ANGLE

Transforming cancer care with a liquid biopsy based on a simple blood test

ANGLE plc Interim Report
for the six months ended 30 June 2021

ANGLE plc Interim Results

ANGLE plc (AIM: AGL OTCQX: ANPCY), a world leading liquid biopsy company, released on 30 September 2021, its unaudited interim financial results for the six months ended 30 June 2021.

Operational highlights

- Substantive review by United States Food and Drug Administration (FDA) of the Parsortix® system for capturing and harvesting circulating tumour cells from metastatic breast cancer patients making good progress
  - comprehensive response made to FDA Additional Information Request
  - regulatory response anticipated in H2 2021
- Global pharma services business launched with clinical laboratories opened in the UK and United States
  - contracts now in progress with three pharma/biotech customers
  - discussions ongoing with multiple other potential customers, including large global pharma companies
- Ovarian cancer clinical verification study with leading United States cancer centre nearing completion
  - patient enrolment completed during the period and sample analysis in preparation
  - study expected to report headline results in Q4 2021 ahead of anticipated launch of the ovarian cancer test as ANGLE's first LDT (laboratory developed test).

Financial highlights

- Revenue for the half-year £0.3 million (H1 2020: £0.2 million)
- Loss for the half-year £7.7 million (H1 2020 restated: loss £3.4 million) reflecting planned investment
- Cash and cash equivalents and short-term deposits combined balance at 30 June 2021 of £21.0 million (31 December 2020: £28.6 million)
- A further £20.0 million (£18.9 million net of expenses) was raised in a placing which was well supported by new and existing institutional investors in both the UK and United States. Proceeds of the placing will be used to support expansion of commercial and management infrastructure and initiation of new studies in prostate cancer.

Garth Selvey, Non-Executive Chairman of ANGLE plc, commented:

"ANGLE continues to make good progress in its aim to achieve the first ever FDA product clearance, the gold standard for medical devices globally, for a system to harvest cancer cells from patient blood for subsequent analysis, initially in metastatic breast cancer.

At the beginning of June 2021, ANGLE confirmed that it had completed the work required to answer questions raised by FDA in its Additional Information Request and that a comprehensive response was submitted to FDA. Despite FDA resources being under pressure due to the COVID-19 pandemic, the FDA review is progressing, and ANGLE continues to anticipate a regulatory response from FDA during H2 2021.

The launch of the Company's clinical laboratories and pharma services business was a key highlight of the first half and early signs of demand have been encouraging, with significant contracts already agreed including a Phase III global clinical trial in prostate cancer and the development of bespoke CTC-based assays.

ANGLE's ovarian cancer detection test, which, in trials to date, has shown the potential to out-perform the current standard of care by greatly reducing the level of false positives, is now nearing conclusion. Patient enrolment was completed in the pivotal clinical verification study, and headline results are expected to be reported in Q4 2021, with the aim of supporting the establishment of a laboratory developed test for ovarian cancer, addressing a large unmet medical need.

I was delighted that, shortly after the period end, ANGLE successfully completed fundraising of a further £20.0 million from both new and existing shareholders in both the UK and United States. The funds raised will support ANGLE's commercial plans, particularly in the United States, and enable the Company to initiate a new programme focused on prostate cancer, adding to the Company's programmes in metastatic breast cancer and ovarian cancer."

Details of webcast

To listen to the webcast of the analysts meeting when the results were announced please see https://angleplc.com/investor-relations/corporate-presentations/ and select Webcast 30 September 2021: Interim Results.

For Frequently Used Terms, please see the Company's website on https://angleplc.com/investor-relations/glossary/.

These Interim Results may contain forward-looking statements. These statements reflect the Board's current view, are subject to a number of material risks and uncertainties and could change in the future. Factors that could cause or contribute to such changes include, but are not limited to, the impact of the COVID-19 pandemic, the general economic climate and market conditions, as well as specific factors including the success of the Group's research and development and commercialisation strategies, the uncertainties related to regulatory clearance and the acceptance of the Group's products by customers.

