



Oxford Cannabinoid  
Technologies Holdings  
plc

Unaudited interim report  
for the 6 months ended  
31 October 2022

Company Number: 13179529

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## CEO's Interim Management Statement

Oxford Cannabinoid Technologies Holdings plc ("OCTP" or the "Company") is the holding company of a pharmaceutical group developing prescription cannabinoid medicines for approval by global regulatory agencies and targeting the US\$ multi-billion pain market. The group is comprised of OCTP and its wholly owned subsidiary Oxford Cannabinoid Technologies Ltd ("OCT") ("Group").

This unaudited interim report for the six-month period ended 31 October 2022 should be read in conjunction with the Group's published annual report for the period ended 30 April 2022 and the public announcements made by the Group during the interim reporting period (accessible at [www.oxcantech.com](http://www.oxcantech.com)).

The Group has continued to build on the positive start made to the current financial year. During the period, progress was made on all four of the Group's drug development programmes, particularly regarding the Group's lead candidate OCT461201 ("Programme 1") as the Group prepared for Programme 1's Phase I clinical trial to commence in January 2023. During the period the Group added strength and depth to its advisory team by appointing Axis Capital Markets Limited and finnCap Limited as its corporate brokers.

In August 2022 the Group held the first meeting of its Scientific Advisory Board ("SAB"), which was formed in April 2022. The SAB's current members include Professor Robert Dworkin, Professor Anthony Dickenson and Doctor Giorgio Lambru. The SAB's core aim is to link the Group's pre-clinical research and clinical trials with the needs of patients.

### Programme 1

OCT461201, is a selective cannabinoid receptor type 2 agonist which has shown potential as an effective therapy for chemotherapy induced peripheral neuropathy ("CIPN") as well as irritable bowel syndrome ("IBS"). The global market for CIPN alone was valued at US\$1.61bn in 2020 and is forecast to reach US\$2.37bn by the year 2027. Work under the Group's £2.6 million contract research agreement with Aptuit (Verona) SRL, a subsidiary of Evotec SE (together "Evotec"), which commenced in July 2021 is now complete. Post period-end, in December 2022 Evotec provided the Company with a submission-ready regulatory document and will deliver an approved batch of drug product to the Phase I clinical trial unit during Q1 2023.

In July 2022 the Company announced its master service agreement and work order with Simbec Research Limited, part of the Simbec-Orion Group Ltd ("Simbec-Orion") for its first-in-human clinical trial for Programme 1. Work on the Group's first Phase I clinical trial is due to commence in Q1 2023 using Simbec-Orion's Phase I clinical site, accredited by the UK Medicines & Healthcare products Regulatory Agency ("MHRA"), which includes in-house bioanalytical capabilities, and which is based in Merthyr Tydfil, Wales, UK. Simbec-Orion will provide an end-to-end, full-service clinical development solution including project management, medical and technical writing, medical monitoring and pharmacovigilance, as well as bioanalytical and statistical activities to support pharmacokinetic studies.

Post period-end, in January 2023 the Company announced submission of its combined clinical trial application ("CTA") to the MHRA and Wales Research Ethics Committee ("REC") and attended the related REC review meeting. This Phase I first-in-human clinical trial will be performed in healthy volunteers, with a single ascending dose ("SAD"). The trial will be aimed at demonstrating the safety and tolerability of the drug product, while providing pivotal information on the pharmacokinetic profile of OCT461201 to confirm its value as a potential drug. OCTP is awaiting the results of the review meeting and will provide a further update on the outcome in due course.

### Programme 2

In October 2021, the Company announced trigeminal neuralgia ("TN") as the initial target for OCT130401. TN is a chronic pain condition that causes an excruciating, stabbing, electric shock-like facial pain. It has a fast and unexpected onset and because of this has been difficult to treat. Each episode may only last a few seconds, but some people will suffer multiple (up to 100) episodes during one day. It is on the rise with between approximately 10,000 and 15,000 new cases in the United States diagnosed each year. The Directors estimate that in 2021 there were between 60,000 to 95,000 people living with the condition in the UK.

During the period, pre-clinical work continued with the Group's research partners, Charles Rivers Laboratories Edinburgh Ltd ("Charles Rivers"), Purisys LLC ("Purisys") and Oz UK Ltd ("Oz UK"). Charles Rivers is working to complete the preclinical safety and pharmacological activity for the metered dose inhaler developed with Purisys, which provides the current Good Manufacturing Practice ("cGMP") active product ingredients. Oz UK is developing the formulation and the device. In August 2022 the Company announced a strategic budget review, which realigned its development and expenditure programme to focus on bringing Programme 1 through its Phase I clinical trial and to extend the Groups cash runway. As a result, the focus for OCT1301401 shifted to completing pre-clinical work ensuring that Programme 2 is Phase I ready early in 2023, at which time further development will be placed on hold.

