



**Oncimmune Holdings plc**  
("Oncimmune" or the "Company")

**Unaudited Preliminary Results for the year ended 31 May 2019**

31 October 2019 - Oncimmune Holdings plc (AIM:ONC.L), the leading global immunodiagnostics group, today announces its preliminary unaudited full year results for the year ended 31 May 2019. The audited full year results are expected to be available shortly.

**Corporate & Operational Highlights (including post-period end)**

- Publication of positive top line results of the Early detection of Cancer of the Lung Scotland ("ECLS") trial with 12,209 patients, believed to be the largest randomised controlled study using blood biomarkers for the detection of lung cancer
- Initiation of multi-centre trial of EarlyCDT Lung with Genostics Company Limited in China which will study approximately 1,000 early lung cancers at five leading academic health centres
- Gene Group puts in place plan to provide EarlyCDT Lung tests for screening and nodules from Hainan, China ahead of local regulatory approval
- Minimum sales commitments valued at £42m<sup>1</sup> over a period of five years with 19 separate distributors across the world (2018: £29m)
- Acquisition of Protagen Diagnostics AG provides additional revenue source through service partnerships with pharmaceutical companies
- Agreements signed by Vithas Group and Quirónsalud Group, two of Spain's largest private hospital groups to distribute EarlyCDT Lung as nodule and screening test
- Strategic commercial agreements signed in July 2019 with Biodesix Inc. in the US valued at up to \$28m<sup>2</sup> over the next five years, and continued partnership beyond this date.
- Commercial partnership agreement signed with R-Pharm in July 2019 valued at £5m; R-Pharm to invest up to £3.5m in screening infrastructure in Russia
- Appointment of key new Senior Leadership Team members including Matthew Hall, Andrew Stewart, Tariq Sethi and Matt Luttrell to add further capabilities to management

**Unaudited Financial Highlights (including post-period end)**

- Revenue for the year £171k (2018: £240k)
- R&D costs for the year were £1.5m (2018: £800k)
- Net loss for the year was £8.0m (2018: £6.3m)
- Cash balance at the period end of £5.4m (2018: £12.95m)
- Post-period end, the Company secured a €8.5m debt facility in September 2019



**Dr Adam Hill, CEO of Oncimmune commented:** “We are delighted with the strong progress made in rolling out our three year forward strategy over the last 12 months. We have made important advancements in the commercial and clinical development of the Company, including the acquisition of Protagen, strategic partnership with Biodesix, and the presentation of positive data from the ECLS study. The potential for the forthcoming commercial Cancer Control Evaluation in the UK, along with the forward-looking product sales commitments of £42m and a strengthening pipeline of service revenue, gives us confidence in our platform and the potential to generate material revenues in 2020 and beyond.”

-ends-

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**About Oncimmune**

**Beating cancer, one test at a time**

The battle against cancer hinges on early detection and then the delivery of effective treatment. Oncimmune is working to revolutionise both the detection of cancer and its treatment by harnessing the sophisticated disease detecting capabilities of the immune system to find cancer in its early stages. Our range of diagnostic tests assist clinicians to identify the presence of cancer four years or more before standard clinical diagnosis, whilst our technology platform and sample biobanks are helping healthcare companies to develop new cancer treatments.

Oncimmune was founded in 2002 and launched its platform technology in 2009, followed by its first commercial tests, EarlyCDT Lung and EarlyCDT Liver. To date, over 155,000 tests have been performed for patients worldwide. EarlyCDT Lung was also used in what is believed to be the largest randomised controlled study for the early detection of lung cancer using biomarkers, the successful National Health Service (NHS) ECLS study of 12,209 high-risk smokers in Scotland which demonstrated EarlyCDT Lung reduced the incidence of



patients with late-stage lung cancer or unclassified presentation at diagnosis, compared to standard clinical practice.

Oncimmune, headquartered at its laboratory facility in Nottingham, UK, has a discovery research centre in Dortmund, Germany and a CLIA lab in Kansas, US as well as an office in London, UK and a partner representative office in Shanghai, China. Oncimmune joined the Alternative Investment Market (AIM) of the London Stock Exchange in May 2016 under the ticker ONC.L.

