

**Yourgene Health plc**  
("Yourgene", the "Company" or the "Group")

**Half-year Report**

**Manchester, UK – 17 December 2020:** Yourgene Health plc (AIM: YGEN), the international molecular diagnostics group which commercialises genetic products and services, announces its unaudited half-year report for the six months ended 30 September 2020.

The results demonstrate the resilience of the Group's core business during the first few months of the global pandemic, its responsiveness in launching COVID-19 testing solutions rapidly and its focus on driving further long-term growth through the acquisition of Coastal Genomics Inc. ("Coastal Genomics") in August 2020. This half-year has also been a period of continued investment, further strengthening the underlying business and enabling growth for the full year and beyond.

**Operational highlights**

- IONA® Nx, the Illumina-based non-invasive prenatal test (NIPT), launched, CE-marked and now mid roll-out in EU; also approved in Australia
- Acquisition of Coastal Genomics and associated £15.1m (net) equity fundraise in August 2020, providing additional capital for investment in revenue generating assets and broader commercial footprint
- Launch of COVID-19 testing service in the UK and the CE-marked Clarigene Sars-CoV-2 PCR test, with overseas registrations underway
- All previous acquisitions exceeded performance conditions for the reporting period
- Launch of Yourgene Genomic Services in late September as a full lifecycle research-to-clinical offering, combining existing NIPT, CRO and research services plus recent partnerships in Alzheimer's and Naso-Pharyngeal Cancer
- German reimbursement level set for DPYD testing, supporting market penetration for the Company's Elucigene DPYD Test

**Financial highlights**

- Revenues increased by 5% to £8.2m (H1 2019-20: £7.8m)
- Gross profit up 4% to £4.9m (H1 2019-20: £4.7m)
- General administrative expenses up 21% to £5.2m (H1 2019-20: £4.3m) including £0.8m targeted investment including expenditure on the IONA® Nx transition programme, manufacturing scale-up and testing laboratory provisioning plus incremental acquired overheads
- Adjusted EBITDA\* was a loss of £0.2m (H1 2019-20: profit of £0.4m) after the above additional administrative expenditures
- Operating loss £2.5m (H1 2019-20: £1.7m); £1.6m before separately disclosed Income Statement items
- Oversubscribed £15.1m (net) equity fundraise; being deployed for Coastal Genomics acquisition, laboratory expansions in Manchester and Taipei, IONA® Nx reagent rental contracts and stronger commercial team
- Cash used by operations reduced to £1.2m (H1 2019-20: £1.6m)
- Cash and cash equivalents as at 30 September 2020 of £12.2m (30 September 2019: £4.1m); net cash £11.9m (30 September 2019: £3.6m)

**Post period end:**

- Two US customer reproductive health contracts, delayed in H1 due to COVID-19 restrictions, now in final stage validation
- Awarded a renewed 3-year contract with St George's University Hospitals NHS Foundation Trust for the new IONA® Nx NIPT workflow
- Partnerships in Japan and Taiwan for Yourgene's bioinformatics platform and naso-pharyngeal cancer respectively
- Dr Joanne Mason appointed to the Board as Chief Scientific Officer, Dr Bill Chang remaining on the Board as Chief Entrepreneur, focusing on new scientific collaborations and business ventures
- DPYD adoption in Wales and recommendation for use by NHS England

**Lyn Rees, Chief Executive Officer of Yourgene, commented:**

*“The results demonstrate the resilience of the Group’s core business during the first few months of the global pandemic and although Yourgene’s operating landscape during the first half was volatile, as experienced by the great majority of businesses, we have built a significant hedge through our UK COVID-19 testing offering. From a standing start in May 2020, our COVID-19 products and services generated revenues of £0.5m in H1 and have already exceeded that in the first two months of H2. We are very proud of our contribution to the global effort both to combat the virus and to get the global economy moving again.*

*“We have proven very adaptable in the face of COVID-19 and, whilst not unaffected, we have more than stood our ground. The reorientation of the business that was commenced in 2019, namely to focus on our four key strategic growth drivers – product penetration, geographical expansion, product expansion and acquisition growth - continues to bear fruit, and we are working well with our new Canadian colleagues at Coastal Genomics to convert the exciting pipeline of opportunities they bring to the Group.*

*“We continue to have a very significant opportunity ahead of us, and we remain confident in our outlook for the current financial year. Being at the forefront of new diagnostic technologies, we are hugely excited about the prospects for substantial growth in the years to come and we are utilising the additional funds entrusted to us by shareholders to ensure we capitalise on these opportunities as effectively as possible.”*

A presentation on the financial results and business outlook will be delivered by Lyn Rees, CEO, and Barry Hextall, CFO and will be available to view on the Company's website later today, here: [Yourgene Health plc - Investor Videos and Media \(yourgene-health.com\)](https://yourgene-health.com/investor-videos-and-media)

*\* Adjusted EBITDA is the operating profit/(loss) before interest, tax, depreciation, amortisation, and expenses shown separately disclosed on the face of the Income Statement*

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

**For more information, please contact:**

**Yourgene Health plc**

Lyn Rees, Chief Executive Officer  
Barry Hextall, Chief Financial Officer  
Joanne Cross, Director of Marketing

Tel: +44 (0)161 669 8122  
[investors@yourgene-health.com](mailto:investors@yourgene-health.com)

