>£'000s</b> | <b>6 Months<br/>Ended 31<br/>December<br/>2019<br/>£'000s</b> | <b>Year Ended<br/>30 June<br/>2020<br/>£'000s</b> |
|--|---|---|---|
| Profit/(loss) after taxation                   | 142   | (782)   | (3,374)   |
| Adjusted for:                                  |   |   |   |
| Previously unrecognised net deferred tax asset | (1,832)   | -   | -   |
| Share based payment                            | 741   | 18  | 36  |
| Listing costs                                  | 570   | -   | -   |
| Adjusted Earnings                              | <u>(379)</u>  | <u>(764)</u>  | <u>(3,338)</u>                                    |

|                                  | <b>6 Months<br/>Ended 31<br/>December<br/>2020</b> | <b>6 Months<br/>Ended 31<br/>December<br/>2019</b> | <b>Year Ended<br/>30 June<br/>2020</b> |
|----------------------------------|--|--|--|
| <b>Adjusted earnings (£000s)</b> | (379)  | (764)  | (3,338)                                |
| Number of shares                 | 248,082,324  | 245,172,416  | 245,172,416                            |
| <b>Adjusted EPS (p)</b>          | (0.15)   | (0.31)   | (1.36)                                 |
| Number of dilutable shares       | 248,179,612  | 246,322,176  | 250,346,736                            |
| <b>Adjusted diluted EPS (p)</b>  | (0.15)   | (0.31)   | (1.36)                                 |

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## Notes to the Interim Financial Statements For the Period Ended 31 December 2020 (continued)

### 4. Share capital

|   | 31 December<br>2020 | 31 December<br>2019 | 30 June 2020     |
|---|---------------------|---------------------|------------------|
| <b>Ordinary share capital</b>   |                     |                     |                  |
| <b>Authorised</b>   | <b>Number</b>       | <b>Number</b>       | <b>Number</b>    |
| Ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each          | 95,699,114          | 11,406,826          | 12,906,826       |
| A Ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each        | -                   | 3,916,450           | 3,916,450        |
| Deferred ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each | 182,316,812         |                     |                  |
|   | <hr/> 278,015,926   | <hr/> 15,323,276    | <hr/> 16,823,276 |
| <b>Allotted and fully paid</b>  | <b>Number</b>       | <b>Number</b>       | <b>Number</b>    |
| Ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each          | 95,699,114          | 11,406,826          | 11,406,826       |
| A Ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each        | -                   | 3,916,450           | 3,916,450        |
| Deferred ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each | 182,316,812         | -                   | -                |
|   | <hr/> 278,015,926   | <hr/> 15,323,276    | <hr/> 15,323,276 |
|   | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>     |
| Ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each          | 24                  | 11                  | 11               |
| A Ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each        | -                   | 4                   | 4                |
| Deferred ordinary shares of 0.025p (30 June 2020, 31 December 2019 0.1p) each | 45                  | -                   | -                |
|   | <hr/> 69            | <hr/> 15            | <hr/> 15         |

### Reconciliation of movements during the periods:

|   | Ordinary<br>Number | A Ordinary<br>Number | Deferred<br>Ordinary<br>Number |
|---|--------------------|----------------------|--------------------------------|
| At 1 July 2019, 31 December 2019 & 30 June 2020 | 15,323,276         | 3,916,450            | -                              |
| Issue of shares                                 | 25,398,377         | -                    | -                              |
| Bonus issue of shares funded by share premium   | -                  | -                    | 45,969,828                     |
| A Ordinary reclassification                     | 3,916,450          | (3,916,450)          | -                              |
| 4:1 share split                                 | 54,586,836         | -                    | 136,737,609                    |
|   | <hr/> 95,699,114   | <hr/> -              | <hr/> 182,316,812              |



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## Notes to the Interim Financial Statements For the Period Ended 31 December 2020 (continued)