### **What is EarlyCDT Lung?**

A blood test using a panel of seven immunogenic proteins for the testing of tumour-related antibodies specific to lung cancer.

For more information, visit [www.oncimmune.com](http://www.oncimmune.com)

<sup>1</sup>Includes a single digit million sales commitment from Biodesix Inc.

<sup>2</sup>Includes a single digit million sales and product supply commitment from Biodesix which is also included in the aforementioned £42m sales commitment.

### **Chairman and Chief Executive's review**

Cancer is no longer an incurable disease; it is the time to detection that now has the greatest impact on outcomes, and patient selection that optimises the effectiveness of therapy. Since its inception, Oncimmune has been working to improve the detection of cancer and its subsequent treatment by harnessing the sophisticated disease detecting capabilities of the immune system to identify cancer in its earliest stages. More recently, Oncimmune has profiled broken immune tolerance to direct therapeutic decisions.

On behalf of the Board we are pleased to present our fourth annual results since our Initial Public Offering and listing on AIM in 2016.

### **Strategy and business model**

Last year we announced a three-year strategic plan to deliver both the Company's mission and create medium term value for shareholders. At this time last year, we announced three immediate priorities:

- To provide the organisation with the focus and leadership needed to execute our current and future commitments;
- To ensure that we are capitalising on the latent value of our immunogenic protein platform technology; and
- To lay the groundwork needed to maximise the reach and impact of our science.

Delivering the forward strategy over the last 12 months has confirmed the value and utility of Oncimmune's immunogenic protein library, our ability to rapidly develop new in-vitro diagnostic panels for a range of cancers to detect cancer early, and the potential of this technology to have an impact across the cancer care continuum – presenting multiple paths to both partner and shareholder value.

In addition to maintaining focus on the core business of developing and commercialising diagnostics tests for the early detection of a range of solid cancer types, this year the Company unlocked the latent value from Oncimmune's technology platform by allowing access to the technology to partners that seek to develop new cancer treatments or to identify the most appropriate cancer patients for a particular treatment through strategic partnerships.

At Oncimmune, we are experts in developing detection tests for cancer, we are leaders in improving cancer outcomes and we dedicate ourselves in beating cancer, one test at a time.

### **Business update**

Over the past 12 months, the Company has continued to build its portfolio of distribution agreements for EarlyCDT products and currently there are contracts in force across 19 countries, with combined minimum sales commitments of £42 million over the next five years.

Prior to initiating commercial activities, distributors typically need to obtain local regulatory approvals before EarlyCDT tests can be marketed and sold in their designated territory. Our partners are progressing multiple regulatory approvals and during the period it was announced that registrations have been granted in Colombia, Singapore and Israel, with the first orders of EarlyCDT Lung kits having subsequently been fulfilled in these regions.

In April 2019, it was announced that the Company's Spanish distributor, had signed an agreement to sell EarlyCDT Lung as a screening test for the early detection of lung cancer through the hospitals and clinics of the operator of the largest private hospital network in Spain. Screening is a significant commercial opportunity for the Company as it means potentially a larger group of at-risk individuals being offered EarlyCDT Lung than might



otherwise be the case when individual medical practitioners order the test for their patients on an ad hoc basis.

This activity, along with the expected uplift in distributor sales as regulatory approvals are obtained in different countries, supports our belief in the commercial potential of EarlyCDT and validates Oncimmune's route to market through its distribution partners.

The timeframe from signing each distribution agreement to obtaining local regulatory approvals and commencing sales remains difficult to predict and varies by country; to mitigate this risk, the Company manages its indirect sales as a portfolio, the future value of which has increased by 30% from £29m in the year to 31 May 2018.

