UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F/A

(Amendment No. 2)

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 13(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission File Number 001-39387

RENALYTIX PLC

(Exact name of Registrant as specified in its charter and translation of Registrant's name into English)

ENGLAND AND WALES
(Jurisdiction of incorporation or organization)

Finsgate
5-7 Cranwood Street
London EC1V 9EE
United Kingdom
(Address of principal executive offices)

James McCullough
Chief Executive Officer
Renalytix plc
Finsgate
5-7 Cranwood Street
London EC1V 9EE
United Kingdom
Tel: +44 20 3139 2910
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing two ordinary shares, nominal value £0.0025 per share	**RNLX**	**The Nasdaq Global Market**
Ordinary shares, nominal value £0.0025 per share	*****	**The Nasdaq Global Market***

* *Not for trading, but only in connection with the registration of the American Depositary Shares.*

Securities registered or to be registered pursuant to Section 12(g) of the Act. None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. **Ordinary Shares: 72,197,286 outstanding as of June 30, 2021**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer, "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Emerging growth company	☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒	International Financial Reporting Standards as issued by the International Accounting Standards Board ☐	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

EXPLANATORY NOTE

Renalytix plc (the "***Company***") is filing this Amendment No. 2 (the "***Amendment***") on Form 20-F/A to amend its Annual Report on Form 20-F for the fiscal year ended June 30, 2021, filed with the Securities and Exchange Commission (the "***SEC***") on October 21, 2021, as amended by Amendment No. 1 on Form 20-F/A filed with the SEC on January 27, 2022 (as amended by Amendment No. 1, the "***20-F***"), for the purposes of amending (i) Item 18 of Part III of the 20-F to include the audit opinion of the previous independent registered public accounting firm which was previously omitted from the 20-F and (ii) Item 19 of Part III of the 20-F to include Exhibit 15.1—Consent of Ernst & Young LLP, independent registered public accounting firm and Exhibit 15.2—Consent of Deloitte & Touche LLP, previous independent registered public accounting firm.

In addition, pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, as a result of this Amendment, the Company is refiling the certifications by the Company's Principal Executive Officer and Principal Financial Officer, required pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, as Exhibits 12.1, 12.2 and 13.1 to this Amendment.

The Amendment does not reflect events occurring after the date of the filing of the 20-F. The Amendment does not contain any material modifications or updates to the other disclosures contained therein or change any previously reported financial results. Accordingly, the Amendment should be read in conjunction with the 20-F and the Company's other filings with the SEC subsequent to the filing of the 20-F.

PART III

Item 18. Financial Statements

See pages F-1 through F-27.

Item 19. Exhibits

Exhibit Number	Description
12.1*	Certification by the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Ernst & Young LLP, independent registered public accounting firm
15.2*	Consent of Deloitte & Touche LLP, independent registered public accounting firm
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

RENALYTIX PLC

By: /s/ James McCullough
Name: James McCullough
Title: Chief Executive Officer

Date: August 1, 2022

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Renalytix plc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Renalytix plc (the Company) as of June 30, 2021, the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for the year ended June 30, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2021, and the results of its operations and its cash flows for the year ended June 30, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.
Iselin, New Jersey
October 21, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Renalytix AI plc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Renalytix AI plc and subsidiaries (the "Company") as of June 30, 2020 and 2019, the related consolidated statements of operations and comprehensive loss, shareholders' (deficit) equity, and cash flows, for each of the two years in the period ended June 30, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey

October 27, 2020

We began serving as the Company's auditor in 2020. In 2021 we became the predecessor auditor.

RENALYTIX PLC

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	June 30, 2021	June 30, 2020	June 30, 2019
Assets			
Current assets:			
Cash and cash equivalents	$ 65,128	$ 13,293	$ 8,201
Short-term investments	—	982	994
Accounts receivable	594	—	—
Prepaid expenses and other current assets	993	551	227
Note receivable from Kantaro—current	75	—	—
Receivable from affiliates	1	18	—
Total current assets	66,791	14,844	9,422
Property and equipment, net	2,490	1,655	278
Investment in VericiDx	9,295	—	—
Investment in Kantaro	—	1,937	—
Note receivable from Kantaro—noncurrent	—	83	—
Deferred offering costs	—	2,364	—
Total assets	$ 78,576	$ 20,883	$ 9,700
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$ 1,403	$ 2,218	$ 317
Accounts payable-related party	361		
Accrued expenses and other current liabilities	4,602	683	832
Accrued expenses—related party	224	—	—
Deferred revenue	122	—	—
Note payable—current	—	120	—
Payable to affiliate—current	350	271	—
Total current liabilities	7,062	3,292	1,149
Payable to affiliate—noncurrent	—	1,544	—
Note payable—noncurrent	—	135	—
Other liabilities	53	—	—
Total liabilities	7,115	4,971	1,149
Commitments and contingencies (Note 9)			
Shareholders' equity:			
Ordinary shares, £0.0025 par value per share: 76,463,244 and 62,444,992 shares authorized at June 30, 2021 and June 30, 2020, respectively; 72,197,286 and 59,416,134 shares issued and outstanding at June 30, 2021 and June 30, 2020, respectively	220	179	162
Additional paid-in capital	150,407	69,650	52,084
Accumulated other comprehensive income (loss)	8,276	(1,200)	(822)
Accumulated deficit	(87,442)	(52,717)	(42,873)
Total shareholders' equity	71,461	15,912	8,551
Total liabilities and shareholders' equity	$ 78,576	$ 20,883	$ 9,700

The accompanying notes are an integral part of these consolidated financial statements.

RENALYTIX PLC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share data)	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Revenue	$ 1,491	$ —	$ —
Cost of revenue	858	—	—
Gross profit	633	—	—
Operating expenses:			
Acquired in-process research and development	—	—	35,286
Research and development	10,040	4,565	4,316
General and administrative	23,479	5,750	2,737
Performance of contract liability to affiliate	(970)	—	—
Total operating expenses	(32,549)	(10,315)	(42,339)
Loss from operations	(31,916)	(10,315)	(42,339)
Equity in losses of affiliate	(2,112)	(63)	—
Foreign currency (loss)/gain	(8,772)	245	20
Fair value adjustment to VericiDx investment	6,483	—	—
Gain on loan extinguishment	255		
Other income, net	726	289	18
Net loss	(35,336)	(9,844)	(42,301)
Net loss attributable to noncontrolling interest	(611)	—	—
Net loss attributable to ordinary shareholders	(34,725)	(9,844)	(42,301)
Other comprehensive income (loss):			
Foreign exchange translation adjustment	9,501	(378)	(826)
Comprehensive loss	(25,835)	(10,222)	(43,127)
Comprehensive loss attributable to noncontrolling interest	(72)	—	—
Comprehensive loss attributable to Renalytix AI	$ (25,763)	$ (10,222)	$ (43,127)
Net loss per ordinary share—basic and diluted	$ (0.49)	$ (0.17)	$ (0.99)
Weighted average ordinary shares—basic and diluted	71,484,934	59,079,522	42,561,600

The accompanying notes are an integral part of these consolidated financial statements.

