Oxford Cannabinoid Technologies Holdings plc

Unaudited interim report for the 6 months ended 31 October 2023

Company Number: 13179529

Contents

This unaudited interim report for the six-month period ended 31 October 2023 should be read in conjunction with the Company's published annual report for the period ended 30 April 2023 and the public announcements made by the Company during the interim reporting period (accessible at www.oxcantech.com).

CEO's Interim Management Statement

As CEO of Oxford Cannabinoid Technologies Holdings plc (OCTP or Company) I am immensely proud of our progress during the six months to 31 October 2023. It has been a period of progress and achievement for the Company and our talented team who have worked hard to build on our previous successes. Their efforts helped us reach further key milestones as we continue our journey to harness the therapeutic power of cannabinoids to deliver treatments for people living with debilitating conditions.

The key milestone during the period centred around our lead candidate OCT461201 (Programme 1) successfully completing its Phase I single ascending dose (SAD) clinical trial, a key waypoint along the path to regulatory approval. Our team is proud to have reached this watershed moment fewer than 30 months since OCTP's flotation and we intend to continue to make resourceful and energetic progress on our drug development programmes.

During the period we were also pleased to appoint Dr Tim Corn to the newly created role of Chief Medical Officer (CMO), which reflects the fact that the business is now moving from its pre-clinical stages into clinical development. Dr Corn has held senior positions in both large and small pharma organisations; in particular, he has served as CMO at Jazz Pharmaceuticals plc, EUSA Pharma Inc and Zeneus Pharma Ltd. Dr Corn has also played a key role in securing more than twenty regulatory approvals in the US and Europe and is the author of more than forty scientific publications. His appointment brings invaluable experience and expertise to the Company.

As we advanced OCT461201 into the clinic, targeting a first-in-class treatment for chemotherapy induced peripheral neuropathy (CIPN), we were also pleased to announce the appointment of Dr Paul Farquhar-Smith, an internationally recognised expert in CIPN, as an external adviser to the Company. Dr Farquhar-Smith is a consultant in pain and anaesthetics at The Royal Marsden Foundation NHS Trust where he leads the only dedicated CIPN clinic in the UK. His appointment expands upon our longstanding commitment to pursuing a patient-centric approach to drug development.

Programme 1
OCT461201 is a 'cannabinoid-like' new chemical entity (NCE) for neuropathic and visceral pain conditions. OCT461201's performance in a significant number of pre-clinical studies conducted by the Company has demonstrated that it is well positioned to tackle small fibre neuropathies as it was shown to successfully reduce pain in a model of CIPN. CIPN is the consequence of damage caused to the nerves by common chemotherapeutic drugs and has a global market forecast to reach US$1.17bn by 2028. Pre-clinical studies on OCT461201 have also demonstrated its potential in irritable bowel syndrome (IBS) with its global market currently valued at US$2.6bn.

There has been significant progress in the development of OCT461201 during the period. In May 2023, we announced that the Medicines and Healthcare Products Regulatory Agency (MHRA) had approved our combined Phase I clinical trial application. Soon afterwards, in July, we announced that the first-in-human dose of OCT461201 had been successfully administered, as part of the Phase I SAD trial being conducted by Simbec Research Limited (part of Simbec-Orion Group Ltd).

In September 2023, in line with our planned timeframes, we announced the successful administration of the final dose of OCT461201 and in October we were pleased further to report that dosing of all the cohorts of the Phase I SAD study had been successfully completed. No safety or tolerability concerns were exhibited with any dose tested and OCT461201 is, therefore, now able to proceed safely to the next stage of its clinical development.

We are excited about the potential apparent in OCT461201 and look forward to continuing our research and development on the drug candidate.

Programme 2
OCT130401 is a combination of synthetic phytocannabinoids (pCBs) and a medical device for the effective, safe, and non-addictive treatment of chronic and severe pain conditions. The initial target for OCT130401 is trigeminal neuralgia (TN). TN is a chronic pain condition that causes an excruciating, stabbing, electric shock-like facial pain and has a fast and unexpected onset, making it difficult to treat. Each episode may only last a few seconds, but some people will suffer multiple (up to 100) episodes during a single day and, disturbingly, it is on the rise, with between approximately 10,000 and 15,000 new cases in the United States diagnosed each year. We estimate that there are over 65,000 people currently living with the condition in the UK.

