

Abingdon Health plc
("Abingdon" or "the Company")

Interim Results for the six months ended 31 December 2023

York, U.K – 14 March 2024: Abingdon Health plc (AIM: ABDX, 'Abingdon' or 'the Company'), a leading international lateral flow contract development and manufacturing organisation (CDMO), announces its unaudited interim results for the six months ended 31 December 2023.

Operational Highlights (including post-period):

- Continued growth of contract service activities with a number of projects moving through into technical transfer for manufacture; and the Company's full-service offering resonating well with customers across a range of industries.
- Strong revenue growth across all aspects of Abingdon's fully integrated CDMO solution, including contract development; technical transfer; manufacturing; and regulatory and commercial support.
- The Company's opportunity pipeline remains robust with 3 new CDMO projects signed up post 31 December 2023 bringing the total to 29 live CDMO projects; and the Board is confident, based on the customer base and pipeline, that Abingdon's lateral flow CDMO proposition will continue to yield further contract service opportunities over the course of 2024 and beyond.
- The Company's product revenue growth will be supported in H2 2024 with the launch of a number of retailer own label self-test products with purchase orders in place and being delivered in H2 2024.

Financial Highlights:

- Revenue of £2.4m for H1 2024 (H1 2023: £1.1m), representing a more than doubling of like-for-like revenue with a growth rate of 117% compared with H1 2023.
 - Lateral Flow CDMO revenues accounted for £2.2m (H1 2023: £0.9m) which represented a growth rate of 136% compared with H1 2023.
 - Lateral Flow Products revenues accounted for the balance of £0.2m (H1 2023: £0.2m).
- Gross profit of £1.3m for H1 2024 (H1 2023: £0.3m).
 - As a result, gross margins have increased in the period to 53.0% (H1 2023: 25.9%).
 - This is a result of improved utilisation of our operational team through increased manufacturing volumes being delivered in H1 2024 compared with H1 2023.
- Against this backdrop of revenue growth, operating costs remain stable at £2.7m for H1 2024; compared with both H1 2023 and H2 2023.
- Reduction in Adjusted¹ EBITDA loss of 47% in H1 2024 to £(1.2)m (H1 2023: Adjusted² EBITDA loss of £(2.2)m).
- Reduction in operating loss of 50% to £(1.2)m (H1 2023: £(2.4)m); with H2 2024 revenue growth and further cost savings anticipated to drive continued improvement in profit performance and cashflow.

¹ adjusted for amortization, depreciation, share based payment expense and non-recurring redundancy cost and impairment reversals/(charges).

² adjusted for amortization, depreciation, share based payment expense, non-recurring redundancy costs and professional fees as well as adjustments relating to IFRS16.

Current Trading & Outlook

- Trading in the first two months of H2 2024 has been robust.
- The Board therefore expects that H2 2024 revenue will be significantly improved compared with H1 2024. As a result, FY 2024 revenues are expected to be materially higher than FY 2023 revenues of £4.0m.
- The primary objective of the Board remains to move the Company to a breakeven and cash flow positive position which it forecasts will be achieved in 2024 without the need for additional funding.

Chris Yates, CEO at Abingdon Health plc, commented:

“We are pleased with H1 2024 revenue growth of 117% and look forward to building on this in H2 2024. We are encouraged by the growth Abingdon’s dedicated lateral flow CDMO service continues to generate with our international customer base and we are pleased to have onboarded a number of new customers since the end of H1 2024. Our strategy remains on building our capabilities to support our customers in all the areas required to bring their lateral flow project from “idea to commercial success.” Our full-service offering is resonating well with customers that want to benefit from the cost and time efficiencies this integrated service provides.”

“Our focus is to continue to grow our commercial pipeline, increase revenues, pro-actively manage costs, to achieve profitability and generate positive cashflow. All of our activities are now geared towards these near-term objectives. I would like to thank the Abingdon team for their hard work, expertise, dedication and their full focus on going that extra mile to deliver for our customers. They are a credit to the Company and their efforts are greatly appreciated by me and the rest of the Board. I would like to thank shareholders for their continued support and I look forward to updating further on progress as we move through 2024.”

For further information, please contact:

Abingdon Health plc

Chris Yates, Chief Executive Officer
Chris Hand, Non-Executive Chairman

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

About Abingdon Health plc

Abingdon Health is a leading lateral flow contract research and contract development and manufacturing organisation (“CDMO”) offering its services to an international customer base across industry sectors that include clinical, self-testing, animal health, plant health, and environmental testing. Abingdon Health has the internal capabilities to take projects from initial concept through to routine and large-scale manufacturing; from “idea to commercial success.”