**Cairn Financial Advisers LLP (NOMAD)**

Liam Murray / James Caithie / Ludovico Lazzaretti

Tel: +44 (0)20 7213 0880

**N+1 Singer (Joint Corporate Broker)**

Aubrey Powell / Tom Salvesen / George Tzimas

Tel: +44 (0)20 7496 3000

**Stifel Nicolaus Europe Limited (Joint Corporate Broker)**

Nicholas Moore / Matthew Blawat / Ben Maddison

Tel: +44 (0)20 7710 7600

**Walbrook PR Ltd (Media and Investor Relations)**

Paul McManus / Lianne Cawthorne

Tel: +44 (0)20 7933 8780 or [yourgene@walbrookpr.com](mailto:yourgene@walbrookpr.com)  
Mob: 07980 541 893 / Mob: 07584 391 303

## **About Yourgene Health**

Yourgene Health is an international molecular diagnostics group which develops and commercialises genetic products and services. The Group works in partnership with global leaders in DNA technology to advance diagnostic science.

Yourgene primarily develops, manufactures, and commercialises simple and accurate molecular diagnostic solutions, for reproductive health, precision medicine and now infectious diseases. The Group's flagship products include non-invasive prenatal tests (NIPT) for Down's Syndrome and other genetic disorders, Cystic Fibrosis screening tests, invasive rapid aneuploidy tests, and a recent extension into the oncology space with DPYD genotyping.

The launch of Yourgene Genomic Services has enabled Yourgene to offer a global laboratory service network equipped to be a full life-cycle partner for clinical, research and pharmaceutical organisations to support partners at the preclinical, clinical, and post-market stages to develop, manufacture, obtain regulatory approval and commercialise new products and services. In addition, Yourgene Genomic Services offers an NIPT and high throughput COVID-19 testing service.

In August 2020, Yourgene acquired Coastal Genomics, Inc., a sample preparation technology company based in Vancouver, Canada, enabling the Company to extend its offering and IP portfolio in the DNA sample preparation sector. The acquisition increased Yourgene's geographical penetration into the US and Canada, supplementing existing coverage in the UK, Europe, MEA and Asia.

Yourgene Health is headquartered in Manchester, UK with offices in Taipei, Singapore, the US and Canada, and is listed on the London Stock Exchange's AIM market under the ticker "YGEN". For more information visit [www.yourgene-health.com](http://www.yourgene-health.com) and follow us on twitter @Yourgene\_Health.

## BUSINESS REVIEW

I am encouraged by the resilience of our exceptional team in adapting to the new reality we all face. We have kept our focus on our strategic journey while also admirably rising to the challenge of the COVID-19 pandemic.

Despite the headwinds and significant uncertainty brought about by the global pandemic, we remain focused on our four strategic priorities to deliver growth and shareholder value:

<b>Product penetration</b>	selling more into existing channels
<b>Geographic expansion</b>	selling more into new territories
<b>Product expansion</b>	new product lines and content
<b>Acquisitive growth</b>	both earnings enhancement opportunities and technology consolidation

I am very pleased to report that we have again made significant progress with all of these strategic objectives.

### Product penetration

There have been logistical challenges for both our products and our customer-facing teams, and a number of our international partners had to divert resources to the fight against COVID-19, as described in our trading update of 26 October 2020. Despite these challenges, and some false dawns in between successive COVID-19 waves, revenues grew modestly and we firmly believe our business has strong foundations to benefit as the world's clinical activity levels return to focus more on health challenges outside of the pandemic. The successful equity placing in early August has enabled us to further invest in our commercial team, our laboratory services capabilities and in capital equipment to support the transition of our core European NIPT markets over to the new IONA<sup>®</sup> Nx solution.

The greater diversity of our revenue base can be seen in the table below:

	<b>H1 2020-21 £'000</b>	<b>% of total</b>	<b>H1 2019-20 £'000</b>	<b>% of total</b>	<b>Growth %</b>
<b>Revenue analysed by product segments</b>					
NIPT	4,166	51%	4,783	62%	-13%
Reproductive Health	1,661	20%	1,633	21%	+2%
Molecular Genetics	2,354	29%	1,351	17%	+74%
	<b>8,181</b>	<b>100%</b>	<b>7,767</b>	<b>100%</b>	<b>+5%</b>

### Geographic expansion

We have a significant focus on building a sizeable business in North America which has been somewhat delayed due to COVID-19 obstacles. These are now resolved and strong momentum has resumed. We now have two active US partners for our next-generation sequencing based *Flex*<sup>®</sup> software and related general-purpose library preparation reagents. They are both in the validation stages and we anticipate they will launch their reproductive health-based clinical services in the first half of calendar 2021. In September 2020 we also appointed an experienced North American distributor for our PCR-based product portfolio.

Our other international markets have suffered during the pandemic due to logistical constraints into India, Japan and the Middle East, as well as the effect of diverting healthcare budgets towards fighting the COVID-19 pandemic. We are confident that the underlying strength of our customer base and commercial channels will allow this territory to bounce back as soon as possible but the timing of that is unpredictable at present.

We have made changes to our distribution channels in northern Europe, India and the Middle East to strengthen our partner network and be ready for those markets to reopen.