The pCBs will be delivered to the lungs via inhalation using a simple pressurised metered dose inhaler (pMDI) similar to an asthma inhaler. This alternative route of administration bypasses issues associated with oral delivery of cannabinoids (*e.g.* onset time, poor bioavailability and high first-pass metabolism). Fast onset of the medicine is particularly important for indications where the pain is sudden and severe, as is the case with TN, and the low-dosage administration of OCT130401 is aimed at achieving a therapeutic effect while mitigating side effects and managing the risk of abuse. pMDIs have a long history of use and a straightforward regulatory pathway, giving us further confidence about the potential of this treatment to help people living with TN.

Pre-clinical work on OCT130401 was successfully completed in December 2022. We partnered with Charles Rivers Laboratories Edinburgh Ltd (Charles Rivers) for the preclinical safety and pharmacological work for the pMDI which was developed with Purisys LLC, which provided the current Good Manufacturing Practice active product ingredients, and Oz UK Ltd, which developed the formulation and the device. We are particularly pleased with the 'device through life', with each canister comfortably delivering in excess of 160 actuations, well over the 120 required by regulatory agencies.

This programme is now ready to enter Phase I clinical trials, which we anticipate will take place in Australia. During the period, we completed the administrative steps necessary to conduct clinical trials in Australia, including incorporating a wholly owned subsidiary, OCT Victoria PTY Ltd and initiating a comprehensive tender process with Contract Research Organisation partners who could conduct the trial.

Programmes 3 and 4
We continued to make steady progress on both Programmes 3 and 4 during the period, continuing our work with Dalriada Drug Discovery Inc (Dalriada) to screen our proprietary cannabinoid derivative library for potential new drug candidates. The library includes 475 molecules and 14 patent families,

Programme 3 is a dual CB1 and CB2 agonist targeting an undisclosed neuropathic pain indication, which is active at 3mg/kg by oral administration in animal models. In our early studies, Programme 3 has demonstrated very good bioavailability via oral administration and displays a better profile than tetrahydrocannabinol (THC) (intraperitoneal; absorption bypassed) in terms of analgesia and behavioural alterations. We are continuing to work on further *in vitro* studies to advance development of this interesting compound which shows great potential as an alternative non-addictive treatment for serious chronic pain conditions.

In July we announced that the screening work on Programme 4 had identified a potential 'first in class' immunotherapy agent for the treatment of solid tumours which marked our expansion into

oncology – an important milestone and new frontier for the Company. Our analysis of the initial data shows excellent drug-like potential in terms of *in vitro* potency and selectivity to target, as well as *in vivo* availability in blood in animal models. This implies substantive potential for the development of a cannabinoid-based medicine that could be taken at home, as a tablet. This programme is targeting a share of a market of therapies against solid tumours projected to be worth US$532bn by 2032. Attention will now focus on further *in vitro* and *in vivo* studies to define the full potential of this lead candidate.

In July, as part of our ongoing commitment to stakeholder engagement, our Chief Scientific Officer, Dr Valentino Parravicini and our Chief Medical Officer, Dr Tim Corn, presented a comprehensive programme update to investors via the Investor Meet Company platform.

Principal Risks and Uncertainties
The principal risks and uncertainties of the Group are as set out in the Annual Report & Accounts and are summarised below. These risks and uncertainties are reviewed throughout the year and, since the Annual Report for the period ended 30 April 2023 was published, no new principal risks have been identified.

The principal risks are as follows:

- fundraising;
- key staff dependency;
- unsuccessful or delayed development of programmes;
- quality assurance; and
- cash management.

Related Party transactions
There were no related party transactions in the period or changes in the related party transactions described in the last annual report that have had or could have a material effect on the financial position or performance of the Group.

Related party disclosures for prior periods are given in note 8.

Going Concern and Viability Statement
The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Annual Report (accessible via www.oxcantech.com) and remain unchanged for the six months ended 31 October 2023. Further disclosure is given in note 2(b).

The Group prepares budgets and cashflow forecasts to ensure that the Group can meet its liabilities as they fall due, for at least twelve months from the date of signing of these unaudited condensed consolidated interim financial statements. Cash resources remain within forecast at £1.1m and, in line with our previous forecasts. The Board expects to conclude the next fund raising during Q1 2024.

