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Genedrive PLC
21 November 2022

genedrive plc
("genedrive" or "the Company" or "the Group")

Audited Final Results

genedrive plc (AIM: GDR), the near patient molecular diagnostics company, announces its audited Final Results for the year ended 30 June 2022.

Financial Highlights

- Revenue for the year to 30 June 2022 of £0.05m (2021: £0.69m)
- Loss for the year of £4.7m (2021: loss of £0.7m)
- R&D spend of £3.9m (2021: £4.5m)
- Debt free and cash at bank of £4.6m (2021: £2.6m)

Operational Highlights

- JAMA Pediatrics' PALOH (Pharmacogenetics to Avoid Loss of Hearing) paper published to support the implementation of the Genedrive® MT-RNR1 test in the Neonatal Intensive Care setting
- First NHS Deployments and sales of the Genedrive® System for Antibiotic Induced Hearing Loss at Manchester Hospitals
- Launched 2nd generation Genedrive® system to support strategy focus of assay development to emergency care settings
- NICE accelerated evaluation of the Genedrive® MT-RNR1 ID test
- NICE includes Genedrive® CYP2C19 ID Kit in Diagnostics Assessment Programme
- Point-of-Care Genedrive® COV19-ID Kit received Coronavirus Test Device Approval ("CTDA")
- New product development programme initiated for use of Genedrive® Point-of-Care device for ischemic stroke treatment in emergency care settings
- Filed US FDA Pre-submission for the Genedrive® MT-RNR1 ID product range

David Budd, CEO of genedrive plc, said: *The Company has made good progress on advancing our strategy in pharmacogenetics, and the opportunity to be leaders in the establishment of genetic testing in acute point of care. Our Genedrive system delivers unambiguous clinically actionable information on the wards by nurses with no previous experience in molecular testing, making a positive impact on health outcomes. Market development and engagement is positive and growing, as we have unique products with a positive health economic and clinical outcome."*

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About genedrive plc (http://www.genedriveplc.com) genedrive plc is a molecular diagnostics company developing and commercialising a low cost, rapid, versatile, simple to use and robust point of need molecular diagnostics platform for the diagnosis of infectious diseases and for use in patient stratification (genotyping), pathogen detection and other indications. The Company has assays on market for the detection of MT-RNR1, HCV, certain military biological targets, a high throughput SARS-CoV-2 assay and a point of care test for Covid-19.

Chairman's Statement

Resilient and innovating for the future

In response to the COVID-19 pandemic, global diagnostic needs changed almost overnight and we refocussed the Company's resources on developing COVID-19 tests to help support the fight against this devastating virus. Prior to going through the restrictions and testing regimes that hallmarked the pandemic, we conducted a review of opportunities for the Genedrive system. That review led us to identify opportunities to deploy Genedrive® in detecting defined pharmacogenomic markers addressing unmet clinical needs of rapid molecular diagnostics at the point of care in emergency medicine. With that in mind, we have made excellent progress towards our strategic goal of continuous innovation in our point-of-care products.

Our Antibiotic Induced Hearing Loss (AIHL) test is the world's first molecular test in an acute point-of-care setting. The test delivers a molecular diagnostic result in under 30 minutes and allows for treatment selection options depending on the genetic variant of the patient. The Genedrive® MT-RNR1-ID Kit is now being fast tracked for assessment in the UK by NICE. This is testimony to the potential of both better health outcomes for patients and positive health economic benefits to the NHS and healthcare systems around the world. I find it hugely rewarding to see our innovations setting new-borns off on a more positive healthcare trajectory than was previously possible.

Our COVID-19 POC test was CE-marked in December 2021, later than originally intended due to complexity of technical development and regulatory delays but was in the end granted a CTDA (Coronavirus Test Device Approval) in May 2022. Regrettably, the timing of these approvals came as restrictions were being lifted, which meant that we gained limited sales traction in the year. These restrictions have remained lifted, but we are able to commercialise and supply if market conditions change. In addition, during the course of our development work on the COVID-19 POC

test, we developed numerous technical advances around the Genedrive® system which we are able to apply in the development of other tests going forward.