RENALYTIX PLC

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except share and per share data)	Ordinary shares		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' (deficit) equity attributable to Renalytix	Noncontrolling interests	Total shareholders' equity
	Shares	Amount						
Balance at July 1, 2018	20,000,000	$ 66	$ —	$ 4	$ (572)	$ (502)	$ —	$ (502)
Ordinary shares issued to acquire Joslin license	15,427,704	49	24,237	—	—	24,286	—	24,286
Sale of ordinary shares in initial public offering, net of offering costs of $1,742	18,388,430	47	27,322	—	—	27,369	—	27,369
Share-based compensation expense	—	—	525	—	—	525	—	525
Currency translation adjustments	—	—	—	(826)	—	(826)	—	(826)
Net loss	—	—	—	—	(9,844)	(42,301)	—	(42,301)
Balance at June 30, 2019	53,816,134	162	52,084	(822)	(42,873)	8,551	—	8,551
Sale of ordinary shares in secondary offering, net of offering costs of $842	5,600,000	17	16,407	—	—	16,424	—	16,424
Share-based compensation expense	—	—	1,159	—	—	1,159	—	1,159
Currency translation adjustment	—	—	—	(378)	—	(378)	—	(378)
Net loss	—	—	—	—	(9,844)	(9,844)	—	(9,844)
Balance at June 30, 2020	59,416,134	179	69,650	(1,200)	(52,717)	15,912	—	15,912
Sale of ordinary shares in initial public offering on Nasdaq, net of offering costs and underwriting fees of $9,007	12,613,500	40	76,094	—	—	76,134	—	76,134
VericiDx distribution in specie	—	—	1,638	(25)	—	1,613	(1,613)	—
Deconsolidation of Verici	—	—	—	—	—	—	2,296	2,296
Shares issued under the employee share purchase plan	17,652	—	111	—	—	111	—	111
Exercise of stock options	150,000	1	251	—	—	252	—	252
Share-based compensation expense	—	—	2,663	—	—	2,663	—	2,663
Currency translation adjustments	—	—	—	9,501	—	9,501	(72)	9,429
Net loss	—	—	—	—	(34,725)	(34,725)	(611)	(35,336)
Balance at June 30, 2021	72,197,286	$ 220	$ 150,407	$ 8,276	$ (87,442)	$ 71,461	$ —	$ 71,461

The accompanying notes are an integral part of these consolidated financial statements.

RENALYTIX PLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Cash flows from operating activities:			
Net loss	$ (35,336)	$ (9,844)	$ (42,301)
Adjustments to reconcile net loss to net cash used in operating activities			
Non-cash in-process research and development charge	—	—	35,286
Gain on deconsolidation of VericiDx	(46)	—	—
Depreciation and amortization	282	70	31
Share-based compensation	2,663	1,159	525
Gain on loan	(255)	—	—
Realized gain on short-term investments	(18)	(128)	(24)
Equity losses in affiliate, including related impairments	2,112	63	—
Reversal of Kantaro Liability	(495)		
Fair value adjustment to VericiDx investment	(6,483)	—	—
Unrealized foreign exchange loss (gain)	5,539	(213)	—
Changes in operating assets and liabilities:		—	
Accounts receivable	(594)	—	—
Prepaid expenses and other current assets	(710)	(325)	(197)
Related party receivable	17	(18)	—
Accounts payable	782	355	303
Accrued expenses-related party	585		
Accrued expenses and other current liabilities	4,353	(456)	221
Deferred revenue	122	—	—
Payable to affiliate	(970)	(185)	—
Other liabilities	53	—	—
Net cash used in operating activities	(28,399)	(9,522)	(6,156)
Cash flows from investing activities:			
Note receivable—related party	(167)	(83)	—
Purchases of property and equipment	(773)	(804)	(309)
Software development costs	(749)	(427)	—
Purchase of short-term investments	—	(21,260)	(4,970)
Proceeds from short-term investments	1,000	21,400	4,000
Decrease in cash (VericiDx deconsolidation)	(62)	—	—
Acquired in-process research and development	—	—	(11,021)
Net cash used in investing activities	(751)	(1,174)	(12,300)
Cash flows from financing activities:			
Gross proceeds from the issuance of ordinary shares, net of underwriting fees	79,182	—	—
Gross proceeds from the issuance of ordinary shares	—	17,276	29,111
Payment of offering costs	(2,305)	(1,593)	(1,292)
Payment from related-party notes	—	—	633
Proceeds from the issuance of ordinary shares under employee share purchase plan	111	—	—
Proceeds from exercise of stock options	252	—	—
Proceeds from PPP Loan	—	255	—
Repayment of related-party notes	—	—	(1,069)
Net cash provided by financing activities	77,240	15,938	27,383
Effect of exchange rate changes on cash	3,745	(150)	(808)
Net increase in cash and cash equivalents	51,835	5,092	8,119
Cash and cash equivalents, beginning of year	13,293	8,201	82
Cash and cash equivalents, end of year	65,128	$ 13,293	8,201
Supplemental disclosure of cashflow information:			
Cash paid for interest	$ —	$ —	$ 21
Supplemental noncash investing and financing activities:			
Ordinary shares issued to acquire Joslin license	$ —	$ —	$ 24,286
Financing costs in accounts payable and accrued expenses	$ —	$ 1,630	$ 450
Software development costs in accounts payable and accrued expenses	$ —	$ 177	$ —
Purchase of property and equipment in accounts payable and accrued expenses	$ —	$ 56	$ —
Reclassification of note receivable in Kantaro to Investment in Kantaro	$ 175	$ —	$ —
Deemed distribution of VericiDx ordinary shares	$ 75	$ —	$ —
Conversion of VericiDx note receivable into VericiDx ordinary shares	$ 2,556	$ —	$ —
Fair value of services exchanged for equity method investment of which services are recorded as the payable to affiliate	$ —	$ 2,000	$ —

The accompanying notes are an integral part of these consolidated financial statements.