Outlook
Successful completion of our first Phase I clinical trial in Q4 2023, on time, on budget, and fewer than 30 months since OCTP's flotation, was a significant achievement. This milestone is not just another step in the regulatory process: it is a beacon of hope for countless people living with debilitating conditions around the world. The data we have gathered regarding the safety, tolerability, and pharmacokinetic profile of OCT461201 will be instrumental in shaping the subsequent phases of clinical development and supporting our indication expansion strategy, enabling us to help even more patients with unmet needs. Furthermore, our pipeline of drug candidates is robust and diverse, reducing the Company's risk profile and enabling further extension of our scope such as our recent expansion, in the period, into oncology (Programme 4). With the insights gained from our Scientific Advisory Board (SAB) and the continuing support of our partners, we are well positioned to explore new therapeutic avenues and further expand our portfolio.

Our commitment to innovation in cannabinoid medicines remains unwavering, and we will continue to explore the therapeutic potential of cannabinoids in addressing a range of conditions. In a cannabis market where unlicensed medicines remain abundant and unproven, our underlying philosophy remains unchanged: that it is only the development of cannabinoid-based medicines through regulatory channels of licensed drug development that allows the medical community to prescribe drugs with confidence, scientific rigour and in volume.

In conclusion, the Board anticipates a bright future for OCT, in the vanguard of developing licensed cannabinoid-based medicines and therapies. With a strong pipeline, a committed team, and a clear vision, we are well positioned to make significant further strides forward with our drug development programmes and our focus remains steadfast on helping people living with debilitating pain through harnessing the therapeutic power of cannabinoids.

Clarissa Sowemimo-Coker
Chief Executive Officer
29 January 2024

Financial and Operational Highlights

Operational and financial highlights for the six months ended 31 October 2023 are as follows:

- OCTP entered into its first-in-human Phase I clinical trial for its lead compound, OCT461201 in partnership with Simbec Orion as the CRO with the SAD study concluded in the period;
- In view of the continuing market uncertainty and an increasingly challenging macro-economic outlook the Board agreed to temporarily delay Phase I clinical trials of OCT130401, its second programme, having completed the pre-clinical stage as well as the administrative steps required to commence trials in Australia, enabling cash to be preserved until the end of Q1 2024;
- Development work for Programmes 3 and 4 continued, with the Company still on target to progress to pre-clinical stage for both programmes;
- During the six-month period, key staff at director and operational level remained stable, the executive team was strengthened with the appointment of a Chief Medical Officer – Dr Tim Corn as OCT moved into clinical phase of the lead programme OCT461201 alongside a change in public relations adviser;
- OCTP continued to utilise its Scientific Advisory Board with ad-hoc meetings held during this period;
- Research costs of £1,172k were incurred, of which £1,060k relates to OCT461201 (Programme 1), with progress being made across all four of the Group's programmes;
- Overall, administrative costs reduced to £1,183k compared to £1,338k in the 6 months to 31 October 2022 with the main costs in the reported six months relating to salaries and associated expenses (£532k);
- The Group has accrued a Research and Development ("R&D") tax credit of £385k in the six months. There was a debtor of £1,474k at the period end relating to R&D tax credits (October 2022: £1,599k); and
- Cash absorbed from operating activities was £1,163k (30 April 2023: £6,868k) (6 months to 31 October 2022 £4,233k) and cash reserves stood at £1,134k at 31 October 2023 (30 April 2023: £2,298k).

Paul Smalley
Finance Director
29 January 2024

Directors' Statements

Responsibility Statement

The current Directors, whose names and functions are set out below, with the registered office located at Prama House, 267 Banbury Road, Oxford OX2 7HT, accept responsibility for the information contained in this unaudited interim report and condensed financial statements, which have not been audited by an independent auditor, for the six months ended 31 October 2023. To the best of the knowledge of the Directors:

- the unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable set of accounting standards (including UK adopted IAS 34 Interim Financial Reporting), and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and

- the CEO's Interim Management Report includes a fair review of the information required under rules 4.2.7 and 4.2.8 of the Disclosure Guidance and Transparency Rules (being: (1) indication of the important events during the first six months, and their impact on the unaudited condensed interim financial statements: (2) a description of principal risks and uncertainties for the remaining six months of the year; (3) related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the entity during that period; and (4) any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year).