The Company's CDMO division 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.

Abingdon Health's Abingdon Simply Test™ range of self-tests is an ecommerce platform that offers a range of self-tests to empowers consumers to manage their own health and wellbeing. The [Abingdon Simply Test™](#) ecommerce site offers consumers a range of information to support them in making informed decisions on the tests available. In addition, the site provides Abingdon's contract services customers with a potential route to market for self-tests. The Abingdon Simply Test range is also sold through international distributors and through other channels in the UK and Ireland such as pharmacy chains.

Founded in 2008, Abingdon Health is headquartered in York, England.
For more information visit: www.abingdonhealth.com

BUSINESS REVIEW

Strategy

Abingdon Health's mission is to improve life by making rapid testing accessible to all. We seek to achieve this in two ways. Firstly, by providing our customers with a comprehensive lateral flow contract development and manufacturing service ("CDMO") to bring their products to market in the most efficient and cost-effective way. Secondly, through the distribution of a range of lateral flow self-test products, branded Abingdon Simply Test™, retailer own brand or (select) private-label products.

Abingdon Health is proud of the fact that its customers are increasingly viewing the Company's as a one stop solution for the development, manufacture and distribution of lateral flow self-test products.

Lateral Flow CDMO services

Abingdon provides its customers with an integrated lateral flow Contract Research Organisation ("CRO") and Contract Development and Manufacturing Organisation ("CDMO") service (collectively "CDMO"). Abingdon's contract service programme covers feasibility, optimisation, scale-up, technical transfer and manufacturing. In addition, we offer a range of other complementary services such as packaging design and kitting, regulatory advice including validation and verification, documentation for regulatory submissions, and commercial support. The Company provides customers with all the services required to take their project from idea to large-scale manufacture, regulatory approval when required, and commercial success.

H1 2024 saw solid commercial progress in our CDMO division. H1 2024 CDMO revenues more than doubled to £2.2m which represented a growth rate of 136% compared with H1 2023. One particularly encouraging aspect is that a number of Abingdon's customers are engaging with the Company on a broad range of contract services and we are supporting them not only in accelerating their projects through the lateral flow development phase into technical transfer and manufacturing but in other areas such as packaging design, regulatory support, analytical laboratory services and kitting. The clear benefit for the customer is that they have one principal service provider who is proactively coordinating the various work streams in a cohesive and integrated manner to ensure the overall project

is being driven in a cost effective and time efficient way. Our CDMO pipeline remains robust and we are pleased to have signed another 3 new CDMO project since January 2024 (bringing the total number of live CDMO projects to 29); with these projects now being initiated.

We continue to be optimistic on the prospects for the lateral flow market. Recent estimates suggest the lateral flow market will reach nearly \$23 billion by 2027 (Source: MarketsandMarkets). Within this large opportunity one important thing to note is that the product mix within the market is also changing with large COVID product revenues being replaced by a range of other lateral flow products across a range of sectors as the adoption of lateral flow technology becomes more widespread. COVID-19 certainly played a key role in reducing the barriers to adoption for lateral flow technology and “doing a lateral flow test” became part of the vernacular. This changing mix creates opportunities for Abingdon to support customers bringing new products to market and this is being reflected in the range of new product development opportunities emerging across a range of sectors including clinical, animal health, food, plant pathogen and the environmental markets. The Board believes these market drivers will offer further opportunities for the Company to grow its CDMO business for the foreseeable future.

Lateral Flow Self-Test Products

The Abingdon Simply Test and branded range of self-tests has increased to 18 products. H1 2024 revenues were £0.2m which represented a growth rate of 5% compared to H1 2023. As the product line, and OEM variants of it, become more established, the Company anticipates more growth from this product range during H2 2024. A number of significant purchase orders have been received in H2 2024 which we expect to fulfil by the end of June 2024. The Company is aiming to selectively add additional self-tests, including those developed through its contract service activities, over the rest of FY2024 and beyond. The first CDMO customer’s product to be launched through the Company’s sales and distribution platform was the Salignostics Salistick™ saliva pregnancy test. The product is currently sold across a range of retail platforms and online at www.abingdonsimplytest.com and we expect further product distribution expansion in 2024.