Chairman's Statement

Introduction

Following ANGLE's FDA Submission in September 2020, the progress in reviewing ANGLE's submission has been encouraging, despite the well-publicised pressures on FDA resources due to the ongoing COVID-19 pandemic. As planned, ANGLE completed the additional analytical work required to provide a comprehensive response to the Additional Information Request and FDA is now continuing its review process.

As previously reported, ANGLE made excellent progress in establishing clinical laboratories in the UK and United States, which were opened ahead of schedule. These laboratories are offering pharma services and, once accredited, will be able to offer validated clinical tests. They will be used as accelerators and demonstrators in support of the Company's established plan for product sales of Parsortix instruments and cassettes and to provide services to pharmaceutical and biotech customers running drug trials.

Initial demand for these services has been encouraging and contracts are now in progress with three different customers. Discussions are ongoing with a number of other potential customers and we are pleased with the level of interest being generated by the commercial teams in the UK and United States.

Patient enrolment for the Company's ovarian cancer assay clinical verification study was completed during the period and headline results are expected in Q4 2021. A laboratory developed test is scheduled for launch pending the results of the study and once the clinical laboratories have received accreditation.

In line with its strategy, ANGLE continues to explore potential new clinical applications for the Parsortix system and identify opportunities to develop additional assays for specific high-risk groups. To this end, ANGLE has initiated discussions with a leading group of urology clinics in the United States to assist in the design and execution of a new study in prostate cancer. We expect to update the market with further details in due course.

Overview of financial results

As explained in the full year results for 2020, following a detailed review, a number of areas were identified for restatement or reclassification and the prior period numbers have been amended accordingly. These had no cash impact and the restatement related to certain capitalised product development costs and exchange differences on certain overseas Group loans and the reclassification of certain short-term deposits.

Revenue of £0.3 million in the period (H1 2020: £0.2 million) came mainly from research use sales of the Parsortix system. Sales were again impacted by the COVID-19 pandemic through closures at customer sites and budgetary pressures. ANGLE continued its investment in studies to develop and validate the clinical application and commercial use of the Parsortix system and completed the investment required to launch its new clinical laboratories and pharma services business, resulting in operating costs of £8.9 million (H1 2020 restated: £4.6 million) and a loss for the period of £7.7 million (H1 2020 restated: loss £3.4 million).

The cash and cash equivalents and short-term deposits combined balance was £21.0 million at 30 June 2021 (31 December 2020: £28.6 million) with R&D Tax Credits due at 30 June 2021 of £3.2 million (31 December 2020: £2.1 million). Post period end, the cash position was further strengthened with a successful placing of new shares with demand from new and existing UK and United States institutional investors, which raised gross proceeds of £20.0 million. Proceeds net of expenses were £18.9 million.

FDA De Novo Submission review progressing

ANGLE is seeking to become the first ever company to receive FDA product clearance for a medical device that harvests intact circulating tumour cells from the blood of metastatic breast cancer (MBC) patients for subsequent analysis. A full De Novo FDA Submission for its Parsortix PC1 system seeking FDA clearance for use with MBC patients was submitted in September 2020.

Following substantive review, FDA provided a written response in the form of an Additional Information Request (AIR). Receipt of an AIR was expected and is in line with typical De Novo clearance processes. Some of the technical information requested necessitated some targeted additional analytical studies. These studies did not require patient samples and were completed during the period as planned and a comprehensive response to the AIR was announced in early June 2021. FDA is making progress with its review process and a regulatory response is anticipated during H2 2021.

ANGLE is following a De Novo FDA process for the Parsortix system as there is no identified predicate device. Consequently, there is inherent uncertainty over the timing of the process and its ultimate success. The outcome and timing of any FDA regulatory response is entirely dependent on FDA's review. As previously reported, in its communication with FDA ANGLE has been advised that, due to unprecedented allocation of resources to COVID-19 priorities, it is currently unclear how quickly FDA will be able to complete its review.