On 10 May 2019, it was announced that the Company's Chinese partner, Gene Tech (Shanghai) Co. Ltd ("Gene Tech"), had commenced a multi-centre case control study on early lung cancer detection (for screening and nodules) in the People's Republic of China. This study uses an extended panel of tumour-associated antigens to accommodate variations in the biomarkers expressed on cancer cells in Asian populations. Led by Professor Bai, Professor and Chair of the Department of Pulmonary Medicine at Zhongshan Hospital, Fudan University, Shanghai approximately 1,000 early lung cancers will be studied at five leading academic health centres across China. Preliminary results are expected in the fourth quarter of 2019 and will be used to support Oncimmune's application for approval of EarlyCDT Lung with the National Medical Products Administration ("NMPA") (formerly the China Food and Drug Administration ("CFDA")). In China, cancer is responsible for 2.9 million deaths per annum, and the incidence of the disease is projected to increase by more than 56% in the next 20 years.

Gene Tech is also in negotiations for the sale of EarlyCDT Lung from Hainan, a southern province of China. Hainan holds Special Economic Zone status within China, enabling EarlyCDT services to be provisioned in Hainan ahead of NMPA approval.

The calendar year 2019 to date has seen significant progress with our forward strategy, reflected in the increasing number of routes to market open to us and our diversifying pipeline of revenues. We believe that its strategic progress will lead to near term growth in the Company's top line.

### **Strong progress building the commercial platform in EU and USA**

In March 2019, the Company announced the acquisition of Protagen Diagnostics AG ("Protagen"), an established revenue-generating German company leveraging its existing partnerships with leading pharmaceutical multinationals to support clinical trial patient management, disease stratification and response prediction.

The integration of Protagen has progressed well and the first commercial contract after the closing of the acquisition was signed within the period.

In June 2019, the Company announced that it entered into an exclusive strategic commercialisation partnership agreement with Biodesix Inc. ("Biodesix"), a leading US domiciled, lung cancer focused diagnostics solutions company. The Board believes that this strategic partnership will unlock the full potential of EarlyCDT Lung in the United States. Biodesix focuses exclusively on lung cancer and is committed to delivering solutions that can span the continuum of care. With a successful track record of commercialising clinical diagnostic lung tests in the United States, Biodesix can reach more patients with lung cancer using EarlyCDT Lung.

Through a pre-closing contribution from Biodesix for a proportion of the costs of running Oncimmune's US CLIA laboratory, this agreement strengthens the Group's cash position and the agreement is expected to accelerate the organic growth of EarlyCDT Lung. The agreement is valued at up to \$28 million over the next five years including direct cost savings. Biodesix take over responsibility for the commercialisation of EarlyCDT Lung from



Oncimmune in the United States on 1 November 2019 and will also take over full responsibility for operating Oncimmune's US laboratory and commercial sales operations on that date. Accordingly, the majority of the US operating costs previously carried by Oncimmune will be borne by Biodesix from 1 November 2019.

### **Partnership strategy activities**

An important element of the Company's forward strategy is to fund its ongoing growth by unlocking the latent potential in its tumour-related antibody platform through strategic partnerships. Partnerships take time to establish, but significant progress has been made in building a substantial pipeline of growth opportunities. The Company is in active and late discussions with a number of parties focused on combining Oncimmune's technology with other diagnostic modalities, and remains bullish about the potential of these in FY2020.

### **EarlyCDT platform technology**

Oncimmune's proprietary platform supported by rapid biomarker discovery and, since the acquisition of Protagen in March 2019, a comprehensive immunogenic protein library of over 8,000 antigenic proteins, has the potential to become a keystone to the future of cancer care. It can support case-selection, complement diagnostic evidence, and facilitate therapeutic decision making.

The Company's intellectual property is protected by patents across the globe. Its patents cover technology that measure blood levels of antibodies to tumour-associated antigens, the combination of which is highly specific for target cancers, whose characteristic signal can be detected four years or more before standard clinical diagnosis.

The published positive results of the Early detection of Cancer of the Lung Scotland "ECLS" study is further validation that the EarlyCDT platform technology. The Board of Directors and the Leadership Team are focused on extending the indications of the platform, with Breast and Ovarian near term targets for diagnostic tests.