### 5. Share options

The following movements on share options have been recognised in the period:

|                                | Number of share options    |                            |                        | Weighted average exercise price |                       |                   |
|--------------------------------|----------------------------|----------------------------|------------------------|---------------------------------|-----------------------|-------------------|
|                                | 31 December 2020<br>Number | 31 December 2019<br>Number | 30 June 2020<br>Number | 31 December 2020<br>£           | 31 December 2019<br>£ | 30 June 2020<br>£ |
| Outstanding at start of period | 287,440                    | 287,440                    | 287,440                | 0.001                           | 0.001                 | 0.001             |
| Granted                        | 1,145,000                  | -                          | -                      | 0.001                           | -                     | -                 |
| Exercised                      | (1,322,440)                | -                          | -                      | 0.001                           | -                     | -                 |
| Cancelled                      | -                          | -                          | -                      | -                               | -                     | -                 |
| Forfeited                      | (30,000)                   | -                          | -                      | 0.001                           | -                     | -                 |
| 4:1 bonus issue                | 240,000                    | -                          | -                      | 0.00025                         | -                     | -                 |
| Outstanding at end of period   | 320,000                    | 287,440                    | 287,440                | 0.00025                         | 0.001                 | 0.001             |
| Exercisable at end of period   | 320,000                    | -                          | -                      | 0.00025                         | -                     | -                 |

The options exist at 31 December 2020 across the following share option schemes:

|                                 | Number of shares | Exercise price per share (£) | Fair value of scheme | Vesting period |
|---------------------------------|------------------|------------------------------|----------------------|----------------|
| Options issued in November 2020 | 320,000          | 0.00025                      | 383,712              | 1 month        |
|                                 | <u>320,000</u>   |                              | <u>383,712</u>       |                |

The fair value of the scheme is being expensed over the vesting period. All share options expire 10 years after the date of issue.

The table reflects a 4:1 bonus issue of shares as shown in note 4, which resulted in an equivalent split of share options granted but not exercised at that date.

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## Notes to the Interim Financial Statements For the Period Ended 31 December 2020 (continued)

### 6. Restatement

During the current period the directors have taken the decision to reclassify certain expenditure which had previously been shown within administrative expenditure to cost of sales as they believe this more accurately represents the nature of the costs incurred. These items reflect staff used in manufacturing of products, and the costs of rental for premises space used for manufacturing. The adjustments have had no impact on reported profits and are a reallocation only.

The following adjustment has been made to the prior periods filed accounts:

|  | <b>As filed</b>     | <b>Adjustment</b> | <b>As restated</b> |
|--|---------------------|-------------------|--------------------|
|  | <b>£'000</b>        | <b>£'000</b>      | <b>£'000</b>       |
| <b>Year to 30 June 2020</b>                  |                     |                   |                    |
| Cost of sales                                | (809)               | (340)             | (1,149)            |
| <b>Gross profit</b>                          | 4,426               | (340)             | 4,086              |
| Administrative expenses & impairment charges | (7,863)             | 340               | (7,523)            |
| Other income                                 | 125                 | -                 | 125                |
| <b>Operating loss</b>                        | (3,312)             | -                 | (3,312)            |
|  |                     |                   |                    |
| <b>6 Months to 31 December 2019</b>          | <b>Unadjusted *</b> | <b>Adjustment</b> | <b>As restated</b> |
|  | <b>£'000</b>        | <b>£'000</b>      | <b>£'000</b>       |
| Cost of sales                                | (797)               | (145)             | (942)              |
| <b>Gross profit</b>                          | 757                 | (145)             | 612                |
| Administrative expenses                      | (1,567)             | 145               | (1,422)            |
| Other income                                 | 63                  | -                 | 63                 |
| <b>Operating loss</b>                        | (747)               | -                 | (747)              |

\* Disclosed as unadjusted on the basis that the December 2019 period end has not previously been included on public record.

References made throughout to metrics such as gross profit margin have been presented on a consistent basis, taking into account this reallocation.