The Directors confirm that the condensed interim financial statements comply with the above requirements.

Directors and their functions:
- Julie Pomeroy – Non-Executive Chairperson
- Clarissa Sowemimo-Coker – Chief Executive Officer
- Paul Smalley – Finance Director
- Dr Timothy Corn – Chief Medical Officer (appointed 14 November 2023)
- Bishrut Mukherjee – Non-Executive Director
- Neil Mahapatra – Non-Executive Director
- Charanjit Cheryl Dhillon – Non-Executive Director
- Richard Hathaway – Non-Executive Director

Forward Looking Statements

Certain statements in this announcement are forward-looking statements. Such statements may relate to OCTP's business, strategy and plans.

Statements that are not historical facts, including statements about OCTP's or its management's beliefs and expectations, are forward-looking statements. Words such as 'believe', 'anticipate', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of doing so.

By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions, some known and some unknown, many of which are beyond OCTP's control that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

Forward-looking statements contained in these interim financial accounts regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Nor are they indicative of future performance and OCTP's actual results of R&D and financial condition and the development of the industry and markets in which OCTP plans to operate may differ materially from those made in or suggested by the forward-looking statements.

You should not place undue reliance on forward-looking statements because such statements relate to events and depend on circumstances that may or may not occur in the future. Except as required by law, OCTP is under no obligation to update (and will not) or keep current the forward-looking statements contained herein or to correct any inaccuracies which may become apparent in such forward-looking statements. Forward-looking statements reflect OCTP's judgement at the time of preparation of these unaudited interim condensed financial statements and are not intended to give any assurance as to future results.

Robin Bennett
Company Secretary
29 January 2024

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Notes	**6 months ended 31 October 2023 £000's Unaudited**	6 months ended 31 October 2022 £000's Unaudited	Year ended 30 April 2023 £000's Audited
Revenue		-	-	-
Research costs		**(1,172)**	(3,147)	(4,304)
Gross loss		**(1,172)**	(3,147)	(4,304)
Administrative expenses		**(1,183)**	(1,338)	(2,670)
Exceptional items	4	**(39)**	(61)	(64)
Operating loss		**(2,394)**	(4,546)	(7,038)
Finance income		**9**	-	4
Finance costs		**-**	-	-
Loss before taxation		**(2,385)**	(4,546)	(7,034)
Income tax	5	**385**	840	1,089
Loss for the period		**(2,000)**	(3,706)	(5,945)
Other comprehensive income		-	-	-
Items that may be reclassified to profit or loss		-	-	-
Total comprehensive income for the period attributable to owners of the Group arising from continuing operations		**(2,000)**	(3,706)	(5,945)
Loss per share attributable to the ordinary equity holders of the Company:				
Basic loss per share from continuing and total operations	6	**(0.208p)**	(0.386p)	(0.619p)
Diluted loss per share from continuing and total operations		**(0.208p)**	(0.386p)	(0.619p)

Unaudited Condensed Consolidated Statement of Financial Position

	Notes	6 months ended 31 October 2023 £000's Unaudited	6 months ended 31 October 2022 £000's Unaudited	Year ended 30 April 2023 £000's Audited
Non-current assets				
Intangible assets		**-**	26	7
		-	26	7
Current assets				
Trade and other receivables		**1,656**	2,467	2,191
Cash and cash equivalents		**1,134**	4,933	2,298
		2,790	7,400	4,489
Total assets		**2,790**	7,426	4,496
Current liabilities				
Trade and other payables		**840**	1,279	584
Total current liabilities		**840**	1,279	584
Total liabilities		**840**	1,279	584
Net assets		**1,950**	6,147	3,912
Equity				
Called up share capital		**9,604**	9,604	9,604
Share premium account		**11,877**	11,877	11,877
Share based payment reserve	9	**1,553**	1,510	1,515
Other reserve		**643**	643	643
Retained earnings		**(21,727)**	(17,487)	(19,727)
Total equity		**1,950**	6,147	3,912

These unaudited condensed six-months financial statements were approved and authorised for issue by the Board of Directors on 29 January 2024 and were signed on its behalf by:

Paul Smalley
Finance Director
Company Registration No. 13179529

Unaudited Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Share based payment reserve	Other reserve	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's Unaudited
At 1 May 2022	**9,604**	**11,877**	**1,451**	**643**	**(13,782)**	**9,793**
Loss for the period	-	-	-	-	(5,945)	(5,945)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(5,945)	(5,945)
Transactions with owners						
Share-based payment charge (warrants)	-	-	12	-	-	12
Share-based payment charge (options)	-	-	52	-	-	52
Total transactions with owners	-	-	64	-	-	64
Balance at 30 April 2023	**9,604**	**11,877**	**1,515**	**643**	**(19,727)**	**3,912**

	Share capital £000's	Share premium account £000's	Share based payment reserve £000's	Other reserve £000's	Retained earnings £000's	Total £000's Unaudited
At 1 May 2023	**9,604**	**11,877**	**1,515**	**643**	**(19,727)**	**3,912**
Loss for the period	-	-	-	-	(2,000)	(2,000)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(2,000)	(2,000)
Transactions with owners						
Share-based payment charge (warrants)	-	-	-	-	-	-
Share-based payment charge (options)	-	-	38	-	-	38
Total transactions with owners	-	-	38	-	-	38
Balance at 31 October 2023	**9,604**	**11,877**	**1,553**	**643**	**(21,727)**	**1,950**

Unaudited Condensed Consolidated Statement of Cash Flows

	6 months ended 31 October 2023 £000's Unaudited	6 months ended 31 October 2022 £000's Unaudited	Year ended 30 April 2023 £000's Audited
Cash flows from operating activities			
Cash absorbed from operations	**(1,932)**	(4,403)	(7,042)
Interest received	**9**		4
Tax refunded	**760**	170	170
Net cash outflow from operating activities	**(1,163)**	(4,233)	(6,868)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	**-**	-	-
Interest received	**-**	-	-
Net cash inflow from investing activities	**-**	-	-
Cash flows from financing activities			
Repayment of borrowings	**-**	-	-
Lease liability payments	**-**	-	-
Net cash used in financing activities	**-**	-	-
Net decrease in cash and cash equivalents	**(1,163)**	(4,233)	(6,868)
Cash and cash equivalents at the beginning of the period	**2,297**	9,166	9,166
Cash and cash equivalents at the end of the period	**1,134**	4,933	2,298

Notes to the Interim Condensed Consolidated Financial Statements

1 General Information

Oxford Cannabinoid Technologies Holdings Plc is a public limited company limited by shares, incorporated and domiciled in England and Wales. Its registered office and principal place of business is Prama House, 267 Banbury Road, Oxford OX3 7HT. Incorporated on 4 February 2021, the Company's shares were admitted to trading on the Main Market of the London Stock Exchange on 21 May 2021.

All press releases, financial reports (including the Annual Report and Financial Statements for the year ended 30 April 2023) and other information are available at our Shareholder Centre on our website: www.oxcantech.com.

The condensed consolidated interim financial statements are presented in thousand pounds Sterling (£'000).

2 Summary of Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 30 April 2023 and are those which will form the basis of the financial statements for the year ending 30 April 2024.

2(a) Basis of preparation

Compliance with UK Adopted IFRS

These unaudited condensed consolidated interim financial statements for the six months ended 31 October 2023 have been prepared in accordance with UK Adopted IAS 34 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules ("DTR") of the Financial Conduct Authority, the Listing Rules, and UK adopted International Accounting Standards.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Annual Report and financial statements for the year ended 30 April 2023, which were prepared in accordance with UK adopted International Accounting Standards and the applicable legal requirements of the Companies Act 2006. These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The Annual Report and financial statements for the year ended 30 April 2023 were reported upon by the Group's auditor and delivered to the Registrar of Companies. The report of the auditor on the annual report and financial statements for the year ended 30 April 2023 was unqualified but with a disclaimer of opinion, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The accounting policies used and presentation of these condensed consolidated half year financial statements (including principles of consolidation and equity accounting) are consistent with the accounting policies applied by the Group in its consolidated Annual Report and financial statements as at, and for the year ended, 30 April 2023, and comply with UK adopted International Accounting Standards.

The half year report for the six months ended 31 October 2023 was approved for release by the Directors on 29 January 2024. The figures for the six months ended 31 October 2023 and those for the six months ended 31 October 2022 are neither audited nor reviewed by auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

2(b) Going concern

The Directors are required to satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare the financial statements on a going concern basis, and as part of that process they have followed the Financial Reporting Council's guidelines ("Guidance on the Going

Concern Basis of Accounting and Reporting on Solvency and Liquidity Risk" issued April 2016).