RENALYTIX PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and risks

Renalytix and its wholly-owned subsidiaries, Renalytix AI, Inc. and Renalytix AI Limited, (collectively, "Renalytix", or the "Company") is an artificial intelligence-enabled in vitro diagnostics company, focused on optimizing clinical management of kidney disease to drive improved patient outcomes and significantly lower healthcare costs. KidneyIntelX, the Company's first-in-class diagnostic platform, employs a proprietary artificial intelligence-enabled algorithm that combines diverse data inputs, including validated blood-based biomarkers, inherited genetics and personalized patient data from EHR systems, to generate a unique patient risk score. Additionally, the Company has successfully completed the first stage of a statement of work with AstraZeneca Pharmaceuticals LP ("AstraZeneca") to conduct a feasibility study to determine the impact of the use of the Company's KidneyIntelX platform to optimize utilization of various CKD agents. Further, in December 2020 the Company entered into a master service agreement with AstraZeneca for future services of this nature. As a result of the initial success with AstraZeneca the Company plans to pursue further collaborations with pharmaceutical companies and make 'Pharmaceutical Services Revenue' a core part of the business going forward with the goal of improving guideline-based standard-of-care for optimal utilization of existing and novel therapeutics using the KidneyIntelX testing platform and proprietary care management software.

In August 2020, the Company created a wholly-owned subsidiary of Renalytix AI plc, Renalytix AI Limited ("Limited") to facilitate operations in Ireland.

Since inception in March 2018, the Company has focused primarily on organizing and staffing the Company, raising capital, developing the KidneyIntelX platform, conducting clinical validation studies for KidneyIntelX, establishing and protecting its intellectual property portfolio and commercial laboratory operations, pursuing regulatory clearance and developing a reimbursement strategy. To date, the Company has generated de minimis revenue from the sales of KidneyIntelX tests. The Company has funded its operations primarily through equity financings.

The Company is subject to risks and uncertainties common to early-stage companies in the diagnostics industry, including, but not limited to, ability to secure additional capital to fund operations, compliance with governmental regulations, development by competitors of new technological innovations, dependence on key personnel and protection of proprietary technology. To achieve widespread usage, KidneyIntelX and additional diagnostic products currently under development will require extensive clinical testing and validation prior to regulatory approval and commercialization. These efforts require significant amounts of additional capital, adequate personnel, and infrastructure and extensive compliance-reporting capabilities.

2. Liquidity and Going Concern

The Company has incurred recurring losses and negative cash flows from operations since inception and had an accumulated deficit of $87.4 million as of June 30, 2021. The Company anticipates incurring additional losses until such time, if ever, that it can generate significant sales of KidneyIntelX or any future products currently in development. Management believes its cash and cash equivalents of $65.1 million as of June 30, 2021, are sufficient to fund the projected operations for at least the next twelve months from the issuance date of these financial statements. Substantial additional capital will be needed by the Company to fund its operations, expand its commercial activities and develop other potential diagnostic related products.

The Company plans to seek additional funding through public or private equity offerings, debt financings, other collaborations, strategic alliances and licensing arrangements. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into strategic alliances or other arrangements on favorable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of the Company's shareholders. If the Company is unable to obtain funding, the Company could be

required to delay, curtail or discontinue research and development programs, product portfolio expansion or future commercialization efforts, which could adversely affect its business prospect.

3. Basis of presentation and summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

The Company reclassified certain prior year comparative figures in the consolidated statements of operations and comprehensive loss to conform to the current year's presentation. This change in presentation did not have an impact on the Company's financial condition, operating results or cash flows.

Principles of consolidation

The consolidated financial statements include the accounts of Renalytix plc, and its wholly-owned subsidiaries, Renalytix AI, Inc. and Renalytix AI Limited. All inter-company balances and transactions have been eliminated in consolidation. The Company accounts for investments in which it has significant influence but not a controlling financial interest using the equity method of accounting.

Deconsolidation

Upon the occurrence of certain events and on a regular basis, the Company evaluates whether it no longer has a controlling interest in its subsidiaries, including consolidated variable interest entities. If the Company determines it no longer has a controlling interest, the subsidiary is deconsolidated. The Company records a gain or loss on deconsolidation based on the difference on the deconsolidation date between (i) the aggregate of (a) the fair value of any consideration received, (b) the fair value of any retained noncontrolling investment in the former subsidiary and (c) the carrying amount of any noncontrolling interest in the subsidiary being deconsolidated, less (ii) the carrying amount of the former subsidiary's assets and liabilities.

The Company assesses whether a deconsolidation is required to be presented as discontinued operations in its consolidated financial statements on the deconsolidation date. This assessment is based on whether or not the deconsolidation represents a strategic shift that has or will have a major effect on the Company's operations or financial results. If the Company determines that a deconsolidation requires presentation as a discontinued operation on the deconsolidation date, or at any point during the one-year period following such date, it will present the former subsidiary as a discontinued operation in current and comparative period financial statements.

Verici Dx plc

In April 2020, the Company created a wholly-owned subsidiary, Verici Dx plc ("VericiDx"), to hold technology in-licensed from the Icahn School of Medicine at Mount Sinai ("ISMMS" or "Mount Sinai") in late 2018. In May 2020, the Company transferred the in-licensed FractalDx technology and associated assets to VericiDx in exchange for $2.0 million, which was satisfied by the issuance of convertible loan notes of VericiDx to the Company. The reduction of capital necessary to implement this transaction was approved by the Company's shareholders at a general meeting held on May 15, 2020 and confirmed by the High Court in England and Wales on June 9, 2020. The Company's board of directors declared the distribution of shares of VericiDx to the then shareholders of the Company, to effect the FractalDx spin-off, on July 7, 2020, and the distribution occurred on July 10, 2020.

The Company announced on July 8, 2020 that the share capital of VericiDx had been re-designated into 59,416,134 A Shares of £0.001 each and one golden share of £0.001 (the "Golden Share") and that Renalytix

would retain the Golden Share and its associated controlling voting rights. Subsequent to that announcement, the Company entered into a declaration of trust whereby Renalytix AI plc had declared that it held the Golden Share as nominee and on trust for certain Directors of Renalytix AI and accordingly, the Company itself had no ongoing beneficial interest in VericiDx shares. This triggered a reconsideration event for ongoing consolidation of VericiDx and since the Company was still the primary funding source for VericiDx, the Company continued to hold a controlling financial interest in VericiDx and continued to consolidate VericiDx. Consequently, the Company recognized noncontrolling interest of $1.6 million to reflect VericiDx's distribution of A Shares and the Golden Share.