Chairman's Statement continued

Clinical laboratories and pharma services
ANGLE made excellent progress in establishing clinical laboratories in the UK and United States that will have the capability of offering validated clinical tests. The laboratories, in Guildford, UK and Plymouth Meeting, Pennsylvania, United States, were completed ahead of schedule in Q1 2021 and are now processing clinical samples for global clinical trials for pharma services. The laboratories are being used as accelerators and demonstrators in support of the Company's established plan for product sales of Parsortix instruments and cassettes and to provide services to pharmaceutical and biotech customers running clinical trials.

Processing of patient samples for clinical purposes (treating patients) requires that the laboratories are accredited under the appropriate regulatory regimes for the region of operation. Applications in relation to ISO 15189 (Medical laboratories – Requirements for quality and competence) have already been submitted for both laboratories and CLIA/UKAS accreditation is being pursued with the aim of securing this around the end of the year.

Global pharma services business
The Parsortix liquid biopsy has particular advantages in capturing intact cancer cells including mesenchymal cells and CTC clusters and provides the opportunity for longitudinal testing (before, during and after drug intervention) in a clinical setting, which is not possible with tissue biopsy. ANGLE believes that longitudinal monitoring of CTCs will prove highly attractive to the pharma industry looking for new insights in cancer drug trials.

Despite lengthy initial sales processes (detailing the analysis capability, evidencing the laboratory quality systems, and agreeing the sampling handling and reporting requirements), ANGLE has already successfully secured pharma services contracts with three pharma and biotech companies including a Phase III prostate cancer trial for one customer and the development of bespoke immunofluorescence (IF) assays to detect specific target proteins for another. All three customers have the potential to expand their requirements with ongoing repeat contracts. Meanwhile discussions are progressing with multiple additional pharma services customers, some of which are very large global companies.

The incorporation of bespoke assay development as a first phase in pharma services is a major development and expected to significantly increase the attractiveness of the Parsortix CTC analysis offering, as pharma clients can look at proteins on CTCs which directly align with the mechanism of operation of their drug under investigation.

Once developed, the new assays will remain in the ownership of ANGLE and be added to ANGLE's menu of pre-developed tests that can be offered to other pharma customers. Pharma companies are commonly interested in investigating protein markers on actual cancer cells. These cannot be investigated using the alternative liquid biopsy approach ctDNA (fragments of dead cancer cells) since protein cannot be measured on ctDNA. Tissue biopsies provide cancer cells but cannot be used for longitudinal monitoring since only a single time point is usually possible with tissue biopsy. Consequently, pharma companies are unable to access this analysis without analysing CTCs.

Clinical applications
ANGLE's ovarian cancer clinical verification study is in progress and is being undertaken by the University of Rochester Medical Center (URMC) Wilmot Cancer Institute, New York, USA to evaluate the use of ANGLE's combined Parsortix® and HyCEAD™ platforms as a simple blood test to detect the presence of ovarian cancer in women with an abnormal pelvic mass.

A positive outcome from the study will support ANGLE's plans to launch a clinical assay for the detection of ovarian cancer in women with an abnormal pelvic mass, with both high sensitivity (correctly detecting cancer) and high specificity (correctly detecting no cancer with a low false positive rate). Patient enrolment for this pivotal study was completed during the period and, following analysis of the patient samples, headline results of the study are expected in Q4 2021.

Once the new performance data is available, and assuming positive results, ANGLE intends to establish this test as a laboratory developed test (LDT) in an accredited clinical laboratory setting. The test has the potential to significantly improve patient outcomes whilst also reducing overall healthcare costs.

There is already a significant body of evidence in the published literature supporting the use of the Parsortix system in prostate cancer. Liquid biopsy utilising CTCs could be used to help identify men who, whilst recording a high level of protein specific antigen (PSA) in a routine blood test, may not in fact have prostate cancer or whose prostate cancer is indolent. A successful test using the Parsortix system would help men avoid experiencing a highly invasive and potentially risky tissue biopsy before it is required.