### **Investing in research development and trials**

On 4 June 2019, the Company announced the top line results of the ECLS study conducted by NHS Scotland. The ECLS study, is believed to be the largest<sup>1</sup> randomised controlled study for the early detection of lung cancer using blood biomarkers, recruiting 12,209 patients each of whom were followed up for a minimum of two years. It was announced that the study met its primary end-point showing that the use of EarlyCDT Lung with subsequent X-ray and computerised tomography (CT) scan reduced the incidence of patients with late-stage lung cancer<sup>2</sup> or unclassified presentation at diagnosis, compared to standard clinical practice.

On 9 September 2019, the Company presented the full results of the ECLS study at the World Conference on Lung Cancer hosted by the International Association for the Study of Lung Cancer ("IASLC") in Barcelona, Spain. The ECLS study was recognised as one of the top abstracts presented at the IASLC and as such Professor Frank Sullivan (Chief Investigator of the ECLS study) was invited to participate in the IASLC Presidential Symposium international press briefing, where he presented the abstract to members of the media.

We believe that the positive data generated by the ECLS study is a significant milestone for Oncimmune which demonstrates the commercial potential of EarlyCDT Lung in screening programmes.

In addition to the aforementioned commercial trial, the Company expects the publication of the ECLS health economic data to be released in the first half of 2020. The release of this data is expected to be helpful in contributing to pricing and reimbursement negotiations globally. We also expect that the ECLS data will shortly be published in a major medical journal.

<sup>1</sup> By number of participants



<sup>2</sup> Stage III, IV and unclassified cancers

### **Update on capital**

In September 2019, Oncimmune secured a debt facility of €8.5 million with IPF Management SA (the "Loan").

Oncimmune has drawn down the full €8.5m loan. The loan is repayable over a four-year term although can be repaid early.

The Company intends to use the net proceeds from this Loan to drive commercial adoption of EarlyCDT Lung through distribution channels in 2020 and bring to market other potential EarlyCDT indications. The Loan will also be used to provide business development resource for Protagen diagnostics' services, for which we are seeing strong demand from potential partners. This facility gives the Company an excellent runway to drive sales of its lead products.

### **Senior Leadership changes**

During the last financial year, Oncimmune strengthened its senior leadership team with appointments of Matthew Hall as Group Chief Financial Officer and Andrew Stewart as General Counsel and Company Secretary in December 2018.

Later in 2019, the Company welcomed Professor Tariq Sethi as Chief Scientific Officer and Matthew Luttrell as Chief Commercial Officer, adding more global expertise and bandwidth to the Company's senior leadership team.

### **Social corporate responsibility and sustainability**

Oncimmune's commitment to providing simple and affordable tests to detect the earliest signs of cancer in order to help improve outcomes has defined and framed the Company's ethos and culture since its creation. Oncimmune's commitment to diversity, culture of equal opportunities and respect for the individual underpinned by compliant, ethical behaviour defines Oncimmune's business operations. At its core, the successful delivery of the Company's forward strategy is bolstered by this culture, its work environment and the lasting relationships that it has forged with all its stakeholders.

Oncimmune's approach to product development, launch and delivery of long-term growth is underpinned by a clear set of economic values aimed at protecting the Company from risk and securing its long-term future. The Board's vision for the future is to develop and formalise a comprehensive Corporate Social, Responsibility and Sustainability strategy and to incorporate this as within its risk and control framework.

### **Strategy and outlook**

The period to 31 May 2019 and the period post year-end has seen significant progress of the Company, including securing partnerships with Biodesix in the US, R-Pharm in Russia, Gene Tech in China, Sabartech S.L (Vithas) and the Quirónsalud group in Spain, laying important foundations for delivery on its strategic objectives.

The potential for the forthcoming commercial Cancer Control evaluation in the UK, along with the forward-looking sales book of £42m, give the Directors confidence in Oncimmune's business and technology platform in 2020 and beyond.

**Adam M Hill**

**Director and Chief Executive Officer**

**Meinhard Schmidt**

**Chairman**

**31 October 2019**

### Chief Financial Officer's review

Unaudited Revenue in the year ended 31 May 2019 was £171k (2018: £240k). In the current year, this revenue represented the sale of commercial tests that were performed from our own CLIA laboratory in Kansas, USA as well as pro-rated revenues from Protagen post its acquisition in March 2019.