As the Company had been the primary funding source for VericiDx since its distribution to the Company's stockholders, the operations and financial position of VericiDx were included in the consolidated financial statements of the Company. Participation of the stockholders in the net assets and losses of VericiDx were reflected in the line items "Noncontrolling interests" in the Company's consolidated balance sheets and "Net loss attributable to the noncontrolling interests" in the Company's consolidated statements of operations and comprehensive loss. Noncontrolling interests adjusts the Company's consolidated results of operations and comprehensive loss to exclude all of the losses of VericiDx as Renalytix AI had no direct equity ownership in VericiDx from the date of the distribution through October 28, 2020. Changes in the underlying net book value of VericiDx due to equity issuances are reflected as equity transaction in the Company's consolidated statements of stockholders' equity.

On November 3, 2020, VericiDx completed an initial public offering on AIM and raised gross proceeds of £14.5 million ("VericiDx IPO") triggering a reconsideration event for ongoing consolidation of VericiDx. The VericiDx IPO resulted in the Company no longer having a controlling financial interest in VericiDx as the Company was no longer VericiDx's primary funding source. VericiDx previously issued the Company an aggregate of $2.5 million in convertible loan notes which reflected the $2.0 million consideration for the FractalDx assets and $0.5 million of additional funding the Company provided VericiDx through October 28, 2020. Prior to the VericiDx IPO, on October 28, 2020, the Company gave notice to convert the aggregate outstanding $2.5 million convertible loan notes into 9,831,681 ordinary shares of VericiDx. As a result of the VericiDx IPO, the Company deconsolidated VericiDx from the consolidated financial statements of the Company as of that date and recognized a gain of $46,000 within other (expense) income in the consolidated statements of operations and comprehensive loss for the year ended June 30, 2021.

As the Company can exert significant influence over, but does not control, VericiDx's operations through representation on VericiDx's board of directors, the Company accounts for the investment as an equity method investment and has also elected the fair value option. In connection with the deconsolidation of VericiDx, the Company evaluated whether the results of VericiDx should be presented as discontinued operations for the year ended June 30, 2021. The Company concluded that the deconsolidation of VericiDx, as a result of the VericiDx IPO, is not a development that significantly impacts the Company's overall operations and financial results. Research and development expenses incurred related to this program accounted for a minor portion of the Company's overall annual research and development expenses and the Company remains focused on developing the KidneyIntelX platform. Therefore, the Company has not presented the results related to VericiDx as discontinued operations in its consolidated statements of operations and comprehensive loss for the year ended June 30, 2021.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual results could differ from those estimates. Due to the uncertainty of factors surrounding the estimates or judgments used in the preparation of the consolidated financial statements, actual results may materially vary from these estimates.

Estimates and assumptions are periodically reviewed, and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant areas that require management's estimate include the assumptions used in determining the fair value of share-based awards, recording the prepaid/accrual and associated expense for research and development activities performed for the Company by third parties, determining useful lives of property and equipment and capitalized software, the assessment of noncontrolling interest and equity method investments, fair value measurements, the payable to affiliates and the consolidation and deconsolidation of variable interest entities.

Segment information

The Company manages its operations as a single operating segment for the purposes of assessing performance and making operating decisions. The Company's singular focus is to make significant improvements in kidney disease diagnosis and prognosis, clinical care, patient stratification for drug clinical trials, and drug target discovery.

Foreign currency

The Company's consolidated financial statements are presented in U.S. dollars, the reporting currency of the Company. The functional currency of Renalytix plc and Renalytix AI Limited is GB Pounds. The functional currency of Renalytix AI, Inc. is the U.S. dollar. Assets and liabilities of Renalytix plc and Renalytix AI Limited are translated at the rate of exchange at period-end, while the statements of operations are translated at the weighted average exchange rates in effect during the reporting period. The net effect of these translation adjustments is shown as a component of accumulated other comprehensive income (loss). Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency are included in income in the period in which the change occurs and reported in the consolidated statements of operations and comprehensive loss.

Concentrations of credit risk and major customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable balances. Periodically, the Company maintains deposits in accredited financial institutions in excess of federally insured limits. The Company deposits its cash in financial institutions that it believes have high credit quality and are not exposed to any unusual credit risk beyond the normal credit risk associated with commercial banking relationships and has not experienced any losses on such accounts.

The Company's accounts receivable are derived from revenue earned from customers located in the U.S. All of the Company's revenue has been generated from two customers for the years ended June 30, 2021. The Company performs initial and ongoing credit reviews on customers, which involve consideration of the customers' financial information, their location, and other factors to assess the customers' ability to pay.

Fair value of financial instruments

At June 30, 2021, 2020 and 2019, the Company's financial instruments included accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities. The carrying amounts of these assets and liabilities approximates fair value due to their short-term nature.

Fair value option

Under the Fair Value Option Subsections of ASC subtopic 825-10, *Financial Instruments – Overall*, the Company has the irrevocable option to report most financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings (see Note 5).

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of 90 days or less to be cash equivalents. As of June 30, 2021, the Company had a cash balance of $65.1 million. As of June 30, 2020, the Company had a cash balance of $12.8 million and cash equivalents consisting of $0.5 million held in a money market account. As of June 30, 2019, the Company had a cash balance of $7.2 million and cash equivalents consisting of $1.0 million held in U.S. Treasury Bills.

Short-term investments

Short-term investments consist of debt securities with a maturity date greater than three months when acquired. The Company classifies its short-term investments at the time of purchase as available-for-sale securities. Available-for-sale securities are carried at fair value. Unrealized gains or losses on available-for-sale securities are reported in accumulated other comprehensive income (loss), a component of the shareholders' equity, until realized. Short-term investments at June 30, 2020 and 2019 consisted of U.S. Treasury Bills with a fair value of $1.0 million. Unrealized gains (losses) at June 30, 2020 and 2019 were de minimis as their maturity date was 91 days from original purchase. The Company had no short-term investments at June 30, 2021.

Accounts receivable

Accounts receivable are recorded at the invoice amount and are non-interest bearing. The Company considers receivables past due based on the contractual payment terms. The Company reserves specific receivables if collectability is no longer reasonably assured. Estimates for allowances for doubtful accounts are determined based on existing contractual obligations, historical payment patterns, and individual customer circumstances. No reserves have been recorded as of June 30, 2021, 2020 or 2019.

Property and equipment

Property and equipment are recorded at cost. Depreciation is determined using the straight-line method over the estimated useful lives ranging from three to ten years. Expenditures for maintenance and repairs are expensed as incurred while renewals and betterments are capitalized. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in operations.