ANGLE is in discussion with a leading chain of urology clinics in the United States, who would be able to assist ANGLE in designing and executing the necessary clinical studies, providing access to patients, securing blood samples for analysis in ANGLE labs and, assuming the test succeeds in demonstrating utility, in marketing the test to its substantial patient base. Funds raised in the institutional placing post period end will allow ANGLE to progress these studies and study designs are now being planned.

Building a body of published evidence
The Company's strategy to secure research use adoption of the Parsortix system by leading cancer research centres, in order to get independent third parties driving development of new clinical applications, continues to build momentum.

Over 127,000 samples have been processed using the Parsortix system as at 30 June 2021, with some 12,000 samples in the period. There were 46 peer-reviewed publications as at 30 June 2021 with nine new publications announced during the period (see https://angleplc.com/library/publications/).

Progressing partnerships with large healthcare companies
Large-scale deployment of the Parsortix system across numerous cancer types and application areas requires ANGLE to partner with large, global healthcare companies to take advantage of their distribution and sales channels and economic resources. As the potential for FDA clearance becomes closer, ANGLE has intensified its discussions with companies in relevant fields.

Outlook
ANGLE is making encouraging progress with its FDA submission and made a comprehensive response to the expected AIR. FDA is now reviewing the additional information provided. Whilst previous communication with FDA indicated a potential delay to their review processes, we continue to anticipate a regulatory response during H2 2021. Approval for use of the Parsortix system with MBC patients would open up a market that ANGLE estimates is worth a potential US$3.9 billion per annum in the United States alone.

With three contracts already signed, the launch of our commercial laboratory and pharma services business is highly promising. Adding a bespoke assay development capability to already well characterised targets such as PD-L1 is expected to prove attractive to new customers and, with multiple discussions already underway, ANGLE looks forward to announcing further agreements in due course.

ANGLE is making progress with the development of its ovarian cancer test, which in clinical studies to date has shown the potential to out-perform current standard of care by greatly reducing the level of false positives. Patient enrolment has been completed in the pivotal clinical verification study, and headline results are expected to be reported in Q4 2021, with the aim of supporting the establishment of a laboratory developed test for ovarian cancer addressing a large unmet medical need.

The start of 2021 has seen momentum building and, through its new services business, ANGLE is starting commercialisation of its unique liquid biopsy platform to support personalised cancer care. The planned roll-out of its sample-to-answer solutions and expansion of pharma services business will add to this momentum and the successful capital raise will allow for the potential initiation of new studies, which will further strengthen the ANGLE offering.

Garth Selvey
Chairman
29 September 2021

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021 (Unaudited) £'000**	Six months ended 30 June 2020 (Unaudited) (Restated*) £'000	Year ended 31 December 2020 (Audited) £'000
Revenue		**296**	235	762
Cost of sales		**(77)**	(59)	(165)
Gross profit		**219**	176	597
Other operating income		**16**	33	79
Operating costs		**(8,897)**	(4,645)	(14,407)
Operating profit/(loss)		**(8,662)**	(4,436)	(13,731)
Finance income		**16**	60	78
Finance costs		**(73)**	(45)	(92)
Profit/(loss) before tax		**(8,719)**	(4,421)	(13,745)
Tax (charge)/credit	2	**1,036**	1,022	2,139
Profit/(loss) for the period		**(7,683)**	(3,399)	(11,606)
Other comprehensive income/(loss)				
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations		**172**	(2,200)	562
Other comprehensive income/(loss)		**172**	(2,200)	562
Total comprehensive income/(loss) for the period		**(7,511)**	(5,599)	(11,044)
Earnings/(loss) per share attributable to owners of the parent				
Basic and Diluted (pence per share)	3	**(3.57)**	(1.97)	(6.52)

* The impact of the restatement is described in Note 5.

All activity arose from continuing operations.