We are pleased to support a leading UK retail chain with the launch of a small range of own-label lateral flow self-tests. As lateral flow experts Abingdon is well placed to support major retailers, both in the UK and mainland Europe, in the sourcing and launch of lateral flow products. Abingdon’s ambition is to be the trusted source of lateral flow tests for the retail industry giving both retailers and consumers confidence in the lateral flow tests they procure and use.

During H1 2024 Abingdon, alongside Morrara Ltd (“Morrara”), invested in a new company, Eco-Flo Innovations Ltd (“Eco-Flo”), that is focused on developing sustainable product design solutions for the lateral flow market. As part of the agreement Morrara assigned the intellectual property and know-how of their novel Eco-Flo material into Eco-Flo. Work is well underway and in H2 2024 Abingdon will be testing the first plastic-free, compostable cassettes generated by the tooling Eco-Flo has invested in. The target is to have the first products available to customers in the second half of 2024. These cassettes will be manufactured in the UK and will utilise renewable plant fibre moulding technology that reduces CO2 emissions by 80% compared to the equivalent single-use plastic. The initial design will offer a straight swap from traditional plastic cassettes, breaking down any barrier for companies looking to reduce the impact of their assays and reduce the plastic use across the full test kit by 62%.

People

As at 31 December 2023, the Company’s headcount was 84, compared with 82 as at 1 July 2023. During H1 2024 we increased the size of the R&D development team to support the strong commercial traction in the Contract Development segment of the business. This growth in the number of R&D

scientists was largely offset by reductions in headcount in other areas of the business. Our intention is to keep our headcount stable and continue to invest in developing the skills and capabilities of our team to improve productivity and revenue generation capabilities.

Financial Performance

Revenues in H1 2024 were more than double those of H1 2023 at £2.4m (H1 2023: £1.1m) which represented a growth rate of 117%. We expect revenues to be weighted towards the second half of the financial year, as in the previous financial year, and our target remains to achieve good like-for-like revenue growth for each year. We are on track to achieve this in 2024 with H2 2024 revenues expected to be positively impacted by the number of technical transfer projects compared to H1 2024, both from projects transferred into Abingdon at design freeze and from existing projects moving through the design review process at Abingdon and into technical transfer ready for manufacture.

The gross profit margin for the period increased to 53.0% (H1 2023: 25.9%) as we improved the utilisation of our operational team through increased manufacturing volumes being delivered in H1 2024 compared with H1 2023.

Operating costs in H1 2024 were stable at £2.7m (H1 2023 £2.6m; H2 2023: £2.7m). The Company was affected by the inflationary environment across H1 2024 resulting in increased costs such as energy costs but this was offset by a continued focus on cost control throughout the business. Cost control remains a key focus and a number of cost cutting measures taken during H1 2024 will positively influence H2 2024.

Adjusted EBITDA loss reduced from £(2.2)m in H1 2023 to £(1.2)m in H1 2024 as a result of increased revenues and relatively stable operating costs.

In H1 2024 the operating loss was £(1.2)m which was a 50% reduction in the loss compared to the first half of 2023 (H1 2023: £(2.4)m).

Our key focus is to continue to reduce our operating loss in H2 2024 and this will be driven by forecast revenue growth and additional cost savings, some of which have already been made in H1 2024 but will impact mainly in H2 2024.

The Company's cash balance at 31 December 2023 was £2.0m (30 June 2023: £3.2m).

The earnings per share figure below includes in the denominator deferred shares. Technically this is correct. However, it should be noted that the deferred shares are non-voting shares, with no rights to dividends, but holders of deferred shares are entitled to receive the nominal value of that share (0.0025 pence sterling) once on a return of capital, a repurchase of those shares by the Company or in connection with a sale of those shares. As set out in note 3 below, the total nominal value of all the deferred shares is £45k.

Current Trading and Outlook

Abingdon's comprehensive lateral flow CDMO service proposition is resonating well with customers and we look forward to continue to build our business and grow shareholder value.

The Board remains confident of achieving material revenue growth for FY24 compared to FY23, with revenues in H2 2024 also being materially ahead of H1 2024.

Our key focus remains on continued revenue growth, proactive cost control and progression towards profitability and a cashflow positive position.