Deferred offering costs

The Company capitalizes certain legal, professional, accounting and other third-party fees that are directly associated with in-process common equity financings as deferred offering costs until such financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction of additional paid-in capital generated as a result of such offering. Should an in-process equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the consolidated statements of operations and comprehensive loss. As of June 30, 2020, the Company had deferred offering costs of $2.4 million related to the IPO on the Nasdaq Global Market which was completed in July 2020. Upon completion of the IPO, the deferred offering costs were reclassified into additional paid-in capital. The Company had no deferred offering costs as of June 30, 2021 or June 30, 2019.

Performance of contract liability to affiliate

In May 2020, the Company and the Icahn School of Medicine at Mount Sinai entered into an operating agreement ("Kantaro Operating Agreement") to form a joint venture, Kantaro Biosciences LLC ("Kantaro"), for the purpose of developing and commercializing laboratory tests for the detection of antibodies against SARS-CoV-2 originally developed by Mount Sinai. Kantaro has a fiscal year ending December 31st. Kantaro has partnered with Bio-Techne Corporation to develop and launch the new test which are designed for use in any

authorized clinical testing laboratory without the need for proprietary equipment. During the year ended June 30, 2021, the Company recognized $1.0 million related to the performance of the contract liability with Kantaro. This represents the allocation of costs for performing services on behalf of Kantaro. There was no such transaction in fiscal 2020 and 2019.

Equity method investments

The Company accounts for equity investments where it owns a non-controlling interest, but has the ability to exercise significant influence, under the equity method of accounting. Under the equity method of accounting, the original cost of the investment is adjusted for the Company's share of equity in the earnings of the equity investee and reduced by dividends and distributions of capital received, unless the fair value option is elected, in which case the investment balance is marked to fair value each reporting period and the impact of changes in fair value of the equity investment are reported in earnings.

Kantaro Biosciences LLC

As the Company can exert significant influence over, but does not control, Kantaro's operations through voting rights or representation on Kantaro's board of directors, the Company accounts for this investment using the equity method of accounting. The Company records its share in Kantaro's earnings and losses in the consolidated statement of operations. The Company assesses its investment for other-than-temporary impairment when events or changes in circumstances indicate that the carrying amount of the investment might not be recoverable and recognize an impairment loss to adjust the investment to its then-current fair value (see Note 5). The Company owned 25% of the membership equity units in Kantaro at June 30, 2021.

VericiDx plc

As the Company can exert significant influence over, but does not control, VericiDx's operations through representation on VericiDx's board of directors, the Company accounts for this investment as an equity method investment and has elected the fair value option because VericiDx's stock price is readily observable via the London Stock Exchange. Under the fair value option, the investment in VericiDx is recorded at fair value at each reporting period with subsequent changes in fair value reported in the consolidated statements of operations and comprehensive loss. Based on closing stock price of VericiDx, the fair value of the investment in VericiDx was $9.3 million at June 30, 2021. During the year ended June 30, 2021, the Company recorded a fair value adjustment of $6.5 million, in the consolidated statements of operations and comprehensive loss. The Company owned 6.94% of the ordinary shares of VericiDx at June 30, 2021.

Impairment assessment

The Company evaluates its investments that are in unrealized loss positions, if any, and equity method investments for other-than-temporary impairment on a quarterly basis (see Note 5). Such evaluation involves a variety of considerations, including assessments of the risks and uncertainties associated with general economic conditions and distinct conditions affecting specific issuers or investees. Factors considered by the Company include (i) the length of time and the extent to which an investment's fair value has been below its cost; (ii) the financial condition, credit worthiness, and near-term prospects of the issuer; (iii) the length of time to maturity; (iv) future economic conditions and market forecasts; (v) the Company's intent and ability to retain its investment for a period of time sufficient to allow for recovery of market value; (vi) an assessment of whether it is more likely than not that the Company will be required to sell its investment before recovery of market value; and (vii) whether events or changes in circumstances indicate that the investment's carrying amount might not be recoverable.

Software development costs

The Company follows the provisions of ASC 985, *Software*, which requires software development costs for software to marketed externally to be expensed as incurred until the establishment of technological feasibility, at

which time those costs are capitalized until the software is available for general release and amortized over its estimated useful life of ten years. For the year ended June 30, 2020, the Company expensed $0.6 million of research and development expenses related to capitalized software. There was no research and development expense related to capitalized software for the years ended June 30, 2021 and 2019. Technological feasibility is established upon the completion of a working model that has been validated.

Revenue recognition

The Company adopted ASC 606 –*Revenue from Contracts with Customers* ("ASC 606") on July 1, 2018. The adoption of ASC 606 did not have a material impact on the consolidated financial statements.

Pursuant to ASC 606, the Company recognizes revenue when a customer obtains control of promised goods or services. The Company records the amount of revenue that reflects the consideration that it expects to receive in exchange for those goods or services. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company only applies the five-step model to contracts when it is probable that it will collect the consideration to which it is entitled in exchange for the goods or services that it transfers to the customer. Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. Certain contracts have options for the customer to acquire additional services. The Company evaluates these options to determine if a material right exists. If, after that evaluation, it determines a material right does exist, it assigns value to the material right based upon the renewal option approach. The Company recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied. The Company uses present right to payment and customer acceptance as indicators to determine the transfer of control to the customer occurs at a point in time. Sales tax and other similar taxes are excluded from revenues.

Cost of revenue

Cost of revenue consists of costs directly attributable to the services rendered, including labor costs directly related to revenue generating activities.

Research and development expenses

Research and development costs consist primarily of costs incurred in connection with the development of KidneyIntelX and other studies for KidneyIntelX to determine clinical value and performance in different CKD populations. Research and development costs are expensed as incurred.

Share-based compensation

The Company measures equity classified share-based awards granted to employees and nonemployees based on the estimated fair value on the date of grant and recognizes compensation expense of those awards over the requisite service period, which is the vesting period of the respective award. The Company accounts for forfeitures as they occur. For share-based awards with service-based vesting conditions, the Company recognizes compensation expense on a straight-line basis over the service period. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and the Company's expected dividend yield. The Company was a privately-held organization prior to November 2018 and has been a

publicly-traded company for a limited period of time and therefore lacks company-specific historical and implied volatility information for its shares. Therefore, it estimates its expected share price volatility based on the historical volatility of publicly-traded peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is none based on the fact that the Company has never paid cash dividends on ordinary shares and does not expect to pay any cash dividends in the foreseeable future.

The Company classifies share-based compensation expense in its consolidated statement of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Income taxes

Income taxes are accounted for under the asset and liability method as required by FASB ASC Topic 740, *Income Taxes* (ASC 740). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A reduction in the carrying value of the deferred tax assets is required when it is not more likely than not that such deferred tax assets are realizable.