Consolidated Statement of Financial Position

as at 30 June 2021

	Note	30 June 2021 (Unaudited) £'000	30 June 2020 (Unaudited) (Restated*) £'000	31 December 2020 (Audited) £'000
Assets				
Non-current assets				
Intangible assets		**3,653**	3,834	3,710
Property, plant and equipment		**2,005**	1,460	1,176
Right-of-use assets		**2,404**	1,593	1,233
Total non-current assets		**8,062**	6,887	6,119
Current assets				
Inventories		**1,076**	905	742
Trade and other receivables		**1,388**	710	1,443
Taxation		**3,195**	2,605	2,127
Short-term deposits		**11,550**	9,829	16,538
Cash and cash equivalents		**9,481**	3,957	12,080
Total current assets		**26,690**	18,006	32,930
Total assets		**34,752**	24,893	39,049
Liabilities				
Non-current liabilities				
Lease liabilities		**(1,926)**	(1,096)	(928)
Trade and other payables		**(1,645)**	–	–
Total non-current liabilities		**(3,571)**	(1,096)	(928)
Current liabilities				
Lease liabilities		**(683)**	(515)	(434)
Trade and other payables		**(3,026)**	(2,133)	(3,343)
Total current liabilities		**(3,709)**	(2,648)	(3,777)
Total liabilities		**(7,280)**	(3,744)	(4,705)
Net assets		**27,472**	21,149	34,344
Equity				
Share capital	4	**21,586**	17,280	21,540
Share premium		**81,731**	67,285	81,532
Share-based payments reserve		**2,058**	1,641	1,745
Other reserve		**2,553**	2,553	2,553
Translation reserve		**(3,613)**	(6,547)	(3,785)
Accumulated losses		**(76,741)**	(60,961)	(69,139)
ESOT shares		**(102)**	(102)	(102)
Total equity		**27,472**	21,149	34,344

* The impact of the restatement is described in Note 5. In addition, the Group had classified short-term deposits within cash and cash equivalents in the Financial Statements at 30 June 2020. These deposits required a notice period of 95 days in order to access the cash and therefore do not strictly comply with the "readily convertible" requirements of IAS 7. These deposits have therefore been reclassified from cash and cash equivalents to short-term deposits and are shown as a separate line item in the Consolidated Statement of Financial Position.

Consolidated Statement of Cash Flows

for the six months ended 30 June 2021

	Six months ended 30 June 2021 (Unaudited)	Six months ended 30 June 2020 (Unaudited) (Restated*)	Year ended 31 December 2020 (Audited)
	£'000	£'000	£'000
Operating activities			
Profit/(loss) before tax from continuing operations	**(8,719)**	(4,421)	(13,745)
Adjustments for:			
Depreciation of property, plant and equipment	**313**	350	661
Depreciation of right-of-use assets	**260**	200	421
(Profit)/loss on disposal of property, plant and equipment	**–**	–	2
Amortisation and impairment of intangible assets	**114**	193	337
Share-based payments	**394**	135	268
Exchange differences	**171**	(2,261)	565
Net finance (income)/costs	**57**	(15)	14
Operating cash flows before movements in working capital:	**(7,410)**	(5,819)	(11,477)
(Increase)/decrease in inventories	**(355)**	(141)	14
(Increase)/decrease in trade and other receivables	**105**	(352)	(658)
Increase/(decrease) in trade and other payables	**1,331**	73	872
Operating cash flows	**(6,329)**	(6,239)	(11,249)
Research and development tax credits received	**–**	1,840	3,410
Overseas corporation tax payments	**(11)**	(14)	(9)
Net cash from/(used in) operating activities	**(6,340)**	(4,413)	(7,848)
Investing activities			
Purchase of property, plant and equipment	**(1,007)**	(314)	(412)
Purchase of intangible assets	**(53)**	(61)	(94)
Transfer (to)/from short-term deposits	**4,989**	5,180	(1,530)
Interest received	**13**	60	70
Net cash from/(used in) investing activities	**3,942**	4,865	(1,966)
Financing activities			
Net proceeds from issue of share capital	**124**	23	18,650
Principal elements of lease payments	**(309)**	(279)	(463)
Interest elements of lease payments	**(19)**	(8)	(44)
Net cash from/(used in) financing activities	**(204)**	(264)	18,143
Net increase/(decrease) in cash and cash equivalents	**(2,602)**	188	8,329
Cash and cash equivalents at start of period	**12,080**	3,757	3,757
Effect of exchange rate fluctuations	**3**	12	(6)
Cash and cash equivalents at end of period	**9,481**	3,957	12,080
Cash at bank – immediate access	**6,473**	1,252	4,074
Cash at bank – restricted access (35 day notice)	**3,008**	2,705	8,006
Cash and cash equivalents at end of period	**9,481**	3,957	12,080
Cash and cash equivalents at end of period	**9,481**	3,957	12,080
Short-term deposits	**11,550**	9,829	16,538
Cash and cash equivalents and short-term deposits	**21,031**	13,786	28,618