### **Programmes 3 and 4**

OCTP has progressed its work with Dalriada Drug Discovery Inc ("Dalriada") and Oxford Stemtech Ltd ("Stemtech") during the period. Dalriada continued to screen the Group's pharmaceutical cannabinoid derivative library, including 335 derivatives and 14 patent families, which was licensed from Canopy Growth Corporation ("Canopy Growth") in September 2021 in addition to creating additional cannabinoid derivatives, growing the Group's proprietary library by 50.

The drug development agreement with "Stemtech" is supporting R&D for all the Company's drug development programmes, with a particular focus on Programmes 3 and 4. Stemtech's cutting-edge "Pain-in-a-dish" model replicates human pain using stem cells from volunteers that are re-programmed into pain neurons.

The Group aims to be at pre-clinical stage (Programme 3) and lead candidate stage (Programme 4) with these compounds in Q2 2023 at which time further development will be paused.

The agreements signed across all of the Group's drug programmes reflect the Group's core ethos: to partner with organisations recognised as "best-in-class" that can drive quality and shareholder value. 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 existing channels of licensed drug development that allows the medical community to prescribe drugs with confidence and in volume.

### **Principal Risks and Uncertainties**

The principal risks and uncertainties of the Group are as detailed in the annual report and are summarised below. These risks and uncertainties are reviewed throughout the year and since the annual report was issued for the period ended 30 April 2022 no new principal risks have been identified.

The principal risks are as follows:

- unsuccessful or delayed development;
- cash flow and cash resources;
- key staff dependency;
- quality assurance;
- legal claims;
- unlicensed medical cannabis;
- reputational damage; and
- volatile share price.

### **Related Parties**

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](http://www.oxcantech.com)) and remain unchanged for the six months ended 31 October 2022. 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. Cash resources remain within forecast at £5m which are expected to be fully utilised during Q1 2024. In line with the IPO prospectus, the Board anticipate conducting the next fund raising during the 2023/24 financial year, post the results of its Phase I trial.

The Directors remain confident that the Group is working in alignment with the development plan set out in the IPO prospectus, despite extremely challenging market conditions, not anticipated at the time of the IPO. Aside from the decision to pause the clinical Phase I for OCT130401, original timelines are being met, key partners have been onboarded and there is good progress across all four programmes. The internal controls framework is being continually refined and enhanced, and cash management remains disciplined.

### **Outlook**

The fundamentals of the Group remain strong, delivering against the strategy laid out in the IPO prospectus and with the Phase I clinical trial for Programme 1 fully funded.



Clarissa Sowemimo-Coker  
Chief Executive Officer  
20 January 2023

## Financial and Operational Highlights

Operational and financial highlights for the six months ended 31 October 2022 are as follows:

- OCT entered into a master service agreement and work order ("MSA") with Simbec Orion for its first-in-human Phase I clinical trial for its lead compound, OCT461201 with the clinical trial due to commence in Q1 2023;
- In view of the continuing market uncertainty and an increasingly challenging macro-economic outlook the Board agreed in August 2022 to temporarily delay Phase I clinical trials of OCT130401, its second programme enabling cash to be preserved and extending the cash runway of the Company;
- Development work for Programmes 3 and 4 continued, with the Company still on target to be at pre-clinical stage (for programme 3) and lead stage (for programme 4) with these programmes in Q2 2023;
- During the six-month period there were key staff changes at director and operational level alongside changes in corporate brokers;
- OCTP established its Scientific Advisory Board shortly prior to the period commencing with the first meeting held during this period;
- Research costs of £3,147k were incurred, of which £1,516k relates to OCT461201 ("Programme 1"), with progress being made across all four of the Group's programmes;
- As stated in the Company's last set of interim accounts the closure of the London head office (from 31 March 2022) generates cost savings of over £130k p.a.;
- Overall, administrative costs increased to £1.34m with the main costs in the six months relating to salaries and associated expenses (£662k);
- The Group has accrued a Research and Development ("R&D") tax credit of £840k in the six months. There was a debtor of £1,599k at the period end relating to R&D tax credits (2021: £408k);
- Cash absorbed by operations was £4.2m (30 April 2022: £5.4m) (6 months to November 2021 £2.6m) and cash reserves stood at £4.9m at 31 October 2022 (30 April 2022: £9.2m).