Consolidated Statement of Total Comprehensive Income

For the period ended 31 December 2023

	Notes	Unaudited 6 months ended 31 December 2023 £'000	Unaudited 6 months ended 31 December 2022 £'000	Audited Year ended 30 June 2023 £'000
Revenue	1	2,410	1,111	4,045
Cost of sales		(1,132)	(823)	(1,970)
Gross profit		1,278	288	2,075
Administrative expenses		(2,728)	(2,563)	(5,220)
Other income		281	80	252
Adjusted EBITDA (before adjusting items)		(1,169)	(2,195)	(2,893)
Amortisation		(15)	(7)	(29)
Depreciation		(270)	(323)	(644)
Impairment reversals/ (charges)		361	-	(86)
Share-based payment expenses		(10)	(7)	(28)
Non-recurring legal, professional and fundraising fees		-	(18)	(33)
Non-recurring redundancy costs		(109)	(162)	(162)
Lease modification		-	-	390
Exceptional income/(costs)		-	305	(88)
Operating loss		(1,212)	(2,407)	(3,573)
Finance income		26	32	89
Finance costs		(34)	(31)	(72)
Loss before taxation		(1,220)	(2,406)	(3,556)
Taxation		15	(15)	105
Loss for the period		(1,205)	(2,421)	(3,451)
Other comprehensive loss		-	-	-
Total comprehensive loss for the period		(1,205)	(2,421)	(3,451)
Attributable to:				
Equity holders of the parent		(1,205)	(2,421)	(3,451)
Basic earnings per share (pence)	2	(0.40)	(0.80)	(1.14)
Diluted earnings per share (pence)	2	(0.40)	(0.80)	(1.14)

Consolidated Statement of Financial Position

For the period ended 31 December 2023

	Notes	Unaudited 31 December 2023 £'000	Unaudited 31 December 2022 £'000	Audited 30 June 2023 £'000
ASSETS				
Non-current assets				
Investments in associates		15	-	-
Other intangible assets		76	46	90
Property, plant and equipment		977	1,494	1,209
		<u>1,068</u>	<u>1,540</u>	<u>1,299</u>
Current assets				
Inventories		411	183	329
Trade and other receivables		999	824	1,147
Income tax debtor		346	86	50
Cash and cash equivalents		1,998	4,450	3,236
		<u>3,754</u>	<u>5,543</u>	<u>4,762</u>
Total assets		<u>4,822</u>	<u>7,083</u>	<u>6,061</u>
LIABILITIES				
Current liabilities				
Trade and other payables		2,000	1,972	2,033
Borrowings		-	52	-
Obligations under leases		97	83	87
		<u>2,097</u>	<u>2,107</u>	<u>2,120</u>
Non-current liabilities				
Borrowings		721	690	708
Obligations under leases		190	268	224
		<u>911</u>	<u>958</u>	<u>932</u>
Total liabilities		<u>3,008</u>	<u>3,065</u>	<u>3,052</u>
Net assets		<u>1,814</u>	<u>4,018</u>	<u>3,009</u>
EQUITY				
Attributable to the owners of the parent:				
Share capital	3	76	76	76
Share premium		30,309	30,309	30,309
Share based payment reserve	5	90	79	80
Accumulated losses		(28,661)	(26,446)	(27,456)
Total equity		<u>1,814</u>	<u>4,018</u>	<u>3,009</u>

Consolidated Statement of Changes in Equity

For the period ended 31 December 2023

	Share Capital	Share premium	Share based payment reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000
At 30 June 2022	76	30,309	153	(23,446)	7,092
Loss				(2,421)	(2,421)

Consolidated Statement of Changes in Equity (continued)

For the period ended 31 December 2023

	Share Capital	Share premium	Share based payment reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000
Total comprehensive loss for the period	-	-	-	(2,421)	(2,421)
Share option expense	-	-	7	-	7
Share options exercised	-	-	(4)	4	-
Share options forfeited	-	-	(77)	77	-
At 31 December 2022	<u>76</u>	<u>30,309</u>	<u>79</u>	<u>(26,446)</u>	<u>4,018</u>
Loss				(1,030)	(1,030)
Total comprehensive loss for the period	-	-	-	(1,030)	(1,030)
Share option expense	-	-	21	-	21
Share options forfeited	-	-	(20)	20	-
At 30 June 2023	<u>76</u>	<u>30,309</u>	<u>80</u>	<u>(27,456)</u>	<u>3,009</u>
	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000
Loss				(1,205)	(1,205)
Total comprehensive loss for the period	-	-	-	(1,205)	(1,205)
Share option expense	-	-	10	-	10
At 31 December 2023	<u>76</u>	<u>30,309</u>	<u>90</u>	<u>(28,661)</u>	<u>1,814</u>