In the year ended 31 May 2019, source of revenues derived from:

- EarlyCDT Lung central lung tests performed in the USA
  
- EarlyCDT Lung kits sold to our distributors
  
- EarlyCDT Liver central lung tests performed in the USA
  
- Partnership diagnostic revenues

Looking forwards, the Company intends to continue to progress expanding its sources of revenue and to drive commercial sales of Early CDT Lung and Liver. The three main potential growth drivers:

- Obtaining of regulatory approvals and commencing commercial sales in markets in which distributors have been appointed, in particular, USA, Russia and Spain
  
- Strong pipeline of new development opportunities to combat a range of different cancers including Lung and Liver with follow on development planned in Ovarian, Breast and Prostate
  
- Partnering with cancer therapeutics companies, leveraging on the Protagen's acquisition

Operating expenses before share-based charges in the year ended 31 May 2019 were £7.3m (2018: £5.7m). Reflecting the advancement of our pipeline through investment in research and development, the support provided to our distributor network and strengthening of our management team. Our agreement with Bodesix in the US is expected to provide substantial savings in the future.

Unaudited Net loss for the year was £8.0m (2018: £6.3m).

Research and development costs were £1.5m (2018: £800k), reflecting the advancement of our current pipeline of diagnostics.

The cash balance at the end of the year was £5.4m (2018: £12.95m). The Company raised a further €8.5m (€8.3m net of expenses) via a credit facility in September 2019. The financing is being drawn down in two tranches and was fully drawn down by October 2019.

### Financial outlook

The Company's cash position continues to be solid.

At present the Company has contracted minimum revenues from distributors totalling over £42m from 19 separate distributors across the world. Our expectation is that we will enter into further distribution agreements in new geographies in the future.



As we focus on driving revenue, we will continue to manage the cash burn very carefully. Focus continues to be on:

- Creating value through research and development
- Increasing the distribution channel and sales of EarlyCDT-Lung tests
- Increasing the distribution channel and sales of EarlyCDT-Liver tests
- Partnership diagnostic revenues

As such, the Directors are confident that its current cash resources are sufficient for the foreseeable future.

- Clinical Programmes, with collaborations with eight of ten largest pharmaceutical companies in the world; on an annual basis this represents 70% repeat business,
- Personnel, and
- Commercial infrastructure

Matthew Hall  
Chief Financial Officer

31 October 2019

**Unaudited consolidated statement of comprehensive income**

	<b>Year to 31 May 2019 £'000</b>	Year to 31 May 2018 £'000
<b>Revenue</b>	171	240
Cost of sales	(1,030)	(917)
<b>Gross loss</b>	(859)	(677)
Other income	49	-
Administrative expenses	(5,873)	(4,759)
Research and development expenses	(1,500)	(800)
Share based payment charges	(406)	(138)
<b>Operating loss</b>	(7,730)	(5,697)
<b>Operating loss</b>	(8,589)	(6,374)
Finance income	52	48
Finance expense	(11)	(16)
<b>Loss before income tax</b>	(8,548)	(6,342)
Income tax	536	-
<b>Loss for the financial year</b>	(8,012)	(6,342)
<b>Other comprehensive income</b>		
<b>Items that may be subsequently reclassified to profit or loss, net of tax</b>		
Currency translation differences	(51)	(23)
<b>Loss after tax and total comprehensive income for the year attributable to equity holders</b>	(8,033)	(6,365)
<b>Basic and diluted loss per share</b>	(12.97p)	(11.41p)