The positive impact of the AGX-DPNI acquisition on NIPT in France, the continued DPYD product penetration in the UK and Europe, and our COVID-19 testing services in the UK succeeded in offsetting COVID-19-affected weakness in our international markets as shown below:

	H1 2020-21 £'000	% of total	H1 2019-20 £'000	% of total	Growth %
<b>Revenue analysed by geographical market</b>					
UK	1,521	19%	1,095	14%	+39%
Europe	2,877	35%	1,602	21%	+80%
International	3,783	46%	5,070	65%	-25%
	<b>8,181</b>	100%	<b>7,767</b>	100%	<b>+5%</b>

### Product expansion

The third growth driver for the business is to offer more customers new product lines and content and it is our continuing strategic goal to broaden our portfolio further beyond NIPT. The 2019 launch of DPYD, a chemotherapy toxicity assay, is going from strength to strength as it becomes incorporated into clinical treatment and reimbursement pathways internationally. Earlier this month post period end, Yourgene welcomed the Clinical Commissioning Urgent Policy Statement, published by NHS England, recommending the routine availability of DPYD testing prior to the start of treatment with chemotherapeutic drug 5-Fluorouracil (5-FU), to identify the risk of severe side effects, highlighting the importance of such test and improving care for cancer patients. This followed the news that the Elucigene DPYD test is routinely being used in Wales since October 2020.

The primary product development focus in the first half of this financial year has been the launch of IONA<sup>®</sup> Nx, the Illumina-based NIPT test which is now live in many of our key European customers. The roll-out of IONA<sup>®</sup> Nx is continuing into early 2021. The tender success with St. George's Hospitals NHS Foundation Trust, a long-time partner of Yourgene, is a real vote of confidence in the new product in the face of competition from international majors.

The Group has also expended considerable effort on developing a high precision PCR assay for the detection of Sars-CoV-2, both for commercial reasons and to contribute to the diagnostic industry's fight against the virus. The Clarigene<sup>®</sup> test was launched in June 2020 and received its CE-mark in July 2020. Whilst the news of available vaccines is very welcome, we still believe that in-lab and near-patient testing at scale and speed, with PCR precision, will be essential to getting the global economy moving again in 2021.

### Acquisitive growth

In August 2020, we undertook an equity placing, raising net proceeds of £15.1m and completed the acquisition of Coastal Genomics for an enterprise value of up to £10.5m, comprising initial consideration of £2.3m cash and £1.9m equity, with the potential and further earn-outs (up to £1.5m in equity and £4.8m in cash), based on demanding performance targets. Funds from the raise are also being used to support the acceleration of commercial activity, including the roll-out of the IONA<sup>®</sup> Nx NIPT workflow and scale-up of our testing and production capacity.

We are continuing to build a strong track record with respect to carefully identifying, successfully pursuing and closing acquisition targets and integrating them into the wider Yourgene Group. The acquisition of Coastal Genomics not only brings some valuable IP-based technology into the Group to strengthen our position in the global NIPT market, but it also opens up an exciting pipeline of oncology opportunities, especially in North America.

The earlier acquisitions of our French distribution business (AGX-DPNI) in France in March 2020, and the assets of Ex5 Genomics in the UK in July have both exceeded their respective performance conditions thus far, and the 2019 acquisition of Elucigene Diagnostics continues to perform well, especially with the DPYD product launched in late 2019. We remain focused on integrating the recent acquisitions and managing them through the COVID-19 pandemic. We continue to consider additional selective synergistic M&A opportunities where our target criteria are met and the Group is able to integrate effectively.

## **Financial position**

The Group's results for the six months to 30 September 2020 are presented in the financial statements below and show gross profits having increased by 4% to £4.9m (H1 2019-20: £4.7m), on the back of similar levels of revenue growth. Investment of £0.8m across acquired company overheads, the expansion of UK-based Genomic Services operating capabilities, manufacturing scale-up and the transition costs associated with the switchover of European customers to the newly launched IONA® Nx NIPT workflow led to a 21% increase in general administrative expenses to £5.2m (H1 2019-2020: £4.3m). This targeted expansion creates the platform to support revenue growth in H2 and in subsequent financial years.

Adjusted EBITDA was a loss of £0.2m (2019-20: profit of £0.4m), reflecting these additional expenditures. The Group's operating loss was £2.5m (H1 2019-20: loss of £1.3m), £1.6m before the separately disclosed items.

Net financing expenses remained low at £0.1m (H1 2019-20: £0.1m) reflecting the minimal debt position of the Group. The total comprehensive loss for the period was £2.5m (H1 2019-20: £1.4m). Earnings per share were a loss of 0.4 pence per share (H1 2019-20: loss of 0.2 pence; full year 2019-20: loss of 0.4 pence).

In the reporting period, the Group used £1.2m cash for operating activities (H1 2019-20: £1.6m) reflecting self-sufficient trading plus separately disclosed acquisition and integration expenses and reduced working capital consumption compared to the prior year. Working capital increases were largely due to an increase in inventories ahead of the IONA® Nx roll-out and the scale-up of Clarigene®-based services and sales.

The August 2020 equity placing, to support the Coastal Genomics acquisition, plus the issue of unrelated share options and warrant exercises in the period, generated significant liquidity (£15.6m vs H1 2019-20: £10.4m). These funds were partly utilised on the £2.3m up-front portion of the acquisition cost of Coastal Genomics, in capital equipment for the IONA® Nx roll-out, expansion of our UK service offering and on capitalised development costs for the Clarigene® and IONA Nx products meeting IFRS criteria. Together investing activities consumed £5.0m (H1 2019-20: £6.0m, due to the larger cash component in the Elucigene acquisition in that period) and we continue to invest funds in growth initiatives.