* The impact of the restatement is described in Note 5. In addition, the Group had classified short-term deposits within cash and cash equivalents in the Financial Statements at 30 June 2020. These deposits required a notice period of 95 days in order to access the cash and therefore do not strictly comply with the "readily convertible" requirements of IAS 7. These deposits have therefore been reclassified from cash and cash equivalents to short-term deposits and are shown as a separate line item in the Consolidated Statement of Financial Position.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2021

	Equity attributable to owners of the parent							
	Share capital	Share premium	Share-based payments reserve	Other reserve	Translation reserve (Restated*)	Accumulated losses (Restated*)	ESOT shares	Total equity (Restated*)
	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000
At 1 January 2020 (As originally reported, Audited)	**17,277**	**67,272**	**1,518**	**2,553**	**82**	**(58,276)**	**(102)**	**30,324**
Restatement – IAS 38 adjustment					(6)	(3,721)		(3,727)
Restatement – retranslation of Group balances					(4,423)	4,423		–
At 1 January 2020 (Restated*, Audited)	**17,277**	**67,272**	**1,518**	**2,553**	**(4,347)**	**(57,574)**	**(102)**	**26,597**
For the period to 30 June 2020								
Consolidated profit/(loss)						(4,763)		(4,763)
Restatement – IAS 38 adjustment						(875)		(875)
Restatement – retranslation of Group balances						2,239		2,239
Other comprehensive income/(loss):								
Exchange differences in translating foreign operations as originally reported					51			51
Restatement – IAS 38 adjustment					(12)			(12)
Restatement – retranslation of Group balances					(2,239)			(2,239)
Total comprehensive income/(loss)					**(2,200)**	**(3,399)**		**(5,599)**
Issue of shares (net of costs)	3	13						16
Share-based payments			135					135
Released on forfeiture			(8)			8		–
Released on exercise			(4)			4		–
At 30 June 2020 (Restated*, Unaudited)	**17,280**	**67,285**	**1,641**	**2,553**	**(6,547)**	**(60,961)**	**(102)**	**21,149**
For the period to 31 December 2020								
Consolidated profit/(loss)						(8,207)		(8,207)
Other comprehensive income/(loss):								
Exchange differences in translating foreign operations					2,762			2,762
Total comprehensive income/(loss)					**2,762**	**(8,207)**		**(5,445)**
Issue of shares (net of costs)	4,260	14,247						18,507
Share-based payments			133					133
Released on forfeiture			(29)			29		–
At 31 December 2020 (Audited)	**21,540**	**81,532**	**1,745**	**2,553**	**(3,785)**	**(69,139)**	**(102)**	**34,344**
For the period to 30 June 2021								
Consolidated profit/(loss)						(7,683)		(7,683)
Other comprehensive income/(loss):								
Exchange differences in translating foreign operations					172			172
Total comprehensive income/(loss)					**172**	**(7,683)**		**(7,511)**
Issue of shares (net of costs)	46	199						245
Share-based payments			394					394
Released on forfeiture			(59)			59		–
Released on exercise			(22)			22		–
At 30 June 2021 (Unaudited)	**21,586**	**81,731**	**2,058**	**2,553**	**(3,613)**	**(76,741)**	**(102)**	**27,472**

* The impact of the restatement is described in Note 5.