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

**Unaudited consolidated statement of financial position**

	<b>31 May 2019 £'000</b>	31 May 2018 £'000
	Notes	
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	1,578	-
Intangible assets	1,432	671
Property, plant and equipment	422	201
	<hr/> 3,432	<hr/> 872
<b>Current assets</b>		
Inventories	292	295
Trade and other receivables	349	291
Cash and cash equivalents	5,358	12,953
	<hr/> 5,999	<hr/> 13,539
<b>Total assets</b>	<hr/> <b>9,431</b>	<hr/> <b>14,411</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
<b>Capital and reserves attributable to the equity holders</b>		
Share capital	633	616
Share premium	31,382	30,952
Other reserves	3,295	2,325
Merger reserve	31,736	30,787
Foreign currency translation reserve	95	146
Own shares	(1,926)	(1,926)
Retained earnings	(57,350)	(49,338)
	<hr/> 7,865	<hr/> 13,562
<b>Total equity</b>	<hr/> <b>7,865</b>	<hr/> <b>13,562</b>
<b>Non-current liabilities</b>		
Other liabilities	350	
Deferred tax	156	-
	<hr/> 506	<hr/> -
<b>Current liabilities</b>		
Trade and other payables	1,011	808
Other statutory liabilities	49	41
Other loans		-
	<hr/> 1,060	<hr/> 849
<b>Total liabilities</b>	<hr/> <b>1,566</b>	<hr/> <b>849</b>
<b>Total equity and liabilities</b>	<hr/> <b>9,431</b>	<hr/> <b>14,411</b>

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

The financial statements were approved by the board on October 2019.

Adam M Hill  
Director and Chief Executive Officer

### Unaudited consolidated statement of changes in equity

	Share capital	Share premium	Other reserves	Merger reserve	Foreign currency translation reserve	Own Shares	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 June 2017</b>	<b>510</b>	<b>16,273</b>	<b>2,187</b>	<b>30,787</b>	<b>169</b>	<b>(1,926)</b>	<b>(42,996)</b>	<b>5,004</b>
Loss for the year	-	-	-	-	-	-	(6,342)	(6,342)
Other comprehensive income:								
Currency translation differences	-	-	-	-	(23)	-	-	(23)
<b>Total comprehensive income</b>	-	-	-	-	<b>(23)</b>	-	<b>(6,342)</b>	<b>(6,365)</b>
Transactions with owners:								
Shares issued during the year	106	14,679	-	-	-	-	-	14,785
Share option charge	-	-	138	-	-	-	-	138
<b>As at 31 May 2018</b>	<b>616</b>	<b>30,952</b>	<b>2,325</b>	<b>30,787</b>	<b>146</b>	<b>(1,926)</b>	<b>(49,338)</b>	<b>13,562</b>
Loss for the year	-	-	-	-	-	-	(8,012)	(8,012)
Other comprehensive income:								
Currency translation differences	-	-	-	-	(51)	-	-	(51)
<b>Total comprehensive income</b>	-	-	-	-	<b>(51)</b>	-	<b>(8,012)</b>	<b>(8,063)</b>
Transactions with owners:								
Shares issued on debt settlement	6	430	195	-	-	-	-	631
Shares issued on acquisition	11	-	369	949	-	-	-	1,329
Share option charge	-	-	406	-	-	-	-	406
<b>As at 31 May 2019</b>	<b>633</b>	<b>31,382</b>	<b>3,295</b>	<b>31,736</b>	<b>95</b>	<b>(1,926)</b>	<b>(57,350)</b>	<b>7,865</b>

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

**Unaudited consolidated statement of cash flows**

		<b>Year to 31 May 2019 £'000</b>	Year to 31 May 2018 £'000
	Notes		
<b>Cash flows from operating activities</b>			
Loss before income tax		(8,548)	(6,342)
Adjusted by:			
Depreciation and amortisation		239	180
Share based payment charge		406	138
Interest received		(52)	(48)
Interest expense		11	16
Exchange movement		(53)	(23)
Changes in working capital:			
(Increase)/decrease in inventories		120	28
(Increase)/decrease in trade and other receivables		(11)	(30)
Increase/(decrease) in trade and other payables		(48)	(52)
Cash used by operations		(7,936)	(6,133)
Interest paid		(11)	(16)
Interest received		52	48
Income tax received		536	-
Net cash used by operating activities		(7,359)	(6,101)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(183)	(31)
Development expenditure capitalised		(10)	(281)
Cash received from obtaining subsidiary	10	30	-
Net cash used in investing activities		(163)	(312)
<b>Cash flows from financing activities</b>			
Proceeds from share issue		-	14,785
Cost of share issue during the year		(70)	-
Repayment of long term borrowing		-	(502)
Net cash(used in)/generated from financing activities		(70)	14,283
Movement in cash attributable to foreign exchange		(3)	8
<b>Net (decrease) / increase in cash and cash equivalents</b>		(7,595)	7,878
Cash and cash equivalents at the beginning of the year		12,953	5,075
<b>Cash and cash equivalents at the end of the year</b>	15	5,358	12,953