At the end of the reporting period, the Group had £12.2m in cash and cash equivalents, a threefold year-on-year increase (30 Sept 2019: £4.1m). Borrowings are modest and net cash is £11.9m (30 Sept 2019: £3.6m).

## **Post period end:**

Since the end of September the Group has made a number of new announcements demonstrating further product penetration and geographic and product expansion. Two US customer reproductive health contracts, delayed in H1 due to COVID-19 restrictions, are now in final stage validation and are contributing to H2 revenues even prior to anticipated launches in early 2021. In the UK the Group was awarded a renewed 3-year contract with the flagship St George's University Hospitals NHS Foundation Trust for the new IONA® Nx NIPT workflow. In the Asia Pacific region the Group announced partnerships in Japan, using Yourgene's bioinformatics platform and software for reproductive health and in Taiwan using Yourgene's local presence to promote certain oncology testing solutions. The DPYD product has continued to build on its successful launch in late 2019 and has recently had reimbursement authorised in Germany and is increasingly an approved element on chemotherapy clinical pathways in England and Wales.

## **Board changes**

In November 2020, we appointed Dr Joanne Mason to the executive board position of Chief Scientific Officer and Dr Bill Chang became executive Chief Entrepreneur. Dr Joanne Mason has been a champion of modernising diagnostics with the use of genomic technologies and having worked with Dr Mason for the past year, the Company witnessed the tremendous job she has done enabling the launch and commercialisation of key products, making her a perfect candidate to help deliver the Company's new product development roadmap. Bill continues to apply his entrepreneurial flair actively to our business development agenda.

## **Outlook**

The results demonstrate the resilience of the Group's core business during the first few months of the global pandemic and although the business conditions during the first half were volatile, as experienced by the great majority of businesses, we have built a significant hedge, from a standing start, in our UK COVID-19 testing offerings.

These products and services generated revenues of £0.5m in H1 and have already exceeded that in the first two months of the second half, as we utilise our expanded testing and production capacity. Our UK Genomic Services team has established multiple routes to market for our COVID-19 testing covering entertainment, consumer, travel and sporting sectors plus an expanding network of pharmacies, travel hubs and other testing outlets. We are solely using Clarigene®, our high precision PCR assay for detecting Sars-CoV-2. Clarigene is also being adopted in near-patient testing locations to create biobubbles, provide reassurance to individuals and to facilitate workplace and transportation return to work activities.

Our core business was impacted by the first two COVID-19 waves but is now making considerable progress on a global scale and we are progressing towards our strategic goals. NIPT is a key foundation for this strategy and, despite private NIPT laboratory customers diverting resources towards COVID-19 testing, we have successfully launched the Illumina-based version of the IONA® test in Europe and this promises to be a strong platform for growth in a much expanded addressable market for us. Reproductive health revenues have held up well with their public hospital focus, and the molecular genetics segment performed strongly due to Flex software revenues augmenting research service and COVID-19-related income.

The reorientation of the business to focus on our four key strategic growth drivers continues to bear fruit and remains a key priority in our business planning. We are very appreciative of the trust placed in us by our shareholders and we are utilising the extra liquidity raised in August to be at the forefront of the new wave of diagnostic technologies. While these are proving so valuable at the current time, we believe these technologies also provide substantial growth opportunities over the years to come.

**Lyn Rees**  
**Chief Executive Officer**  
17 December 2020

## Consolidated Statement of Comprehensive Income

	Unaudited 6 months to 30-Sep 2020 £'000	Unaudited 6 months to 30-Sep 2019 £'000	Audited 12 months to 31-Mar 2020 £'000
<b>Revenue</b>	8,181	7,767	16,613
Cost of sales	(3,265)	(3,056)	(6,388)
<b>Gross profit</b>	<b>4,916</b>	<b>4,711</b>	<b>10,225</b>
Other operating income	59	46	68
<b>Administrative expenses</b>			
General administrative expenses	(5,225)	(4,328)	(9,038)
<b>Adjusted EBITDA</b>	<b>(250)</b>	<b>429</b>	<b>1,255</b>
Depreciation and amortisation	(1,308)	(1,112)	(2,094)
Share-based payments expense	(453)	(83)	(1,602)
Costs associated with the acquisition of subsidiary	(280)	(195)	(265)
Acquisition integration expense	(219)	(315)	(533)
<b>Total depreciation, amortisation &amp; separately disclosed items</b>	<b>(2,260)</b>	<b>(1,706)</b>	<b>(4,494)</b>
<b>Operating loss</b>	<b>(2,510)</b>	<b>(1,277)</b>	<b>(3,239)</b>
Financing income	1	10	20
Financing expenses	(96)	(75)	(163)
<b>Loss on ordinary activities before taxation</b>	<b>(2,605)</b>	<b>(1,342)</b>	<b>(3,382)</b>
Tax credit/(charge) on loss on ordinary activities	47	(80)	948
<b>Loss for the period</b>	<b>(2,558)</b>	<b>(1,422)</b>	<b>(2,434)</b>
<b>Other comprehensive income</b>			
Exchange translation differences	41	42	140
<b>Loss and total comprehensive loss for the period</b>	<b>(2,517)</b>	<b>(1,380)</b>	<b>(2,294)</b>
<b>Earnings per share pence</b>			
Basic: Loss per share	(0.4p )	(0.2p )	(0.4p )
Diluted: Loss per share	(0.4p )	(0.2p )	(0.4p )