Notes to the Condensed Interim Financial Information

for the six months ended 30 June 2021

1 Basis of preparation and accounting policies

This Condensed Interim Financial Information is the unaudited interim consolidated financial information (the "Condensed Interim Financial Information") of ANGLE plc, a company incorporated in Great Britain and registered in Great Britain and its subsidiaries (together referred to as the "Group") for the six month period ended 30 June 2021 (the "interim period").

The Condensed Interim Financial Information should be read in conjunction with the Financial Statements of the Group for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006. New and revised IFRS and interpretations that became effective in the period did not have or are not expected to have a significant impact on the Group. Where necessary, comparative information has been reclassified or expanded from the previously reported Condensed Interim Financial Information to take into account any presentational changes which were made in the Annual Report and Financial Statements to 31 December 2020 and which may be made in the Annual Report and Financial Statements to 31 December 2021.

The accounting policies used in the preparation of the Condensed Interim Financial Information for the six months ended 30 June 2021 are in accordance with the recognition and measurement criteria of IFRS, in conformity with the requirements of the Companies Act 2006, and are consistent with those which will be adopted in the Financial Statements for the year ended 31 December 2021. While the Condensed Interim Financial Information has been prepared in accordance with the recognition and measurement criteria of IFRS, in conformity with the requirements of the Companies Act 2006, these Financial Statements do not contain sufficient information to comply with IFRS.

This Condensed Interim Financial Information does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006 and is unaudited and has not been reviewed. The comparative information for the six months ended 30 June 2020 (as restated) is also unaudited. The comparative figures for the year ended 31 December 2020 have been extracted from the Group Financial Statements as filed with the Registrar of Companies. The report of the auditors on those Financial Statements was unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

The Condensed Interim Financial Information was approved by the Board and authorised for issue on 30 September 2021.

Going concern

The Financial Information has been prepared on a going concern basis which assumes that the Group will be able to continue its operations for the foreseeable future.

The Directors have considered the uncertainties, risks and potential impact on the business associated with Brexit, COVID-19 impacts and potential FDA delays and are carefully managing the discretionary expenditure in line with available cash resources.

The Directors have prepared and reviewed financial projections for the 12 month period from the date of approval of this Condensed Interim Financial Information. Based on the level of existing cash and expected R&D tax credits, and the projected income and expenditure (the timing of some of which is at the Group's discretion), the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Accordingly the going concern basis has been used in preparing the Condensed Interim Financial Information. Note 6 provides additional information.

Critical accounting estimates and judgements

The preparation of the Condensed Interim Financial Information requires the use of estimates, assumptions and judgements that affect the reported amounts of assets and liabilities at the date of the Financial Information and the reported amounts of revenues and expenses during the reporting period. Although these estimates, assumptions and judgements are based on the Directors' best knowledge of the amounts, events or actions, and are believed to be reasonable, actual results ultimately may differ from those estimates.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to 1) the valuation and amortisation of internally generated intangible assets 2) share-based payments and 3) IFRS 16 assessment of extension and/or termination options of right-of-use assets and lease liabilities.

2 Tax

The Group undertakes research and development activities. In the UK these activities qualify for tax relief resulting in research and development tax credits.

3 Earnings/(loss) per share

The basic and diluted earnings/(loss) per share is calculated by dividing the after tax loss for the period attributable to the owners of the parent of £7.7 million (six months to 30 June 2020 restated: loss £3.4 million, year ended 31 December 2020: loss £11.6 million) by the weighted average number of shares in the period.

In accordance with IAS 33 Earnings per share 1) the "basic" weighted average number of Ordinary shares calculation excludes shares held by the Employee Share Ownership Trust (ESOT) as these are treated as treasury shares and 2) the "diluted" weighted average number of Ordinary shares calculation considers potentially dilutive Ordinary shares from instruments that could be converted. Share options are potentially dilutive where the exercise price is less than the average market price during the period. Due to the losses in the periods, share options are non-dilutive for the respective periods as adding them would have the effect of reducing the loss per share and therefore the diluted loss per share is equal to the basic loss per share.