Future developments are focused on maximising the unique features of the Genedrive® device, being speed of result, low-cost base, long shelf-life at ambient temperatures, and ease of use as we target new areas for specific clinical opportunities.

Governance and People

I welcome Russ Shaw to the Board, who joined as Chief Financial Officer on 7 April 2022, replacing Matthew Fowler. I would like to thank Matthew for his contribution over the last five years and wish him every success for the future.

The Board remains committed to ensuring its own effectiveness and unwavering focus ensuring our governance framework, internal controls, values and culture all align with our strategy and the objectives of the Company.

Our people are the heart and soul of the Company and I would like to thank everyone for their resilience, innovation and tenancy in the development and delivery of our products.

Funding

We completed a placing and open offer in October 2021. The net proceeds of £6.6m has extended our cash runway at least towards the end of our 2023 financial year using a prudent forecasting basis that excludes all revenues. Material revenues will extend our runway further as we continuously assess our future funding options and requirements. Given the inherent challenges of being first to market in ground-breaking innovative products, compounded by the size and complexity of dealing with the NHS, we will seek additional funding before significant revenue traction is achieved.

Outlook

Our Genedrive® AIHL test has been deployed first to the Manchester University NHS Foundation Trust. This is a cornerstone installation for us to act as a reference site to other NHS trusts. We expect the NICE evaluation, given the health benefits and health economics, will be the catalyst to springboard our AIHL test into national commissioning by the NHS.

We have commenced the process for FDA approval, as we see huge potential for AIHL which is additionally supported by the litigious nature of the US market.

Finally, I would like to take this opportunity to thank you, as Shareholders, for continued support and look forward to bringing you further news as we deliver on our exciting strategy going forward.

Dr Ian Gilham
Chairman

Chief Executive's Review

Innovation in Point-of-Care molecular diagnostics in Emergency Medicine

Overview

This year has seen us take great strides towards changing the way molecular diagnostics and personalised medicine can be delivered. We continue to identify and tackle unmet clinical needs, harnessing our expertise of in-vitro diagnostic assay development and combining this with the advantages of our ever-evolving Genedrive® platform, being small, easy to use, quick to result, accurate and economical for wide adoption.

I would like to express my gratitude to the team for having the ambition, innovation and relentless perseverance in bringing the world's first molecular test to an emergency point-of-care setting. I echo the Chairman's sentiment, that seeing the impact our AIHL test is having to prevent deafness in infants is very gratifying for everyone at the Company.

I am very positive about our Genedrive® CYP2C19-ID Kit - a simple, rapid point-of-care test in development, with no requirement for user result interpretation and provides results in a clinically actionable timeframe for ischemic stroke patients. Similar to AIHL, it uses our capabilities, chemistry and hardware to rapidly produce a result at an emergency care bedside. By analysing the genes of a patient's drug metabolic pathway, certain poor drug options can be removed from the treatment regimen of each individual patient, with the aim of providing reduced incidence of subsequent strokes and clots, and better clinical outcomes.

We continue to evolve our Genedrive® platform, reducing sole supplier dependency, onshoring and increasing our in-house manufacturing capacity and capabilities.

Performance

Significant revenues are still to follow the success of our product development, but our commercial rigour and market visibility is greatly improved. Following the launch of MT-RNR1 in the UK, there is a clear demand to implement the system in many hospitals. But while a process of national commissioning can be followed, in the interim each hospital needs to make its own business case and establish funding for capital equipment and tests. This process can be slow in an underfunded NHS despite the very positive health economic case the Genedrive MT-RNR1 ID test provides. Our process in establishing distributors outside of the UK has been very targeted as its critical our partners know the neonatal environment, and can also support point of care and molecular diagnostics. Our commercial team has made solid progress in the sales processes in the UK and also in 10 countries internationally.