## Consolidated Statement of Financial Position

	Unaudited 30-Sep 2020 £'000	Unaudited 30-Sep 2019 £'000	Audited 31-Mar 2020 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	12,987	10,806	10,806
Intangible assets	17,621	6,378	10,192
Property, plant and equipment	3,427	1,936	1,969
Right of Use Asset	3,069	2,969	2,997
Tax Asset	132	-	533
Deferred tax asset	1,131	-	1,181
<b>Total non-current assets</b>	<b>38,367</b>	<b>22,089</b>	<b>27,677</b>
<b>Current assets</b>			
Inventories	1,804	1,128	1,152
Trade and other receivables	5,647	4,050	5,629
Tax asset	541	777	452
Cash and cash equivalents	12,204	4,073	2,764
<b>Total current assets</b>	<b>20,196</b>	<b>10,028</b>	<b>9,998</b>
<b>Total assets</b>	<b>58,563</b>	<b>32,117</b>	<b>37,676</b>
<b>Equity and liabilities attributable to equity holders of the company</b>			
<b>Equity</b>			
Called up share capital	32,666	32,544	32,561
Share premium account	67,057	48,734	51,180
Merger relief reserve	14,815	12,938	12,938
Reverse acquisition reserve	(39,947)	(39,947)	(39,947)
Foreign exchange translation reserve	33	(106)	(8)
Warrants reserve	3,069	3,069	3,069
Retained losses	(35,600)	(34,001)	(33,495)
<b>Total equity</b>	<b>42,093</b>	<b>23,231</b>	<b>26,299</b>
<b>Current liabilities</b>			
Trade and other payables	4,848	3,991	4,908
Lease liability	388	196	341
Current tax liabilities	320	234	433
Borrowings	171	321	278
Other Liabilities & Provisions	3,404	43	513
<b>Total current liabilities</b>	<b>9,131</b>	<b>4,785</b>	<b>6,472</b>
<b>Non-current liabilities</b>			
Borrowings	108	139	85
Deferred tax liability	2,849	1,195	1,153
Lease Liability	2,835	2,691	2,710
Long term provisions	1,548	76	956
<b>Total non-current liabilities</b>	<b>7,340</b>	<b>4,101</b>	<b>4,905</b>
<b>Total equity and liabilities</b>	<b>58,563</b>	<b>32,117</b>	<b>37,676</b>

# Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Merger relief reserve	Warrants reserve	Reverse acquisition reserve	Foreign exchange reserve	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Six months ended 30 September 2019 (unaudited)</b>								
Balance at 1 April 2019	32,404	37,971	10,013	3,069	(39,947)	(148)	(32,662)	10,700
Loss for the period	-	-	-	-	-	-	(1,422)	(1,422)
Other comprehensive income	-	-	-	-	-	42	-	42
Total comprehensive loss for the period	-	-	-	-	-	42	(1,422)	(1,380)
<b>Transactions with owners</b>								
Issue of share capital	115	11,715	-	-	-	-	-	11,830
Share issue expenses	-	(952)	-	-	-	-	-	(952)
Issue of share capital on acquisition	25	-	2,925	-	-	-	-	2,950
Share-based payments	-	-	-	-	-	-	83	83
Warrants issued	-	-	-	-	-	-	-	-
Total transactions with owners	140	10,763	2,925	-	-	-	83	13,911
<b>Balance at 30 September 2019</b>	<b>32,544</b>	<b>48,734</b>	<b>12,938</b>	<b>3,069</b>	<b>(39,947)</b>	<b>(106)</b>	<b>(34,001)</b>	<b>23,231</b>

# **Consolidated Statement of Changes in Equity**

	Share capital	Share premium account	Merger relief reserve	Warrants reserve	Reverse acquisition reserve	Foreign exchange reserve	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>12 months ended 31 March 2020 (audited)</b>								
Balance at 1 April 2019	32,404	37,971	10,013	3,069	(39,947)	(148)	(32,662)	10,700
Loss for the year	-	-	-	-	-	-	(2,434)	(2,434)
Other comprehensive income	-	-	-	-	-	140	-	140
Total comprehensive loss for the year	-	-	-	-	-	140	(2,434)	(2,294)
<b>Transactions with owners</b>								
Issue of share capital	133	14,198	-	-	-	-	-	14,330
Share issue expenses	-	(989)	-	-	-	-	-	(989)
Issue of share capital on acquisition	25	-	2,925	-	-	-	-	2,950
Share-based payments	-	-	-	-	-	-	1,602	1,602
Warrants issued	-	-	-	-	-	-	-	-
Total transactions with owners	157	13,208	2,925	-	-	-	1,602	17,893
<b>Balance at 31 March 2020</b>	<b>32,561</b>	<b>51,180</b>	<b>12,938</b>	<b>3,069</b>	<b>(39,947)</b>	<b>(8)</b>	<b>(33,495)</b>	<b>26,299</b>

# Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Warrants reserve £'000	Reverse acquisition reserve £'000	Foreign exchange reserve £'000	Retained losses £'000	Total £'000
<b>Six months ended 30 September 2020 (unaudited)</b>								
Balance at 1 April 2020	32,561	51,180	12,938	3,069	(39,947)	(8)	(33,495)	26,299
Loss for the period							(2,558)	(2,558)
Other comprehensive income						41		41
Total comprehensive loss for the period	-	-	-	-	-	41	(2,558)	(2,517)
<b>Transactions with owners</b>								
Issue of share capital	104	16,945	-	-	-	-	-	17,049
Share issue expenses	-	(1,068)	-	-	-	-	-	(1,068)
Issue of share capital on acquisition	1	-	1,877	-	-	-	-	1,878
Share-based payments	-	-	-	-	-	-	453	453
Warrants issued	-	-	-	-	-	-	-	-
Total transactions with owners	104	15,877	1,877	-	-	-	453	18,311
<b>Balance at 30 September 2020</b>	<b>32,666</b>	<b>67,057</b>	<b>14,815</b>	<b>3,069</b>	<b>(39,947)</b>	<b>33</b>	<b>(35,600)</b>	<b>42,093</b>

## Consolidation Statement of Cash Flows

	Unaudited 6 months to 30-Sep 2020 £'000	Unaudited 6 months to 30-Sep 2019 £'000	Audited 12 months to 31-Mar 2020 £'000
<b>Cash flows from operating activities</b>			
Loss for the year before tax	(2,605)	(1,342)	(3,382)
<b>Adjustments for:</b>			
Finance costs	96	75	163
Finance income	(1)	(10)	(20)
Depreciation and impairment of property, plant and equipment	414	536	950
Depreciation and impairment of right of use asset	249	275	468
Loss on disposal of property, plant and equipment	-	68	67
(Gain) on revaluation of right of use asset	-	-	(121)
Amortisation of intangible non-current assets	645	301	676
Impairment on financial assets (IFRS9)	25	61	107
Foreign exchange movements	(134)	9	72
Share based payment and warrant expense	453	83	1,602
Decrease in provisions	-	(208)	(206)
Tax received / (paid)	333	20	(16)
<b>Movements in working capital:</b>			
(Increase)/decrease in inventories	(435)	51	27
(Increase)/decrease in trade and other receivables	264	(567)	(1,172)
Increase/(decrease) in trade and other payables	(344)	(612)	(758)
Decrease/(increase) in tax asset	(132)	(362)	(529)
<b>Cash used by operations</b>	<b>(1,173)</b>	<b>(1,622)</b>	<b>(2,074)</b>
<b>Investing activities</b>			
Purchase of subsidiaries	(2,765)	(6,331)	(8,370)
Cash acquired on purchase of subsidiaries	32	627	685
Purchase of property, plant and equipment	(1,615)	(177)	(617)
Capitalisation of intangible assets	(690)	(88)	(746)
Proceeds on disposal of property, plant and equipment	-	12	14
Interest received	1	-	5
<b>Net cash (used in)/generated from investing activities</b>	<b>(5,036)</b>	<b>(5,956)</b>	<b>(9,029)</b>
<b>Financing activities</b>			
Net proceeds from issue of shares	15,981	10,878	13,341
Proceeds from borrowings	160	-	-
Repayment of borrowings	(247)	(96)	(198)
(Decrease) in lease liability	-	(163)	-
Repayment of Lease liability obligations	(148)	(152)	(364)
Interest paid	(96)	(65)	(163)
<b>Net cash generated from financing activities</b>	<b>15,649</b>	<b>10,401</b>	<b>12,616</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,440</b>	<b>2,823</b>	<b>1,514</b>
Cash and cash equivalents at beginning of period	2,764	1,250	1,250
<b>Cash and cash equivalents at end of period</b>	<b>12,204</b>	<b>4,073</b>	<b>2,764</b>

## **Notes to the interim financial statements**

### ***General information***

The principal activity of Yourgene Health plc (the "Company") and its subsidiaries (together, the "Group") is that of a molecular diagnostics business for the development and commercialisation of gene analysis techniques for non-invasive prenatal screening, reproductive health and oncology diagnostics, and the provision of DNA sequencing services for the early detection, monitoring and treatment of disease. The Company is incorporated and domiciled in the United Kingdom. The address of its registered office is Citylabs 1.0, Nelson Street, Manchester, M13 9NQ. The registered number is 03971582.

As permitted, this Interim Report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim Financial Reporting". The consolidated financial statements are prepared under the historical cost convention.

This Consolidated Interim Report and the financial information for the six months ended 30 September 2020 does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. This unaudited Interim Report was approved by the Board of Directors on 16 December 2020.

The Group's financial statements for the period ended 31 March 2020 have been filed with the Registrar of Companies. The Group auditor's report on these financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

### ***Electronic communications***

The Company is not proposing to bulk print and distribute hard copies of this Interim Report for the six months ended 30 September 2020 unless specifically requested by individual shareholders. The Board believes that by utilising electronic communication it delivers savings to the Company in terms of administration, printing and postage, and environmental benefits through reduced consumption of paper and inks, as well as speeding up the provision of information to shareholders.