The basic and diluted earnings/(loss) per share are based on 215,440,711 weighted average Ordinary £0.10 shares (six months to 30 June 2020: 172,678,416; year ended 31 December 2020: 178,036,093).

4 Share capital

The Company has one class of Ordinary shares which carry no right to fixed income and at 30 June 2021 had 215,867,845 Ordinary shares of £0.10 each allotted, called up and fully paid.

During the period the Company issued 462,667 new Ordinary shares with a nominal value of £0.10 at issue prices of between £0.258 and £0.730 per share as a result of the exercise of share options by employees. 43,334 and 419,333 Ordinary shares were admitted to trading on AIM in January 2021 and May 2021 respectively.

5 Restatement

The Group has restated its Financial Statements as detailed below. These restatement amendments have no cash impact.

IAS 38 Capitalisation of product development expenditure

The Group has restated its Financial Statements at 30 June 2020 following a detailed review of its policy for the capitalisation of product development costs. "Product development" relates to internally generated intangible assets that are capitalised in accordance with IAS 38 Intangible Assets. IAS 38 criteria are reviewed at the end of each accounting period. The Group assessed the cumulative capitalised product development expenditure and determined that some of these costs did not meet the required IAS 38 criteria as it is now considered that the technical feasibility of a product in development is not proven until regulatory clearance is achieved. This approach is consistent with other companies in the sector. A prior period adjustment has been made to restate the previously capitalised costs not meeting IAS 38's recognition criteria on technical feasibility. Restated intangible assets had a carrying value of £3.8 million at 30 June 2020. These adjustments were made in the audited Financial Statements at 31 December 2020.

Retranslation of Group loans

The Group has restated its Financial Statements at 30 June 2020 to not treat historic Group loans with US subsidiaries as part of the Group's net investment in those foreign operations. As a result, exchange differences previously recognised in other comprehensive income on consolidation have been reclassified to the income statement. The restatement resulted in a reserve movement decreasing accumulated losses and increasing translation reserve in the Consolidated Statement of Financial Position by £6.7 million at 30 June 2020. These adjustments were made in the audited Financial Statements at 31 December 2020.

The restatement movements are shown below:

Consolidated Statement of Comprehensive Income (extract)

	Six months ended 30 June 2020 as originally reported £'000	Restatement IAS 38 £'000	Restatement translation of Group balances £'000	Six months ended 30 June 2020 Restated £'000
Operating costs	(6,009)	(875)	2,239	(4,645)
Profit/(loss) before tax	(5,785)	(875)	2,239	(4,421)
Other comprehensive income/(loss)	51	(12)	(2,239)	(2,200)
Total comprehensive income/(loss)	(4,712)	(887)	–	(5,599)
Earnings/(loss) per share				
Basic and diluted (pence per share)	(2.76)	(0.51)	1.30	(1.97)

Consolidated Statement of Financial Position (extract)

	30 June 2020 as originally reported £'000	Restatement IAS 38 £'000	Restatement translation of Group balances £'000	30 June 2020 Restated £'000
Intangible assets	8,448	(4,614)	–	3,834
Translation reserves	133	(19)	(6,661)	(6,547)
Accumulated losses	(63,027)	(4,595)	6,661	(60,961)

Consolidated Statement of Cash Flows (extract)

	Six months ended 30 June 2020 as originally reported £'000	Restatement IAS 38 £'000	Restatement translation of Group balances £'000	Six months ended 30 June 2020 Restated £'000
Operating cash flows before movements in working capital	(4,944)	(875)	–	(5,819)
Operating cash flows	(5,389)	(850)	–	(6,239)
Purchase of intangible assets	(911)	850	–	(61)

6 Post reporting date events

As explained in the Chairman's Statement, subsequent to the reporting date the Company has completed a fundraise realising gross proceeds of £20.0 million (£18.9 million net of expenses).

Shareholder communications

This announcement is being sent to all shareholders on the register at 29 September 2021. Copies of this announcement are posted on the Company's website www.angleplc.com and are available from the Company's registered office: 10 Nugent Road, Surrey Research Park, Guildford, Surrey, GU2 7AF.

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