Paul Smalley  
Finance Director  
20 January 2023

## 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 2022. 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
- Dr John Lucas – Chief Executive Officer (resigned 02 December 2022)
- Clarissa Sowemimo-Coker – Interim Chief Executive Officer (appointed 02 December 2022, previously Chief Operating Officer)
- Paul Smalley – Finance Director (appointed 17 October 2022)
- Karen Lowe – Finance Director (resigned 17 October 2022)
- 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 plan 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 result.



Robin Bennett  
Company Secretary  
20 January 2023



## Unaudited Condensed Consolidated Statement of Comprehensive Income

	6 months ended 31 October 2022 £ Unaudited	6 months ended 30 November 2021 £ Unaudited	11 months ended 30 April 2022 £ Audited
Revenue	-	-	-
Research costs	<u>(3,147,451)</u>	<u>(934,513)</u>	<u>(2,891,497)</u>
<b>Gross loss</b>	<b>(3,147,451)</b>	<b>(934,513)</b>	<b>(2,891,497)</b>
Administrative expenses	<b>(1,337,724)</b>	<b>(1,197,271)</b>	<b>(2,320,292)</b>
Exceptional items	4 <u>(60,535)</u>	<u>(204,317)</u>	<u>(291,598)</u>
<b>Operating loss</b>	<b>(4,545,710)</b>	<b>(2,336,101)</b>	<b>(5,503,387)</b>
Finance income	-	35,910	-
Finance costs	-	-	-
<b>Loss before taxation</b>	<b>(4,545,710)</b>	<b>(2,300,191)</b>	<b>(5,503,387)</b>
Income tax	5 <u>839,536</u>	<u>269,146</u>	<u>791,058</u>
<b>Loss for the period</b>	<b>(3,706,174)</b>	<b>(2,031,045)</b>	<b>(4,712,329)</b>
<b>Other comprehensive income</b>	-	-	-
Items that may be reclassified to profit or loss	-	-	-
<b>Total comprehensive income for the period attributable to owners of the Group arising from continuing operations</b>	<b>(3,706,174)</b>	<b>(2,031,045)</b>	<b>(4,712,329)</b>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share from continuing and total operations	6 <b>(0.386p)</b>	(0.211p)	(0.491p)
Diluted loss per share from continuing and total operations	<b>(0.386p)</b>	(0.211p)	(0.491p)

## Unaudited Condensed Consolidated Statement of Financial Position

	6 months ended 31 October 2022 £ Unaudited	6 months ended 30 November 2021 £ Unaudited	11 months ended 30 April 2022 £ Audited
Notes			
<b>Non-current assets</b>			
Intangible assets	26,676	82,251	46,080
Property, plant and equipment	-	16,961	-
Right-of-use assets	-	4,226	-
	<b>26,676</b>	103,438	46,080
<b>Current assets</b>			
Trade and other receivables	2,466,932	842,344	2,606,616
Cash and cash equivalents	4,932,828	12,014,856	9,165,596
	<b>7,399,760</b>	12,857,200	11,772,212
<b>Total assets</b>	<b>7,426,436</b>	12,960,638	11,818,292
<b>Current liabilities</b>			
Trade and other payables	1,279,047	518,146	2,025,264
Lease liabilities	-	55,461	-
<b>Total current liabilities</b>	<b>1,279,047</b>	573,607	2,025,264
<b>Total liabilities</b>	<b>1,279,047</b>	573,607	2,025,264
<b>Net assets</b>	<b>6,147,389</b>	12,387,031	9,793,028
<b>Equity</b>			
Called up share capital	9,604,156	9,604,156	9,604,156
Share premium account	11,877,466	11,877,466	11,877,466
Share based payment reserve	1,510,143	1,362,327	1,449,608
Other reserve	643,455	643,455	643,455
Retained earnings	(17,487,831)	(11,100,373)	(13,781,657)
<b>Total equity</b>	<b>6,147,389</b>	12,387,031	9,793,028

These unaudited condensed six-monthly financial statements were approved and authorised for issue by the Board of Directors on 20 January 2023 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 £ Unaudited
<b>At 1 June 2021</b>	<b>9,604,156</b>	<b>11,877,466</b>	<b>1,158,010</b>	<b>643,455</b>	<b>(9,069,328)</b>	<b>14,213,759</b>
Loss for the period	-	-	-	-	(4,712,329)	(4,712,329)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(4,712,329)	(4,712,329)
Transactions with owners						
Share-based payment charge (warrants)	-	-	202,953	-	-	202,953
Share-based payment charge (options)	-	-	88,645	-	-	86,645
Total transactions with owners	-	-	291,598	-	-	291,598
Balance at 30 April 2022	<b>9,604,156</b>	<b>11,877,466</b>	<b>1,449,608</b>	<b>643,455</b>	<b>(13,781,657)</b>	<b>9,793,028</b>