We created the fastest point-of-care COVID molecular test, capable of delivering positive results as quickly as 7.5 minutes and negative results at 17 minutes. Technical development delays as well as with approval in the UK with CTDA meant that we received our approval when the demand for testing had reduced and the world was transitioning to "living with COVID" as the dominant Omicron strain had reduced clinical impacts for most. Although we do not know the trajectory that the pandemic will take, as immunity wanes and if new variants continue to emerge, the could cause a change in demand for testing during the winter months, which would present us with commercial opportunities. As of today, COVID testing following the summer months has not increased in the UK or internationally.

Regulatory update

Our in-house Quality and Regulatory specialists successfully guided the transition from the EU's existing In Vitro Diagnostic Directive ("IVDD") to the new In Vitro Diagnostic Regulation ("IVDR")

which came into effect in May 2022. Our AIHL, COV19, and HCV portfolio are in compliance with current regulations, and our new CYP2C19 assay will be the first that needs to fully go through the new Directive. Initial launch under the UK regulatory scheme
is currently targeted for April 2023.

Outlook

I am excited for what we are achieving. Our focus on pharmacogenetic testing and investment in the development of new products will start to bear more fruit in the second half of the current financial year. While there is a time delay in adoption by the NHS for new innovations, our AIHL test is supported by the outcomes which dramatically improve lives and has the potential to save the NHS millions of pounds every year. The route to adoption of new clinical tests however takes time, as healthcare systems are conservative in their nature and face inevitable budgetary constraints. The engagement level from the markets is encouraging.

It is pleasing to see that our two new emergency point-of-care genetic screening tests are being evaluated by NICE. The AIHL test has been selected to be fast-tracked via NICE's Early Value Assessment Programme ("EVA"). EVA is a new review process, created to drive innovation into the hands of healthcare professionals by actively drawing in digital products, medical devices and diagnostics that address national unmet needs. This should expedite the test being written into clinical guidelines and rolled out to the NHS nationally, allowing clinicians and patients to benefit from the test sooner.

The US is a particularly attractive market for our unique AIHL test given the potential to save hundreds of individuals from life-long deafness and reduce litigation costs relating to the unwanted side effects from antibiotic use on those carrying the gene variant. In 2021, 3.7 million babies were born in the USA, with 10.5% born prematurely. It was estimated that malpractice litigation settlements in cases related to deafness caused by the use of aminoglycosides average over US$1.1 million per case, further adding to the positive health economic case of providing accurate and timely testing to reduce unwanted side effects of gentamicin usage.

We recruited a new Business Development team in mid-2022 to execute our commercial strategy alongside our distribution partners and with an innovative R&D pipeline, we continue to add to our menu of assays and remain confident to deliver success in the future in both improving lives and creating shareholder value.

David Budd
Chief Executive Officer

Financial Review

Revenue for the year was £0.05m (2021: £0.69m) and was adversely impacted by absence of COVID-19 revenue, due to the timing of bringing an approved product to the market. In the prior year, revenue also included DoD sales that were not recurring in the current year. Research and development costs were £3.9m (2021: £4.5m) successfully adding to our menu of assays and pipeline for future innovative products. Net cash outflow from operating activities before taxation was £5.7m, down on the £6.2m in the prior year following reduced activity and tight cost control especially in the second half of the year. The operating loss for the year was £5.6m (2021: £5.5m).

Financing costs and income

Financing costs were £0.02m (2021: £3.6m income) with 2021 including non-cash movements on the loan notes outstanding at 30 June 2020. These loan notes were held by the Business Growth Fund and were converted in part in September 2020 and then in full in December 2020. The finance income on the loan notes had two elements: one attached to the option to convert and the other related to the discount on these long-term loan notes. The option to convert the loan notes to ordinary shares had a value that fluctuated as the share price of the entity rose and fell. Owing to share price movements between 30 June 2020 and the date of conversions the value of the option to convert fell and created a £3.9m gain. Interest accruing and unwinding of the discount up to the point of conversion was £0.2m, giving a net financing income of £3.6m. These movements were non-cash.

Taxation

The tax credit for the year was £1.0m (2021: £1.2m). The Group investment in R&D falls within the UK Government's R&D tax relief scheme for small and medium sized companies where it meets the qualifying criteria and as the Group did not make a profit in the year it is collected in cash following submission of tax returns. The £1.0m is a receivable on the balance sheet at the year end. In the prior year the total amount of qualifying costs for the research and development tax credit was restricted by grant income that the Group received. There is no grant income restriction to the size of the claim in 2022.