FASB ASC Subtopic 740-10, *Accounting for Uncertainty of Income Taxes* (ASC 740-10), defines the criterion an individual tax position must meet for any part of the benefit of the tax position to be recognized in financial statements prepared in conformity with U.S. GAAP. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not such tax position will be sustained on examination by the taxing authorities, based solely on the technical merits of the respective tax position. The tax benefits recognized in the financial statements from such a tax position should be measured based on the largest benefit having a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority. In accordance with disclosure requirements of ASC 740-10, the Company's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of income tax expense.

Comprehensive loss

Comprehensive loss includes net loss as well as other changes in shareholders' equity that result from transactions and economic events other than those with shareholders. For the periods presented the only other changes in shareholders' equity is from foreign currency translation.

Net loss per ordinary share

Basic net loss per ordinary share is computed by dividing net loss by the weighted average number of ordinary shares outstanding during each period. Diluted net loss per ordinary share includes the effect, if any, from the potential exercise or conversion of securities, such as options which would result in the issuance of incremental ordinary shares. Potentially dilutive securities outstanding as of June 30, 2021, 2020 and 2019 have been excluded from the computation of diluted weighted average shares outstanding as they would be anti-dilutive. Therefore, the weighted average number of shares used to calculate both basic and diluted net loss per share are the same.

As of June 30, 2021 and 2020, there were 4,265,958, 3,028,858 and 2,195,697 shares, respectively, issuable upon exercise of outstanding options that were anti-dilutive and excluded from diluted loss per share for the years ended June 30, 2021, 2020 and 2019, respectively.

Emerging growth company

The Company is an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). Under the JOBS Act, companies have extended transition periods available for complying with new or revised accounting standards. The Company has elected to avail itself of this exemption and, therefore, while the Company is an emerging growth company it will not be subject to new or revised accounting standards at the same time that they become applicable to other public emerging growth companies that have not elected to avail themselves of this exemption.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, in order to increase transparency and comparability among organizations by, among other provisions, recognizing lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under previous U.S. GAAP. For public companies, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 (including interim periods within those periods) using a modified retrospective approach and early adoption is permitted. In transition, entities may also elect a package of practical expedients that must be applied in its entirety to all leases commencing before the adoption date, unless the lease is modified, and permits entities to not reassess (a) the existence of a lease, (b) the lease classification or (c) the determination of initial direct costs, as of the adoption date, which effectively allows entities to carryforward accounting conclusions under previous U.S. GAAP. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides entities an optional transition method to apply the guidance under Topic 842 as of the adoption date, rather than as of the earliest period presented. In June 2020, the FASB issued ASU No 2020-05 that further delayed the effective date of Topic 842 to fiscal years beginning July 1, 2022, and interim periods within those years. The Company is currently evaluating the impact of adopting this guidance to its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments*, which requires measurement and recognition of expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This is different from the current guidance as this will require immediate recognition of estimated credit losses expected to occur over the remaining life of many financial assets. The new guidance will be effective for the Company on July 1, 2023. The Company is currently evaluating the impact of adopting this guidance to its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes. ASU 2019-12 simplifies the accounting for income taxes by removing exceptions within the general principles of Topic 740 regarding the calculation of deferred tax liabilities, the incremental approach for intraperiod tax allocation, and calculating income taxes in an interim period. In addition, the ASU adds clarifications to the accounting for franchise tax (or similar tax), which is partially based on income, evaluating tax basis of goodwill recognized from a business combination and reflecting the effect of any enacted changes in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date. The ASU is effective for fiscal year beginning after December 15, 2020, and will be applied either retrospectively or prospectively based upon the applicable amendments. Early adoption is permitted. The Company has elected to adopt this ASU as of January 1, 2020 on a prospective basis. The adoption of ASU 2019-12 did not have a material impact on the current financial statements.

In January 2020, FASB issued ASU 2020-01, *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)*, which, generally, provides guidance for investments in entities accounted for under the equity method of accounting. ASU 2020-01 is effective for all entities with fiscal years beginning after December 15, 2021, including interim periods therein. The Company is currently evaluating the impact of adopting this guidance to its consolidated financial statements.

4. Revenue

Testing services revenue

Testing services revenue is generated from the KidneyIntelX platform, which provides analytical services to customers. Each individual test is a performance obligation that is satisfied at a point in time upon completion of the testing process (when results are reported) which is when control passes to the customer and revenue is recognized. During the year ended June 30, 2021, the Company recognized $0.4 million of testing services revenue. Sales tax and other similar taxes are excluded from revenues. There was no testing services revenue recognized in fiscal 2020 and 2019.

Pharmaceutical services revenue

Pharmaceutical services revenue is generated from the provision of analytical services to customers. Contracts with customers generally include an initial upfront payment and additional payments upon achieving performance milestones. The Company uses present right to payment and customer acceptance as indicators to determine the transfer of control to the customer which may occur at a point in time or over time depending on the individual contract terms. Sales tax and other similar taxes are excluded from revenues.

During the year ended June 30, 2021, the Company recognized $0.5 million of pharmaceutical services revenue where performance obligations are satisfied at a point in time. There was no pharmaceutical services revenue recognized in fiscal 2020 and 2019.

Professional services revenue

Professional services revenue consists of services related to the creation of a branded care navigation portal/pathway for use with KidneyIntelX. Revenue is recognized when control of the promised services is transferred to customers and the performance obligation is fulfilled in an amount that reflects the consideration that the Company expects to be entitled in exchange for those services. During the year ended June 30, 2021, the Company recognized $0.6 million of other services revenue where performance obligations are satisfied at a point in time. There was no professional services revenue recognized in fiscal 2020 and 2019.

Deferred revenue

Deferred revenue represents the allocated transaction price to the material right which will be recognized as revenue when the renewal options are exercised which is expected to occur over the next 24 months.