News updates, Regulatory News and Financial statements can be viewed and downloaded from the Group's website, [www.yourgene-health.com](http://www.yourgene-health.com). Copies can also be requested from; The Company Secretary, Yourgene Health plc, Citylabs 1.0, Nelson Street, Manchester, M13 9NQ or by email: [investors@yourgene-health.com](mailto:investors@yourgene-health.com).

## **Accounting policies**

### ***Basis of preparation***

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and in accordance with the accounting policies which will be adopted in presenting the Group's Annual Report and Financial Statements for the year ending 31 March 2021. These are consistent with the accounting policies used in the Financial Statements for the year ended 31 March 2020.

### ***Going concern***

In their assessment of the Group's and Company's ability to continue as a going concern, the directors have focused on the August 2020 acquisition of Coastal Genomics Inc, the related net fundraise of £15.1m (of which £2.3m was used as gross cash consideration) and the enlarged Group's rate of growth of revenue, opportunities pipeline, decisions available to them for management of the cost base of the Group and the potential for future fundraising.

The Group continues to make progress towards achieving positive operating cashflows through growth in revenues and gross profits which is outstripping growth in administrative expenses. The Group however continues to use cash in its trading activities albeit at much reduced levels; which reflects that breakeven levels of revenues have not yet been reached. The Group's forecasts include assumptions of further growth in revenue; which are key in achieving positive cashflows. The Directors have also assessed the Group's and

Company's cost structure as part of the regular strategic planning process, and continue to implement cost reduction measures where appropriate, for example during the integration of the Elucigene business into the Group.

There is an ongoing commitment to keep costs and working capital under control so that increasing gross profits can drive positive cashflows. Detailed sensitivity analysis has been performed to assess the potential impact on the Group's liquidity caused by delays in revenue growth against expected levels along with potential mitigating actions which can be taken to safeguard the Group's cash position. These include working capital controls and reductions in discretionary spending. If events transpire differently to this assessment, for example if revenues fail to grow at the anticipated pace, there could be lower cash headroom. Given the successful fundraise which accompanied the Coastal Genomics acquisition, and the much-reduced cash consumption rates, the directors believe there is sufficient cash available to avoid a cash shortfall.

The directors have concluded that considering the circumstances described above and mitigation strategies in place, the directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing these interim financial statements.

#### **Revenues**

	<b>Unaudited 6 months to 30-Sep-2020 £000</b>	<b>Unaudited 6 months to 30-Sep-2019 £000</b>	<b>Audited 12 months to 31-Mar-2020 £000</b>
<b>Revenue analysed by geographical market</b>			
UK	1,521	1,095	1,975
Europe	2,877	1,602	4,142
International	3,783	5,070	10,496
<b>Revenue</b>	<b>8,181</b>	<b>7,767</b>	<b>16,613</b>
<b>Revenue analysed by product segments</b>			
NIPT	4,166	4,783	10,144
Reproductive Health	1,661	1,633	3,651
Molecular Genetics	2,354	1,351	2,818
<b>Revenue</b>	<b>8,181</b>	<b>7,767</b>	<b>16,613</b>

**Operating loss for the period is stated after charging / (crediting)**

	Unaudited 6 months to 30-Sep 2020 £000	Unaudited 6 months to 30-Sep 2019 £000	Audited 12 months to 31-Mar 2020 £000
Research and development costs excluding salaries	192	382	518
Research and development tax credit	(133)	(346)	(560)
Depreciation of property, plant and equipment	414	536	950
Depreciation of right of use assets	249	275	468
Amortisation of intangible assets	645	301	676
(Profit)/Loss on disposal of property, plant and equipment	-	68	(8)
Share-based payments expense	453	83	1,602
Lease liability adoption (gains)/losses (IFRS16)	-	(132)	(132)
Impairment (gains)/losses on financial assets (IFRS9)	(25)	61	107
IONA® Nx transition expenses	281	-	-

**Taxation**

Taxes on income in the interim periods are accrued using the rate of tax that would be applicable to expected total annual earnings.

	Unaudited 6 months to 30-Sep 2020 £000	Unaudited 6 months to 30-Sep 2019 £000	Audited 12 months to 31-Mar 2020 £000
<b>Current tax</b>			
UK corporation tax on profits for the current period	-	137	-
Foreign corporation tax	-	-	329
Current tax for period	-	<b>137</b>	<b>329</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences: UK	(3)	(57)	(1,024)
Origination and reversal of temporary differences: Foreign	(44)	-	(253)
Deferred tax for period	<b>(47)</b>	<b>(57)</b>	<b>(1,277)</b>
Total tax (credit)/charge	<b>(47)</b>	<b>80</b>	<b>(948)</b>

The research and development tax credit of £133k (H1 2019-20: £346k; 31 March 2020: £560k) is shown as a deduction against general administrative expenses.

Deferred tax liability of £2,849k (30 Sept 2019: £1,195k; 31 March 2020: £1,153k) is recognised in respect of the intangible fixed assets acquired in business combinations in March 2017, April 2019 and August 2020.



## ***Earnings/Loss per share***

### ***Basic***

Basic loss per share is calculated by dividing the loss for the period of £2,588k (30 Sept 2019: loss £1,422k; 31 March 2020: loss £2,434k) by the weighted average number of ordinary shares in issue during the period 650,842,212 (30 Sept 2019: 572,940,742; 31 March 2020: 590,467,253).