	Share capital £	Share premium account £	Share based payment reserve £	Other reserve £	Retained earnings £	Total £
<b>At 1 May 2022</b>	<b>9,604,156</b>	<b>11,877,466</b>	<b>1,449,608</b>	<b>643,455</b>	<b>(13,781,657)</b>	<b>9,793,028</b>
Loss for the period	-	-	-	-	(3,706,174)	(3,706,174)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(3,706,174)	(3,706,174)
Transactions with owners						
Share-based payment charge (warrants)	-	-	12,153	-	-	12,153
Share-based payment charge (options)	-	-	48,382	-	-	48,382
Total transactions with owners	-	-	60,535	-	-	60,535
Balance at 31 October 2022	<b>9,604,156</b>	<b>11,877,466</b>	<b>1,510,143</b>	<b>643,455</b>	<b>(17,487,831)</b>	<b>6,147,389</b>

## Unaudited Condensed Consolidated Statement of Cash Flows

	6 months ended 31 October 2022 £ Unaudited	6 months ended 30 November 2021 £ Unaudited	11 months ended 30 April 2022 £ Audited
<b>Cash flows from operating activities</b>			
Cash absorbed from operations	(4,402,751)	(2,584,779)	(5,373,021)
Tax refunded	169,983	-	-
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(4,232,768)</b>	<b>(2,584,779)</b>	<b>(5,373,021)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment	-	-	2,500
Interest received	-	35,910	-
<b>Net cash inflow from investing activities</b>	<b>-</b>	<b>35,910</b>	<b>2,500</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	-	(50,000)	(50,000)
Lease liability payments	-	(17,076)	(44,684)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(67,076)</b>	<b>(94,684)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,232,768)</b>	<b>(2,615,945)</b>	<b>(5,465,205)</b>
Cash and cash equivalents at the beginning of the period	9,165,596	14,630,801	14,630,801
Cash and cash equivalents at the end of the period	<b>4,932,828</b>	12,014,856	9,165,596

## 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 London Stock Exchange on 21 May 2021.

All press releases, financial reports (including the Annual Report and Financial Statements for the period ended 30 April 2022) and other information are available at our Shareholder Centre on our website: [www.oxcantech.com](http://www.oxcantech.com).

The condensed consolidated interim financial statements are presented in Pound Sterling (£).

### 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 period ended 30 April 2022 and are those which will form the basis of the financial statements for the year ending 30 April 2023.

#### 2(a) Basis of preparation

##### *Compliance with UK Adopted IFRS*

These unaudited condensed consolidated interim financial statements for the six months ended 31 October 2022 have been prepared in accordance with UK Adopted IAS 34 'Interim Financial Reporting', and the Disclosures 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 period ended 30 April 2022, 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 period ended 30 April 2022 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 period ended 30 April 2022 was unqualified, 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 period ended, 30 April 2022, and comply with UK adopted International Accounting Standards.

The half year report for the six months ended 31 October 2022 was approved for release by the Directors on 20 January 2023. The figures for the six months ended 30 November 2021 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 Chairperson's statement, the CEO's Review and Financial Review of the

Annual Report and Financial Statements for the period ended 30 April 2022 (accessible via [www.oxcantech.com](http://www.oxcantech.com)), in addition to the CEO's Management Statement in this interim report. Budgets and detailed cashflow forecasts that look beyond twelve months from the date of these condensed consolidated financial statements have been prepared and used to ensure that the Group can meet its liabilities as they fall due. 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.

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 timescale detailed within the IPO prospectus have been considered, and risks mitigated as far as is practical and reasonable.

The Board anticipate making an equity fund raise within the 2023/24 financial year, in order to provide further financial resources to progress with the next stages of the research programmes.

The Directors note the global supply chain issues and challenges in the capacity of partners caused by the increased demand in laboratory time generated by COVID-19 and they continue to monitor the situation. Due to the nature of the Group's activities, there has not been a significant on-going impact on the business. Nonetheless, the Directors continue to monitor the situation and, if required, will take steps to safeguard the assets of the Group whilst the challenges caused by the pandemic continue.

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

## **2(c) Leases**

The Group leased the head office in London under a five-year lease period and office equipment. In November 2021, the Group exercised its right under the agreement to terminate the lease with effect from 31 March 2022. This has not had any material impact on the value of the right-of-use asset in the six-month period to 31 October 2022.

## **2(d) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of any residual values, over the lease term for leasehold improvements and estimated useful lives for office and computer equipment, being 5 years for all three categories.