Cash resources

Net cash outflow from operating activities before taxation was £5.8m (2021: £6.2m). The operating loss cashflows were £5.3m (2021: £5.2m) with working capital consuming £0.4m (2021: £0.9m) mainly due to the decrease in trade and other payables and increase in inventory.

The tax credit received was £1.2m (2021: £1.0m) and relates to cash received under the UK Government's R&D tax relief scheme.

Capital expenditure in the period was £0.06m (2021: £0.1m) and cash paid to settle the loan notes converted during the year was £nil (2021: £0.4m). Proceeds from sale of shares was £6.7m (2021: £0.05m). The increase in cash for the year was £2.0m (2021: £5.6m decrease) meaning a closing cash position of £4.6m (2021: £2.6m).

Our unaudited cash balance as at the end of October 2022 was £3m, reflecting a monthly burn rate of £0.4m since the year end.

Balance sheet

Balance sheet net assets at 30 June 2022 were £5.6m (2021: £3.6m). Fixed assets were £0.2m (2021: £0.3m) and include right to use lease assets of £0.02m (2021: £0.2m).

Current assets of £6.4m (2021: £4.5m) included cash of £4.6m (2021: £2.6m). Inventories of £0.7m (2021: £0.6m), consisted mainly of raw materials used in manufacturing and R&D. The remainder of current asset values were in receivables of £0.1m (2021: £0.2m) and tax. The tax receivable was £1.0m (2021: £1.2m) for the current year Corporation Tax Research and Development tax claim.

Current liabilities were £1.0m (2021: £1.3m).

Net assets closed at £5.6m (2021: £3.6m). The comprehensive loss for the year was £4.7m (2021: £0.7m).

Going concern

Following the equity fund raise which completed in October 2021 the Company has a cash runway to the end of the June 2023 financial year. We are confident in gaining commercial traction and securing significant revenues, but due to the time required to achieve this, we will require additional funding in our 2023 financial year. As described in the accounting policies, we continue to adopt a going concern basis for the preparation of the accounts, but the above condition represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

Russ Shaw
Chief Financial Officer

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	**Year ended 30 June 2022 £'000**	Year ended 30 June 2021 £'000
Continuing operations			
Revenue	2	**49**	687

Research and development costs		**(3,871)**	(4,509)
Administrative costs		**(1,793)**	(1,660)
Operating loss		**(5,615)**	(5,482)
Finance (costs)/income	3	**(16)**	3,630
Loss on ordinary activities before taxation		**(5,631)**	(1,852)
Taxation	4	**956**	1,161
Loss for the financial year		**(4,675)**	(691)
Loss/total comprehensive expense for the financial year		**(4,675)**	(691)
Loss per share (pence)			
- Basic and diluted	5	**(5.5p)**	(1.2p)

Consolidated Balance Sheet

as at 30 June 2022

	Note	**30 June 2022 £'000**	30 June 2021 £'000
Assets			
Non-current assets			
Plant and equipment		**206**	301
Contingent consideration receivable	6	**-**	47
		206	348
Current assets			
Inventories		**748**	556
Trade and other receivables		**107**	158
Contingent consideration receivable	6	**15**	75
Current tax asset		**956**	1,166
Cash and cash equivalents		**4,589**	2,574
		6,415	4,529
Total assets		**6,621**	4,877
Liabilities			
Current liabilities			
Trade and other payables		**(994)**	(1,166)
Lease liabilities		**(16)**	(119)
		(1,010)	(1,285)
Non-current liabilities			
Total liabilities		**(1,010)**	(1,285)
Net assets		**5,611**	3,592

Equity			
Called-up equity share capital	7	**1,388**	950
Other reserves		**51,294**	45,000
Accumulated losses		**(47,071)**	(42,358)
Total equity		**5,611**	3,592