### ***Diluted***

Diluted earnings per share dilute the basic earnings per share to take into account share options and warrants. The calculation includes the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive share options and warrants into ordinary shares. The adjusted weighted average number of ordinary shares used to calculate diluted earnings / loss per share is 681,646,876 (30 Sept 2019: 588,881,240; 31 March 2020: 608,687,226).

26,759,443 options and warrants (30 Sept 2019: 60,958,207; 31 March 2020: 26,039,443) have been excluded from this calculation as the effect would be anti-dilutive.

## ***Acquisitions of Subsidiaries***

### ***Acquisition of Coastal Genomics Inc***

The Group acquired 100% of the equity interests in Coastal Genomics Inc, a Canadian manufacturer of genetic size selection instrumentation and reagents, on 6 August 2020 for an expected total consideration of £7,468,332 (US\$9,783,515). A summary of the net assets acquired and the consideration paid is shown below.

	Book value	Fair value
	£	£
Cash and cash equivalents	19,963	19,963
Intangible assets	-	6,469,121
Property, plant and equipment	84,492	84,492
Licences and Patents	290,920	290,920
Right of use asset (IFRS16)	64,169	64,169
Trade and other receivables	254,516	254,516
Inventories	216,870	216,870
Trade and other payables	(244,172)	(244,172)
Lease liability under IFRS16	(64,169)	(64,169)
Deferred tax liability	-	(1,746,663)
	622,589	5,345,047
Goodwill		2,123,285
Total Fair value		7,468,332
Satisfied by:		
Cash Paid		2,290,076
Further consideration for net working capital		247,177
Direct issue of shares		32,712
Indirect Issue of shares through exchangeable options		1,844,932
Cash- and equity- based performance related earn-outs		3,053,435
Total Consideration		7,468,332
Net cash outflow arising on acquisition:		
Cash consideration		(2,290,076)
Cash and cash equivalents acquired		19,963
		(2,270,113)

A further US\$4m is payable depending on an additional future performance condition, namely if the acquired business generates revenues in excess of US\$ 8.5m in the financial year 2022-23. The Group has deemed this a stretch target which is not included in the fair value assessment above which is based on more cautious cashflows than would trigger this stretch target payment. As such, this amount is disclosed as a contingent liability

#### **Acquisition of Ex5 Genomics Ltd**

On 3 July 2020, Yourgene Health plc completed the acquisition of Ex5 Genomics Ltd for an initial cash consideration of £275,000 plus earn-outs of £275,000 which have all subsequently crystallised and a modest working capital adjustment. The acquisition was primarily of laboratory equipment and customer relationships without contract backing and as such has been treated as an acquisition of assets rather than a business combination. This equipment has been relocated to Yourgene's Citylabs facility and brought into service. In parallel the customer relationships are being converted to active work packages, crystallising the earn-outs and supplementing existing NIPT and COVID-19 testing activities. These services have now been grouped together into Yourgene Genomic Services which was launched in September 2020.

#### ***Share capital***

On 20 May 2020 the Company announced the exercise of the following options and warrants:

- Options over 6,437,565 ordinary shares at a price of 10 pence, with proceeds of £643,756
- Warrants over 1,411,427 ordinary shares at a price of 11 pence, with proceeds of £155,257

On 5 August 2020, the Company announced completion of a gross fundraising of £16.1m via the issuance of 95,000,000 new ordinary shares at a price of 17 pence.

On 25 September 2020 the Company announced the exercise of the following options:

- Options over 1,000,000 ordinary shares at a price of 10 pence, with proceeds of £100,000

Total shares in issue after these transactions is 720,509,950 ordinary shares at the end of the reporting period and at the date of this report.

As at 30 September 2020 there are 62,029,232 outstanding options, of which 44,362,560 are exercisable. During the 6 month period to 30 September 2020; 7,437,565 options were exercised, 1,220,000 new were options issued, and 100,000 options were forfeited.

#### ***Contingent liabilities***

The Company has two contingent liabilities. The first arose as part of a February 2019 capital restructure which created a £6.5 million liability, payable to Thermo Fisher only in the event of a sale of the Company or an insolvency event before February 2022. The second arose upon the August 2020 acquisition of Coastal Genomics Inc. The consideration for the acquisition of Coastal Genomics included performance-based earn-out payments, the last of which is a US\$ 4 million payment in the event of the acquired company achieving stretch target revenues of US\$ 8.5 million in financial year 2022-23. This final payment is not included in the fair valuation of the acquired company which is based on more conservative cashflows than would trigger this final earn-out payment, and it is therefore regarded as a contingent liability.

#### ***Events after the reporting period***

Since the reporting period end the Group has announced a number of commercial partnerships including a successful NIPT tender award from St George's NHS Trust in England and a number of commercial partnerships in Asia and the UK.

In October 2020 the Company paid the first performance payment (earn-out) of €577,500 to the former shareholders of AGX-DPNI SAS, a French distribution company acquired on 9 March 2020. The performance payment was based on sales volumes achieved in the French market. There are remaining performance payments up to €1,077,500 payable in April 2021 subject to achievement of tiered sales volume thresholds.

On 5 November 2020 the Company announced the appointment of Dr Joanne Mason as Chief Scientific Officer, with Dr Bill Chang moving to the executive position of Chief Entrepreneur.

## **Forward-Looking Statements**

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.