The following table summarizes the changes in deferred revenue:

	Year Ended June 30,		
	2021	2020	2019
Balance, beginning of period	$ —	$—	$—
Deferral of revenue	250	—	—
Revenue recognized	(128)	—	—
Balance, end of period	$ 122	$—	$—

5. Fair value measurements and the fair value option

Assets and liabilities recorded at fair value on a recurring basis in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must

maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

- Level 1—Quoted prices (unadjusted in active markets for identical assets or liabilities)
- Level 2—Inputs other than quoted prices in active markets that are observable either directly or indirectly
- Level 3—Unobservable inputs in which there is little or no market data, which require the Company to develop its own assumptions

This hierarchy requires the use of observable market data when available and to minimize the use of unobservable inputs when determining fair value. The following fair value hierarchy table presents information about the Company's assets measured at fair value on a recurring basis:

	Fair value measurement at reporting date using		
(in thousands)	(Level 1)	(Level 2)	(Level 3)
June 30, 2021:			
Assets:			
Equity investment in VericiDx	$ 9,295	$ —	$ —
June 30, 2020:			
Assets:			
Cash equivalents (Money Market Fund)	$ 500	$ —	$ —
U.S. Treasury Bills	982	—	—
Total	$ 1,482	$ —	$ —
June 30, 2019			
Assets:			
Cash equivalents (U.S. Treasury Bills - Maturity < 90 Days)	$ 996	$ —	$ —
U.S. Treasury Bills	$ 994	$ —	$ —
Total	$ 1,990	$ —	$ —

Non-financial assets and liabilities

The Company's non-financial assets, which primarily consist of property and equipment and equity method investments, are not required to be measured at fair value on a recurring basis, and instead are reported at carrying value in its consolidated balance sheet. However, on a periodic basis or whenever events or changes in circumstances indicate that they may not be fully recoverable, the respective carrying value of non-financial assets are assessed for impairment and, if ultimately considered impaired, are adjusted and written down to their fair value, as estimated based on consideration of external market participant assumptions.

Based on sales forecasts, the Company concluded that its equity method investment in Kantaro was impaired due to a shift in focus from COVID antibody testing to promoting vaccination in the United States and European Union. As a result of this shift, demand for COVID antibody testing decreased. The forecasts indicate there is a prolonged period of time that Kantaro's fair value is below the carrying value of the investment and the discounted and undiscounted cash flows are also below the carrying value of the investment. For these reasons, the Company concluded the decline in value is other-than-temporary. As such, during the year ended June 30, 2021, the Company determined the fair value using a discounted cash flow model and concluded that the fair value of the equity method investment in Kantaro was zero. Accordingly, the Company recorded a $1.9 million impairment charge within equity in losses of affiliate in the consolidated statements of operations.

6. Property and equipment

Property and equipment consists of (in thousands):

	June 30, 2021	June 30, 2020	June 30, 2019
Lab equipment	$ 592	$ 862	$ 309
Software	1,534	744	—
Office equipment	84	31	—
Office furniture	35	10	—
Leasehold improvements	576	—	—
Construction in process	—	113	—
Total	2,821	1,760	309
Less accumulated depreciation and amortization	(331)	(105)	(31)
	$ 2,490	$ 1,655	$ 278

Depreciation expense was $0.2 million, $0.1 million and $31,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

As of June 30, 2021 and 2020, there was $1.3 million and $0.6 million, respectively, of unamortized capitalized software development costs. There was no unamortized capitalized software development costs as of June 30, 2019. Amortization expense related to capitalized software development costs was $85,000 for the years ended June 30, 2021 and was expensed within cost of revenue in the consolidated statement of operations. There was no amortization expense related to capitalized software development costs for fiscal 2020 and 2019.

As of June 30, 2021, the expected amortization expense for the next five years and thereafter is as follows:

2022	123
2023	124
2024	124
2025	124
2026	124
Thereafter	606
	$1,225

7. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of (in thousands):

	June 30, 2021	June 30, 2020	June 30, 2019
Consulting and professional fees	$ 954	$ 567	$ 719
Research and development	—	80	—
Payroll and related benefits	3,493	24	28
Other	155	12	85
	$ 4,602	$ 683	$ 832

8. Debt

Paycheck Protection Program

On April 29, 2020, the Company entered into an original loan agreement with Fortis Private Bank as the lender (“Lender”) for a loan in an aggregate principal amount of $255,000 (the “Loan”) pursuant to the Paycheck

Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and implemented by the U.S. Small Business Administration. In June 2020, the Paycheck Protection Program Flexibility Act was enacted which, among other things, extended the deferral period for loan payments to either (1) the date that SBA remits the borrower's loan forgiveness amount to the lender or (2) if the borrower does not apply for loan forgiveness, ten months after the end of the borrower's loan forgiveness covered period. The Loan matures in two years and bears interest at a rate of 1% per year, with all payments deferred through August 15, 2021. Principal and interest are payable monthly commencing on August 15, 2021 and may be prepaid by the Company at any time prior to maturity without penalty. The Company may apply for forgiveness of amounts due under the Loan, with the amount of potential loan forgiveness to be calculated in accordance with the requirements of the PPP based on payroll costs, any mortgage interest payments, any covered rent payments and any covered utilities payments during the 8-24 week period after the origination date of the Loan.

On April 28, 2021, the Company received notification that the full amount of the PPP Loan and accrued interest was forgiven. The forgiveness of the PPP Loan was recorded within gain on loan extinguishment in the consolidated statements of operations and comprehensive loss.

9. Commitments and contingencies

Leases

The Company entered into operating lease agreements for office space and laboratory testing facilities with terms ranging from month-to-month to five years. The Company recognized rent expense of $0.4 million, $0.5 million and $0.2 million during the years ended June 30, 2021, 2020 and 2019, respectively, related to all leases.

The future minimum payments for noncancelable leases with terms in excess of one year for each fiscal year are as follows (in thousands):

2022	83
2023	83
2024	83
2025	28
	$277

DaVita Inc.

In January 2021, the Company entered into a Master Care Coordination Services Agreement with DaVita Inc. ("DaVita") whereby DaVita agreed to provide certain care coordination services to covered patients as requested by the Company, with those covered patients identified by the Company's KidneyIntelX diagnostic and subject to insurance coverage. Those covered patients may also be included in connection with various clinical research studies or quality improvement initiatives (each a "Study"). Both parties agreed to establish a joint steering committee to oversee the care coordination services and exchange and evaluate results of each Study. The Company will pay DaVita a monthly fixed fee based on the number of covered patients. The initial term of the agreement is three years with successive one-year renewals upon written mutual agreement of both parties. For the Care Coordination Services furnished by DaVita (or an affiliate of DaVita) under the terms of a statement of work, the Company shall pay DaVita (or such affiliate of DaVita) a monthly payment of (a) $10.00 in respect of Care Coordination Services multiplied by the number of Covered Patients, plus (b) $3.50, in respect of patient engagement services, multiplied by the number of Covered Patients .

Employment agreements

The Company has entered into employment agreements with certain key executives providing for compensation and severance in certain circumstances, as set forth in the agreements.

Retirement plans

The Company maintains a defined contribution 401(k) retirement plan which covers all U.S. employees. Employees are eligible after three months of service. Under the 401(k) plan, participating employees may make contributions in an amount up to the limit set by the Internal Revenue Service on an annual basis. The Company has a safe harbor plan and makes contributions to employee accounts of 5% of compensation (as defined by the plan). The Company paid $0.2 million, $0.1 million and $14,000 in contributions for the year ended June 30, 2021, 2020 and 2019, respectively.