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	Share capital £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance at 30 June 2020	**780**	**42,620**	**(46,742)**	**(3,342)**
Transactions with owners in their capacity as owners:				
Share issue - conversion of BGF bond	168	2,332	5,079	7,579
Share issue	2	44	-	46
Equity-settled share-based payments	-	4	(4)	-
Transactions settled directly in equity	170	2,380	5,075	7,625
Total comprehensive loss for the year	-	-	(691)	(691)
Balance at 30 June 2021	**950**	**45,000**	**(42,358)**	**3,592**
Transactions with owners in their capacity as owners:				
Share issue	426	6,186	-	6,612
Share issue - deferred consideration	8	(8)	-	-
Equity-settled share-based payments	4	116	(38)	82
Transactions settled directly in equity	438	6,294	(38)	6,694
Total comprehensive loss for the year	-	-	(4,675)	(4,675)
Balance at 30 June 2022	**1,388**	**51,294**	**(47,071)**	**5,611**

Consolidated Cash Flow Statement

for the year ended 30 June 2022

	Note	**Year ended 30 June 2022 £'000**	Year ended 30 June 2021 £'000
Cash flows from operating activities			
Operating loss for the year		**(5,615)**	(5,482)
Depreciation, amortisation and impairment		**63**	60
Depreciation, right-of-use assets		**187**	186
ATL Research credits		**-**	(5)
Share-based payment		38	4

Operating loss before changes in working capital		**(5,327)**	(5,237)
Increase in inventories		**(192)**	(143)
Decrease in trade and other receivables		**51**	240
Decrease in deferred revenue		-	(67)
Decrease in trade and other payables		**(292)**	(963)
Net cash outflow from operating activities before taxation		**(5,760)**	(6,170)
Tax received		**1,166**	1,018
Net cash outflow from operating activities		**(4,594)**	(5,152)
Cash flows from investing activities			
Finance income		-	1
Finance costs		**(16)**	(33)
Acquisition of plant and equipment, net of loss on disposals		**(62)**	(104)
Proceeds from disposal of discontinued operations	6	**107**	137
Net cash inflow from investing activities		**29**	1
Cash flows from financing activities			
Proceeds from share issue		**6,694**	46
Repayment of lease liabilities		**(119)**	(144)
Cash paid to settle convertible bonds		**-**	(358)
Net inflow/(outflow) from financing activities		**6,575**	(456)
Net increase/(decrease) in cash equivalents		**2,010**	(5,607)
Effects of exchange rate changes on cash and cash equivalents		**5**	(37)
Cash and cash equivalents at beginning of year		**2,574**	8,218
Cash and cash equivalents at end of year		**4,589**	2,574
Analysis of net funds			
Cash at bank and in hand		**4,589**	2,574
Net funds		**4,589**	2,574

Notes to the Financial Information

for the year ended 30 June 2022

General information

genedrive plc ('the Company') is a company incorporated and domiciled in the UK. The registered head office is The CTF Building, Grafton Street, Manchester M13 9XX, United Kingdom.

genedrive plc and its subsidiaries (together, 'the Group') is a molecular diagnostics business developing and commercialising a low-cost, rapid, versatile, simple-to-use and robust point-of-need or point-of-care diagnostics platform for the diagnosis of infectious diseases and for use in patient stratification (genotyping), pathogen detection and other indications.

genedrive plc is a public limited company, whose shares are listed on the London Stock Exchange Alternative Investment Market.

1. Significant accounting policies

The financial information for the year ended 30 June 2021 has been extracted from the Group's audited statutory financial statements which were approved by the Board of Directors on 8 November 2021 and which have been delivered to the Registrar of Companies for England and

Wales. The report of the auditor on these financial statements was unqualified, did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

The report of the auditor on the 30 June 2022 statutory financial statements was unqualified, did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006, but did draw attention to the Group's ability to continue as a going concern by way of a material uncertainty paragraph.

The information included in this announcement has been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and in accordance with UK-adopted International Accounting Standards.

The information in this announcement has been extracted from the audited statutory financial statements for the year ended 30 June 2022 and as such, does not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006 as it does not contain all the information required to be disclosed in the financial statements prepared in accordance with UK-adopted International Accounting Standards.