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

## **Notes to the unaudited consolidated financial statements**

### **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 Clinical Sciences Building, City Hospital, Hucknall Road, Nottingham, NG5 1PB. The registered company number is 09818395.

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

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

### **1. 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 years presented, unless otherwise stated.

### **Basis of preparation**

The unaudited financial information set out in this statement does not constitute the Company's statutory accounts for the years ended 31 May 2019 or 31 May 2018, as defined in section 434 of the Companies Act 2006. The auditors have not yet reported on the 2019 accounts.

Statutory accounts for 2018 have been delivered to the Registrar of Companies and those for 2019 will be delivered in due course. The Company's auditors Grant Thornton UK LLP, have reported on the 2018 accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498 (2) or (3) Companies Act 2006. Whilst the financial information included in this announcement has been computed in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") this announcement does not itself contain sufficient information to comply with IFRS.

The principal accounting policies used in preparing this preliminary results announcement are those that the Company will apply in its statutory accounts for the year ended 31 May 2019 and are unchanged from those disclosed in the Company's Annual Report and Accounts for the year ended 31 May 2018 except for the adoption of new standards effective 1 January 2018 as described in notes to the financial statements for the year ended 31 May 2018. The adoption of those new standards did not have a material impact on the financial statements.

Full financial statements for the year ended 31 May 2019 will be posted to shareholders in due course.

During the period Oncimmune plc acquired Protagen Diagnostics AG. The Directors have performed a provisional analysis of the fair value of Protagen AG which is included in the consolidated balance sheet in line with IFRS3.

The Group has prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted in the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The Company was incorporated on 9 October 2015 and was re-registered as a public limited company on 14 December 2015. On 23 November 2015, a group re-organisation was completed, by means of a share for share exchange, as 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 have 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, meet 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 have selected an accounting policy in accordance with paragraphs 10-12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The consolidated entity meets the definition of a group reconstruction under FRS 102 19.27 and has therefore been accounted for under the principals of merger accounting as outlined in FRS 102, paragraphs 19.29 – 19.33, merger accounting. The consolidated financial statements have therefore been prepared as if Oncimmune Limited and its subsidiaries had been held by Oncimmune Holdings Plc from inception and therefore 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.

### **Going concern**

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention. Subsequent to the year end, the Group entered into a €8,500,000 credit facility with IPF Management SA. This facility is a four-year term, interest-only for the first 12 months, with principal repayments commencing thereafter. The facility includes a financial covenant obligation which requires the Group (on a quarterly basis for the term of the facility) to be able to demonstrate that it holds a minimum amount of cash equal to the next six months' of operating cashflow, 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. In the event that there is a delay or a reduction in forecast revenues or cash receipts, the Group has identified costs within the business which could be reduced within a relatively short time period in order to ensure the Group's ongoing compliance with the covenant.

After considering the year end cash position, the availability of the €8,500,000 credit facility available to the Group, and after making appropriate enquiries and reviewing budgets and profit and cash flow forecasts for the foreseeable future (and in any event for a period of at least 12 months from the approval date of these financial statements), the Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. For this reason the Directors consider the adoption of the going concern basis in preparing the Consolidated financial statements is appropriate. The future prospects of the business has been further detailed in the Strategic Report.

The consolidated financial statements presented in sterling and has been rounded to the nearest thousand (£'000).



The information herein has been prepared on the basis of the accounting policies adopted for the year ended 31 May 2019, set out in the Company's Annual Report and Accounts and as previously disclosed in the Company's Annual Report and Accounts for the year ended 31 May 2018.