The Group's business activities together with factors that are likely to affect its future development and position are set out in the CEO's Review and the Financial Review. Budgets and detailed cashflow forecasts that look to January 2025, have been prepared and used when considering the Group's ability to meet its liabilities as they fall due, without further funding. The Directors have made various assumptions in preparing these forecasts, using their view of both the current and future economic conditions that may impact on the Group during the forecast period.

As detailed in the Directors' Report, the Board have, however, identified that a material uncertainty exists with regard to the Company's ability to continue as a going concern in relation to working capital. The Company's cash runway will extend three months beyond signing these interim financial statements and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business without a further fundraise within the next three months. The Board is in the process of raising additional funds within this period to provide further financial resources to progress with the next stages of the research programmes. Further controls over discretionary spend will be implemented to extend the current cash resources if required. Given the mitigating controls that are in place for a successful fundraise and the strength of controls that exist over cash management (as detailed in Principal Risks and Uncertainties), the Board is confident that preparing the financial statements on a going concern basis remains appropriate.

Key risks and potential scenarios that could negatively impact on the Group's ability to continue to research and ultimately develop and retail prescribed medicines within the timescales previously presented have been considered. The signing of the agreement with Evotec for one of the Group's leading drug candidates (OCT 461201) is an example of where the Directors have actively managed some key external risk factors by selecting a partner who offers an integrated drug development process, with acceleration through to clinical trial stage.

After making enquiries including detailed consideration of the Group's cashflow, solvency and liquidity position, the Board has a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for at least twelve months with further fundraising from the date of signing of these financial statements. As such, the Board continues to adopt the going concern basis in preparing the unaudited condensed six-monthly financial statements.

2(c) New and forthcoming standards and interpretations

New and amended standards adopted by the Group

There were no new or amended standards adopted by the Group during the review period.

New standards and interpretations not yet adopted

A number of new accounting standards, amendments to accounting standards and interpretations have been issued by the International Accounting Standards Board with an effective date after the date of these financial statements. The Directors have chosen not to early adopt these standards and interpretations, the Directors do not expect them to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective date
IAS 1	Presentation of Financial Statements – *amendments regarding the classification of liabilities*	1 January 2024
IAS 1	Presentation of Financial Statements – *amendments regarding the non- current liabilities with covenants*	1 January 2024
IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

3 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies, however, uncertainty about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount

of the asset or liability in future periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The areas involving significant estimates or judgements which management consider may have a significant risk of causing a material adjustment to the reported amounts in the period were:

Going concern basis
As outlined in note 2(b), judgement has been applied in accounting for the Group as a going concern. In reaching the decision the Directors have considered current cash reserves and forecast cashflow, solvency and liquidity. The forecasts are based on various assumptions including charges from research partners, rate of progression through to commercialisation, external economic conditions and the Group's ability to fundraise.

Research & development costs
Judgement is used in the classification and hence treatment of costs incurred in the research and development of the core programmes outlined in the CEO's Interim Management Statement. During the period, all of the £1,172k costs incurred were accounted for as research costs and expensed to profit or loss, on the basis that none of the programmes were yet at a stage of having gained regulatory approval for commercialisation.

R&D tax credits receivable
Judgement is applied in calculating the tax credits that the Group consider to be receivable from HMRC in relation to research costs incurred. Evidence is retained to support the methodology adopted by the Group in calculating R&D tax relief claims, part of which involves the judgement of experienced senior managers and Directors in articulating the scientific advancements and uncertainties for the wider market of the Group's research programmes based on contemporaneous evidence. At the period end there was a tax credit receivable of £1,474k (2022: £1,599k).

Impairment of intangible fixed assets
Judgement is involved in determining the useful economic life and no impairment of the licence intangible asset, held by the Group, is required because the assets are held at a net book value of £Nil, having been fully amortised in the period. This includes consideration of the continuing likelihood of the asset to generate value to the Group and the adherence to the terms of the agreement or any other event which may have a detrimental effect on the carrying value of the asset.