## **2(e) 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.

	<i>Effective date</i>
IAS 1 Presentation of Financial Statements – <i>amendments regarding the classification of liabilities</i>	1 January 2023
IAS 1 Presentation of Financial Statements – <i>amendments regarding the disclosure of accounting policies</i>	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – <i>amendments regarding the definition of accounting estimates</i>	1 January 2023

### 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, and external economic conditions.

#### *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 £3,147k 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 £1,599k (2021: £408k).

#### *Impairment of intangible fixed assets*

Judgement is involved in determining the useful economic life and potential impairment of the licence intangible asset held by the Group at a net book value of £27k. 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. The Directors have carried out an impairment review of the asset during the period with no impairment charge considered necessary.

#### *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 £61k (31 October 2022) comprised entirely of a share-based payment charge (30 April 2022: £204k).

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 commercialisation 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

	<b>6 months to 31 Oct 2022 £ Unaudited</b>	6 months to 30 Nov 2021 £ Unaudited	11 months to 30 April 2022 £ Audited
<b>6(a) Basic loss per share</b>			
Basic loss per share attributable to the ordinary equity holders of the Company	<b>(0.00386)</b>	(0.00211)	<b>(0.00491)</b>
<b>6(b) Diluted loss per share</b>			
From continuing operations attributable to the ordinary equity holders of the Company	<b>(0.00386)</b>	(0.00211)	<b>(0.00491)</b>
Total diluted loss per share attributable to the ordinary equity holders of the Company	<b>(0.00386)</b>	(0.00211)	<b>(0.00491)</b>

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

	<b>6 months to 31 Oct 2022 £ Unaudited</b>	6 months to 30 Nov 2021 £ Unaudited	11 months to 30 April 2022 £ Audited
<i>Basic loss per share</i>			
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share:	<b>(3,706,174)</b>	(2,031,045)	<b>(4,712,329)</b>
Diluted loss per share			
Loss from continuing operations attributable to the ordinary equity holders of the Company:			
Used in calculating basic loss per share	<b>(3,706,174)</b>	(2,031,045)	<b>(4,712,329)</b>
Used in calculating diluted loss per share	<b>(3,706,174)</b>	(2,031,045)	<b>(4,712,329)</b>
Loss attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	<b>(3,706,174)</b>	(2,031,045)	<b>(4,712,329)</b>

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

	<b>31 Oct 2022 Number</b>	30 Nov 2021 Number	30 April 2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	<b>960,415,644</b>	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	<b>960,415,644</b>	960,415,644	960,415,644



## 7 Events Occurring After the Reporting Period

In December 2022, Chief Executive Officer, John Lucas resigned from the Board and Chief Operating Officer, Clarissa Sowemimo-Coker was appointed Interim Chief Executive Officer. On 12 January 2023, the Board appointed Robin Bennett to replace Clarissa Sowemimo-Coker as Company Secretary.

In January 2023 the Company submitted a combined clinical trials application for its lead programme, OCT461201, to the UK Medicines & Healthcare products Regulatory Agency (MHRA) and Wales Research Ethics Committee (REC) (the "Submission") and attended the related REC review meeting. The Submission follows the successful completion of OCTP's extensive pre-clinical work on OCT461201, under the Group's £2.6 million contract research agreement with Aptuit (Verona) SRL, a subsidiary of Evotec SE.

## 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 2022, 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:

- £12,153 (30 November 2021: £96,763) in relation to options; and
- £48,382 (30 November 2021: £107,554) in relation to the warrants.

## Directors and Professional Advisers

### Directors

Julie Pomeroy  
Clarissa Sowemimo-Coker  
Paul Smalley  
Neil Mahapatra  
Bishrut Mukherjee  
Charanjit Cheryl Dhillon  
Richard Hathaway  
Dr John Lucas (resigned 02 December 2022)  
Karen Lowe (resigned 17 October 2022)

### Brokers

Axis Capital Markets Ltd (since 10 May 2022)  
St Clements House  
27 St Clements Lane  
London EC4N 7AE

finnCap Ltd (since 28 September 2022)  
1 Bartholomew Close  
London EC1A 7BL

### Secretary

Robin Bennett (appointed 12 January 2023)

### Company number

13179529

### Registered office

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### Auditor

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9 Appold Street  
London EC2A 2AP

### Financial Advisers

Cairn Financial Advisers LLP  
107 Cheapside  
London EC2V 6DN

### Principal Bankers

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St Pauls House  
10 Warwick Lane  
London EC4M 7BP

### Public Relations Advisers

Walbrook PR Limited  
75 King William Street  
London EC4N 7BE