This announcement was approved by the board of directors and authorised for issue via RNS on 21 November 2022.

Going concern

The Group's business activities, market conditions, principal risks and uncertainties along with the Group's financial position are described in the full annual accounts.. The Group funds its day-to-day cash requirements from existing cash reserves. These matters have been considered by the Directors in forming their assessment of going concern.

The Directors have concluded that it is necessary to draw attention to the revenue and cost forecasts in the business plans during the period to June 2024. The Group and Company does not currently have sufficient cash resources to continue as a going concern during the forecast period due to the time expected to be needed to gain commercial traction in its revenues. The forecasts prepared by the Directors include a plan to raise additional funds from shareholders or debt providers in the financial year to June 2023.

While the Board has a successful track record in raising funds, there remains uncertainty as to the amount of funding that could be raised from shareholders or debt providers. This condition represents a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

However, based on the progress being made towards bringing the AIHL product to market and having made enquiries, the Directors have reasonable confidence in their ability to raise additional funds and therefore have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. These financial statements do

not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

2. Operating segments

For internal reporting and decision-making, the Group is organised into one segment, Diagnostics. Diagnostics is commercialising the Genedrive® point-of need molecular testing platform. In future periods, and as revenue grows, the Group may review management account information by type of assay and thus split out Diagnostics into segments - however, for now, the single segment is appropriate.

The chief operating decision-maker primarily relies on turnover and operating loss to assess the performance of the Group and make decisions about resources to be allocated to each segment. Geographical factors are reviewed by the chief operating decision-maker, but as substantially all operating activities are undertaken in the UK, geography is not a significant factor for the Group. Accordingly, only sales have been analysed into geographical statements.

The results of the operating division of the Group are detailed below.

Business segments	Diagnostics segment £'000	Corporate costs £'000	Total £'000
Year ended 30 June 2022			
Revenue	49	-	49
Operating loss	**(3,822)**	**(1,793)**	**(5,615)**
Net finance costs			(16)
Loss on ordinary activities before taxation			**(5,631)**
Taxation			956
Loss for the financial year			(4,675)
Total comprehensive expense for the year			**(4,675)**

Business segments	Diagnostics segment £'000	Corporate costs £'000	Total £'000
Year ended 30 June 2021			
Revenue	687	-	687
Operating loss	**(3,822)**	**(1,660)**	**(5,482)**
Net finance costs			3,630
Loss on ordinary activities before taxation			**(1,852)**
Taxation			1,161
Loss for the financial year			(691)
Total comprehensive expense for the year			**(691)**

	Diagnostics segment £'000	Corporate costs £'000	Total £'000

Year ended 30 June 2022			
Segment assets	1,003	5,618	6,621
Segment liabilities	(905)	(105)	(1,010)
Year ended 30 June 2021			
Segment assets	923	3,954	4,877
Segment liabilities	(937)	(348)	(1,285)

Additions to non-current assets: Diagnostics segment £124k (2021: £320k) and Corporate costs £31k (2021: £80k).

Geographical segments

The Group's operations are located in the United Kingdom. The following table provides an analysis of the Group's revenue by customer location:

All on continuing operations	**Year ended 30 June 2022 £'000**	Year ended 30 June 2021 £'000
United Kingdom	37	40
Europe	10	17
United States of America	2	613
Rest of the world	-	17
	49	687

Revenues from two customers accounted for more than 10% of total revenue in the current and prior year.

3. Finance income/(costs)- net

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Interest income on bank deposits	**-**	1
Movement in fair value of derivative embedded in convertible bonds	**-**	3,864
Finance cost on liabilities measured at amortised cost	**-**	(202)
Finance lease costs	**(16)**	(33)
	(16)	3,630

4. Taxation

(a) Recognised in the income statement

Current tax:

	Year ended 30 June 2022	Year ended 30 June 2021 £'000

	£'000	
Research and development tax credits	**(956)**	(1,166)
Less: recognised as ATL Research credits	-	5
Total tax credit for the year	**(956)**	(1,161)