Warrants and share options
The Black-Scholes model is used to calculate the appropriate charge of the warrants and share options. The calculation involves a number of estimates and judgements to establish the appropriate inputs to be entered into the model, including the use of an appropriate interest rate, expected volatility, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. The estimates used remain unchanged from those applied in the Annual Report and financial statements.

4 Exceptional Items

The Condensed Consolidated Statement of Comprehensive Income includes exceptional items totalling £39k (31 October 2023) comprised entirely of a share-based payment charge (30 April 2023: £64k).

The Group operates two share option schemes for its Directors and senior employees - one relating to options transferred from OCT and a new scheme for OCTP. In addition, warrants were issued as part of the listing in May 2021 (as detailed in the Annual Report and financial statements).

5 Income Tax

The Group is pre-revenue generating, but on target to reach regulatory approval in 2027. The Group

benefits from research and development corporation tax relief, in both the current period and prior years, claimed by the Group on allowable research expenditure. A deferred tax asset is not recognised due to the uncertainty of the timing of future taxable profits.

6 Loss Per Share

	6 months to 31 Oct 2023 £ Unaudited	6 months to 31 Oct 2022 £ Unaudited	Year to 30 April 2023 £ Audited
6(a) Basic loss per share			
Basic loss per share attributable to the ordinary equity holders of the Company	**(0.00208)**	(0.00386)	**(0.00619)**
6(b) Diluted loss per share			
From continuing operations attributable to the ordinary equity holders of the Company	**(0.00208)**	(0.00386)	**(0.00619)**
Total diluted loss per share attributable to the ordinary equity holders of the Company	**(0.00208)**	(0.00386)	**(0.00619)**

6(c) Reconciliations of loss used in calculating loss per share

	6 months to 31 Oct 2023 £000's Unaudited	6 months to 31 Oct 2022 £000' Unaudited	Year to 30 April 2023 £000's Audited
Basic loss per share			
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share:	**(2,000)**	(3,706)	**(5,945)**
Diluted loss per share			
Loss from continuing operations attributable to the ordinary equity holders of the Company:			
Used in calculating basic loss per share	**(2,000)**	(3,706)	**(5,945)**
Used in calculating diluted loss per share	**(2,000)**	(3,706)	**(5,945)**
Loss attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	**(2,000)**	(3,706)	**(5,945)**

6(d) Weighted average number of shares used as the denominator

	31 Oct 2023 Number	31 Oct 2022 Number	30 April 2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	**960,415,644**	960,415,644	960,415,644
Adjustments for calculation of diluted loss per share:	**-**	**-**	**-**
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	**960,415,644**	960,415,644	960,415,644

7 Events Occurring After the Reporting Period

On 14 November 2023, the Group announced the appointment of Dr Tim Corn, Chief Medical Officer (CMO) as an executive director. On 10 January 2024, the Group announced it had filed a European application directed to Programme 2 (OCT130401). The patent application is directed to a composition containing Delta-9-tetrahydrocannabinol (THC) and Cannabidiol (CBD).

8 Related Party Transactions

The Group is headed by Oxford Cannabinoid Technologies Holdings Plc, the ultimate parent entity. There is no ultimate controlling party.

There were no related party transactions in the period or changes in the related party transactions described in the last annual report that have had or could have a material effect on the financial position or performance of the Group.

The following transaction occurred with other related parties in a prior period:

Between December 2021 and January 2022, the Group paid £35,994 for professional services on behalf of Kingsley Capital Partners (KCP) (shareholder). This was included as a receivable in the Unaudited Condensed Consolidated Statement of Financial Position at the period end.

9 Share based payments

During the six-month period ended 31 October 2023, no new options or warrants were issued and none of the existing options and warrants were exercised.

As detailed in the Annual Report, the Group operates an equity-settled share-based remuneration scheme for employees. On 21 May 2021, OCTP issued a total of 33,307,275 warrants all with an exercise price of £0.05 and a five-year exercise period, vesting on the day of issue.

During the period, the Group recognised share-based payment expense of:

- £38,782 (31 October 2022: £48,382) in relation to options; and
- £Nil (31 October 2022: £12,153) in relation to the warrants.

Directors and Professional Advisers

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Clarissa Sowemimo-Coker
Paul Smalley
Dr Timothy Corn (appointed 14 Nov 2023)
Neil Mahapatra
Bishrut Mukherjee
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Richard Hathaway

Secretary
Robin Bennett

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