Notes to the Interim Financial Statements

For the period ended 31 December 2023

	Unaudited 6 months ended 31 December 2023	Unaudited 6 months ended 31 December 2022	Audited Year ended 30 June 2023
	£'000	£'000	£'000
Cash flow from operating activities			
Loss for the period	(1,205)	(2,421)	(3,451)
Adjustment for:			
Other income	(281)	(80)	(252)

Exceptional income	-	(305)	-
Net finance income	9	(1)	(17)
Tax (credit)/charge	(15)	15	(105)
Amortisation and impairment of intangible assets	15	7	29
Share based payments	10	7	28
Depreciation and impairment of property, plant and equipment	270	323	730
Profit on disposal of property, plant and equipment	-	(14)	-
Impairment reversal	(361)	-	-
Changes in working capital:			
(Increase)/decrease in inventories	(83)	351	205
Decrease in trade and other receivables	149	7,020	6,647
Decrease in trade and other payables	327	(3,068)	(3,180)
Cash used in operations	(1,165)	1,834	634
Interest paid	(34)	(31)	(48)
Income taxes received	-	162	325
Insurance claim proceeds	-	-	2
Net cash (used in)/generated from operating activities	(1,199)	1,965	913
Cash flow from investing activities			
Interest received	26	32	89
Purchase of intangible assets	(4)	(18)	(82)
Purchase of property, plant and equipment	(18)	(40)	(75)
Proceeds on disposal of property, plant and equipment	-	-	1
Net cash generated from/ (used in) investing activities	4	(26)	(67)
Cash flow from financing activities			
Cash withheld for SAYE scheme	-	-	(1)
Proceeds from new bank loans and borrowings	-	250	250
Repayment of loans	-	(63)	(115)
Payment of lease obligations	(43)	(73)	(141)
Net cash (absorbed by)/ generated from investing activities	(43)	114	(7)
(Decrease) / increase in cash and cash equivalents	(1,238)	2,053	839
Net cash and cash equivalents at beginning of the period	3,236	2,397	2,397
Net cash and cash equivalents at end of period	1,998	4,450	3,236

Company information

Abingdon Health PLC ("the Company") is a public limited company domiciled and incorporated in England and Wales. The Company is quoted on the London Stock Exchange's Alternative Investment Market ("AIM"). 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 provide lateral flow contract development and manufacturing ("CDMO services") and related contract services to an international customer base.

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 2023 and are expected to be consistently applied for the current year ended 30 June 2024 inclusive of these changes.

Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS") 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 2023 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 2023 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 2023, the Group has net current assets. The Group has a number of CDMO service contracts in place which generate revenues and are expected to continue doing so. The Group also has significant unused cash reserves available which are expected to provide an operating headroom for a period of at least 12 months.

The Group continues to focus on increasing the number of CDMO customers and supporting those customers in bringing their products to market, thereby securing additional revenues for the Group.

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 2023 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/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.

Investments in Associates

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

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

	Unaudited 6 months to 31 December 2023 £'000	Unaudited 6 months to 31 December 2022 £'000	Audited 12 months to 30 June 2023 £'000
Product sales	174	165	418
Contract manufacturing	1,131	433	1,059
Contract development	818	513	2,300
Regulatory	287	-	268
Total revenue from contracts with customers	<u>2,410</u>	<u>1,111</u>	<u>4,045</u>

Revenue analysed by geographical market

	Unaudited 6 months to 31 December 2023 £'000	Unaudited 6 months to 31 December 2022 £'000	Audited 12 months to 30 June 2023 £'000
United Kingdom	1,317	333	1,307
Europe (excluding Belgium)	475	575	1,179
Belgium	-	-	479
USA & Canada	480	99	861
Rest of the World	138	104	219
	<u>2,410</u>	<u>1,111</u>	<u>4,045</u>

2. Earnings per share

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

	Unaudited 31 December 2023	Unaudited 31 December 2022	Audited 30 June 2023
Earnings used in calculation (£'000s)	(1,205)	(2,421)	(3,451)
Number of shares	304,033,634	304,033,096	304,033,363
Basic EPS (p)	(0.40)	(0.80)	(1.14)
Number of dilutable shares	306,667,725	304,033,096	305,820,420
Diluted EPS (p)	(0.40)	(0.80)	(1.14)

The directors have presented adjusted earnings as a measure of ongoing profitability and performance, and before deduction of share-based payment costs and listing costs. The diluted EPS

is the same as the basic EPS as there is a loss for each of the periods concerned. The calculated adjusted earnings for the current period of accounts is as follows:

Adjusted Earnings per Share	Unaudited 6 months ended 31 December 2023 £'000s	Unaudited 6 months ended 31 December 2022 £'000s	Audited Year ended 30 June 2023 £'000s
Loss before taxation	(1,220)	(2,406)	(3,556)
Adjusted for:			
Share-based payment	10	7	28
Impairment (reversal)/charge	(361)	-	86
Non-recurring legal fees	-	18	33
Non-recurring employee redundancy costs	109	162	162
Depreciation and amortisation	285	330	672
Net finance cost / (income)	8	(1)	(17)
Lease modification	-	-	(390)
Exceptional income	-	(305)	88
Adjusted Earnings	<u>(1,169)</u>	<u>(2,195)</u>	<u>(2,894)</u>

3. Share capital

	Unaudited 6 months ended 31 December 2023	Unaudited 6 months ended 31 December 2022	Audited Year ended 30 June 2023
Adjusted earnings (£000s)	(1,169)	(2,195)	(2,894)
Number of shares	304,033,634	304,033,096	304,033,363
Adjusted EPS (p)	(0.38)	(0.72)	(0.95)
Number of dilutable shares	306,667,725	304,033,096	305,820,420
Adjusted diluted EPS (p)	(0.38)	(0.72)	(0.95)
	Unaudited 31 December 2023	Unaudited 31 December 2022	Audited 30 June 2023
Ordinary share capital			
Authorised	Number	Number	Number
Ordinary shares of 0.025p each	121,716,822	121,716,822	121,716,822
Deferred ordinary shares of 0.025p each	182,316,812	182,316,812	182,316,812
	<u>304,033,634</u>	<u>304,033,634</u>	<u>304,033,634</u>
Allotted and fully paid	Number	Number	Number
Ordinary shares of 0.025p each	121,716,822	121,716,822	121,716,822
Deferred ordinary shares of 0.025p each	182,316,812	182,316,812	182,316,812
	<u>304,033,634</u>	<u>304,033,634</u>	<u>304,033,634</u>
	£'000	£'000	£'000
Ordinary shares of 0.025p each	31	31	31
Deferred ordinary shares of 0.025p each	45	45	45
	<u>76</u>	<u>76</u>	<u>76</u>

Reconciliation of movements during the periods:

Ordinary Number	Deferred Ordinary Number
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At 1 July 2022	121,711,614	182,316,812
Exercise of share options	5,208	-
At 31 December 2022	<u>121,716,822</u>	<u>182,316,812</u>
At 31 June 2023	<u>121,716,822</u>	<u>182,316,812</u>
At 31 December 2023	<u>121,716,822</u>	<u>182,316,812</u>

4. Investments in Associates

On 7th August 2023, the group paid consideration of £15,000 in order to acquire a 25.1% shareholding in Eco-Flo Innovations Ltd.

5. Share options

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

	Number of share options			Weighted average exercise price		
	Unaudited 31 December 2023 Number	Unaudited 31 December 2022 Number	Audited 30 June 2023 Number	Unaudited 31 December 2023 £	Unaudited 31 December 2022 £	Audited 30 June 2023 £
Outstanding at start of period	4,247,210	219,781	219,781	0.0818	0.5057	0.3997
Exercised	-	(5,208)	(5,208)	-	0.0003	0.0003
Issued	2,386,238	4,119,286	4,119,286	0.00	0.0700	0.0700
Forfeited	(914,286)	(27,444)	(86,649)	0.0698	0.3281	0.4642
Lapsed	(2,084)	-	-	-	-	-
Outstanding at end of period	<u>5,717,078</u>	<u>4,306,415</u>	<u>4,247,210</u>	<u>0.0462</u>	<u>0.0818</u>	<u>0.0773</u>
Exercisable at end of period	<u>68,752</u>	<u>-</u>	<u>70,836</u>	<u>0.00</u>	<u>-</u>	<u>0.0025</u>

The options outstanding at 31 December 2023 had an exercise price ranging from £0.00 to £0.70 and a remaining contractual life of up to 10 years. The options exist at 31 December 2023 across the following share option schemes:

	Number of shares	Exercise price per share (£)	Vesting period
Options issued in April 2021	68,752	0.00025	1 year
SAYE scheme commenced in March 2021	57,089	0.70	3 years
Options issued in December 2022	3,204,999	0.07	3 years
Options issued in October 2023	2,386,238	0.00	3 years
	<u>5,717,078</u>		

The fair value of the scheme represents the reduced fair value after adjusting for leavers and is being expensed over the vesting period.