(b) Reconciliation of the total tax credit

The tax credit assessed on the loss for the year is lower (2021: higher) than the weighted average applicable tax rate for the year ended 30 June 2022 of 19.0% (2021: 19.0%). The differences are explained below:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Loss before taxation on continuing operations	**(5,631)**	(1,852)
Tax using UK corporation tax rate of 19.0% (2021: 19.0%)	**(1,070)**	(352)
Adjustment in respect of R&D tax credit recognised as Above The Line ('ATL')	**-**	1
Adjustment in respect of R&D tax credit claimed	**(412)**	(500)
Items (taxable) for tax purposes - permanent	**(7)**	(777)
Items not deductible for tax purposes - temporary	**(3)**	-
Deferred tax not recognised	**703**	467
Rate differences	**(167)**	-
Total tax credit for the year	**(956)**	(1,161)

-

No deferred tax assets are recognised at 30 June 2022 (2021: £nil). Having reviewed future profitability in the context of trading losses carried, it is not probable that there will be sufficient profits available to set against brought forward losses.

The Group had trading losses, as computed for tax purposes, of approximately £19,032k (2021: £14,356k) available to carry forward to future periods; this excludes management expenses.

In accordance with the provisions of the Finance Act 2000 in respect of research and development allowances, the Group is entitled to claim tax credits for certain research and development expenditure. These credits are disclosed partly as Above The Line research and development credits ('ATL Research credits') within research and development costs and partly as research and development tax credits within taxation on ordinary activities. The total amount included in the financial statements in respect of the year ended 30 June 2022 was £956k (2021: £1,166k) which included £nil (2021: £5k) disclosed as ATL Research credits deducted from research and development costs with the balance of £956k (2021: £1,161k) disclosed within taxation on ordinary activities as detailed above.

5. Earnings per share

	2022 £'000	2021 £'000
Loss for the year after taxation	**(4,675)**	(691)

Group	2022 Number	2021 Number
~~Weighted average number of ordinary shares in issue~~	**84,860,240**	58,987,344
Potentially dilutive ordinary shares	**-**	-
Adjusted weighted average number of ordinary shares in issue	**84,860,240**	58,987,344
Loss per share on continuing operations		
- Basic	**(5.5)p**	(1.2)p
- Diluted	**(5.5)p**	(1.2)p

The basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders for the year by the weighted average number of ordinary shares in issue during the year.
As the Company is loss-making, no potentially dilutive options have been added into the EPS calculation. Had the Company made a profit in the period:

Group	2022 Number	2021 Number
Potentially dilutive shares on deferred consideration	**-**	500,000
Potentially dilutive shares from share options	**971,238**	3,027,508
Potentially dilutive shares within the SIP	**208,703**	158,784
Potentially dilutive ordinary shares	**1,179,941**	3,686,292

6. Contingent consideration receivable

	Greater than 12 months £'000	Less than 12 months £'000	Total £'000
Balance at 30 June 2020	47	212	259
Balance at 30 June 2021	47	75	122
Received in the period	(47)	(60)	(107)
Balance at 30 June 2022	**-**	**15**	**15**

The amount provided on the balance sheet of £15k represents contingent consideration held under the sale and purchase agreement for the disposal of the Services business. The amount relates to the remaining six months trading under the agreement and was settled in October 2022.

7. Share capital
Allotted, issued and fully paid:

	Number	£'000
Balance at 30 June 2020	51,986,071	780
Share issue - equity-settled share-based payments	137,274	2

Share issue - conversion of BGF loan notes	11,196,703	168
Balance at 30 June 2021	63,320,048	950
Share issue - equity-settled share-based payments	**271,546**	**4**
Share issue - deferred consideration	**500,000**	**8**
Share issue	**28,450,852**	**426**
Balance at 30 June 2022	**92,542,446**	**1,388**

On 1 October 2021 the Company issued 28,450,852 shares as part of a placing and open offer to shareholders for net proceeds of £6.6m.

On 10 December 2021 the Company issued 500,000 shares in genedrive plc to the former owner of Visible Genomics as part of a Deed of Amendment agreed in December 2018 to the Visible Genomics Sale and Purchase Agreement.

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