Legal proceedings

The Company is not a party to any litigation and does not have contingency reserves established for any litigation liabilities. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies.

10. License and services agreements

Mount Sinai license and sponsored research agreements

On May 30, 2018, the Company entered into an exclusive license agreement (the "ISMMS License Agreement") and, on March 7, 2019, a sponsored research agreement (the "ISMMS SRA") with Mount Sinai. Under the terms of the ISMMS License Agreement, ISMMS granted the Company (i) an exclusive, sublicensable license to use certain patent rights covering specific inventions concerning the utilization of biomarkers guided artificial intelligence techniques for detecting kidney functional decline (the "ISMMS Technology"), (ii) a non-exclusive license under unregistered licensed copyrights and licensed know-how and (iii) an exclusive option to obtain licensed technology conceived after May 30, 2018. The Company is obligated to pay Mount Sinai $1.5 million and $7.5 million in commercial milestone payments upon achieving worldwide net sales of KidneyIntelX of $50.0 million and $300.0 million, respectively. The Company is also obligated to pay Mount Sinai a 4% to 5% royalty on net sales of KidneyIntelX, subject to customary reductions. Royalties are payable on a product-by-product basis from first commercial sale of such product until the later of (1) expiration of the last valid claim of a licensed patent covering such product or (2) on a country-by-country basis, 12 years from first commercial sale of such product in such country. Moreover, the Company is obligated to pay Mount Sinai between 15% and 25% of any consideration received from a sublicensee. Furthermore, the Company agreed to carry out and fund a clinical utility study for KidneyIntelX at an estimated cost of $0.7 million upon approval of the study protocol by the Institutional Review Board.

As part of the ISMMS SRA, the Company has agreed to fund several research projects to further develop the ISMMS Technology. The Company incurred $0.4 million, $0.2 million and $0.2 million related to the ISMMS SRA for the year ended June 30, 2021, 2020 and 2019, respectively.

Mount Sinai license agreement for FractalDx

On December 21, 2018, the Company entered into an exclusive license agreement (the "ISMMS FractalDx License Agreement") with ISMMS. Under the terms of the ISMMS FractalDx License Agreement, ISMMS granted the Company (i) an exclusive license, with sub-license rights, to use certain patent rights covering specific inventions concerning the utilization of biomarkers guided artificial intelligence techniques for detecting kidney functional decline (the ISMMS Technology), (ii) a non-exclusive license under unregistered licensed copyrights and licensed know-how and (iii) an exclusive option to obtain licensed technology conceived after May 30, 2018. The Company is obligated to pay Mount Sinai $0.3 million upon receipt of certain regulatory clearance and approval, $0.3 million upon receipt of U.S. CMS reimbursement code or PAMA reimbursement approval. In addition, the Company is obligated to pay Mount Sinai $1.0 million and $4.0 million in commercial milestone payments upon achieving worldwide net sales of FractalDx of $50.0 million and $250.0 million,

respectively. The Company is also obligated to pay Mount Sinai a 6% to 8% royalty on net sales of FractalDx, subject to customary reductions. Moreover, the Company is obligated to pay Mount Sinai between 15% and 70% of any consideration received from a sublicensee.

Royalties are payable on a product-by-product basis from first commercial sale of such product until the later of (1) expiration of the last valid claim of a licensed patent covering such product or (2) on a country-by-country basis, 12 years from first commercial sale of such product in such country. The Company is also subject to an annual license maintenance fee of $25,000 in calendar year 2020 and 2021, $50,000 in calendar year 2022 and 2023, $0.1 million in calendar years 2024 through 2027, and $0.2 million for calendar year 2028 and beyond.

As discussed in Note 3, in May 2020, the Company transferred the in-licensed FractalDx technology and associated assets to VericiDx.

Mount Sinai COVID-19 sponsored research agreement

In August, 2020 and as amended in December 2020, the Company entered into a Multi-center Assessment of Survivors for Kidney Disease after COVID-19 Study (the " MASKeD-COVID Study") with ISMMS. This study involves multiple major academic institutions, including Mount Sinai, University of Michigan, Johns Hopkins, Yale University and Rutgers University. The goal of this study is to understand the long-term kidney epidemiology of CKD in survivors of COVID-19 and validate KidneyIntelX for prediction of long-term kidney outcomes post-COVID hospitalization that will inform further prevention, treatment and clinical care.

Under the terms of the MASKeD-COVID Study, the Company is obligated to pay for all direct and indirect costs incurred under the sponsored research agreement in an amount totaling $1.8 million. As of June 30, 2021, amounts due to ISMMS under the MASKeD-COVID Study totaled $0.3 million and $0.3 million was expensed during the year ended June 30, 2021.

Joslin diabetes center agreement

In October 2018, the Company purchased a worldwide exclusive license agreement (the "Joslin Agreement") with the Joslin Diabetes Center, Inc. ("Joslin") that was previously entered into with EKF Diagnostics Holding Plc ("EKF"), a related party, in July 2017. The license agreement provides the Company with the right to develop and commercialize licensed products covering a novel methodology of diagnosing and predicting kidney disease using certain biomarkers (the "Joslin Diabetes Technology").

Under the terms of the Joslin Agreement, the Company is obligated to pay Joslin aggregate commercial milestone payments of $0.3 million and $1.0 million in commercial milestone payments upon achieving worldwide net sales of licensed products and processes of $2.0 million and $10.0 million, respectively. The Company is also obligated to pay Joslin a 5% royalty on net sales of any licensed products or licensed processes, subject to customary reductions. Moreover, the Company is obligated to pay Joslin 25% of any consideration received from a sublicensee.

The Joslin Agreement initially expires on July 31, 2025 and is subject to an automatic five-year extension unless either party notifies the other party of its intent not to extend the agreement at least 180 days prior to initial expiration. Either party may terminate the Joslin Agreement earlier upon an uncured material breach of the agreement by the other party, the insolvency of the other party, or in the event the other party is unable to perform its obligations under the agreement for a specified period. Additionally, Joslin may terminate the agreement in the event that the Company ceases developing or commercializing licensed products or processes, if the Company fails to maintain certain required insurance policies, and if the Company fails to pay patent expenses related to the licensed patents.

11. Shareholders' equity

Ordinary shares

As of June 30, 2021, the Company had 76,463,244 ordinary shares authorized on a fully diluted basis. Each share entitles the holder to one vote on all matters submitted to a vote of the Company's shareholders. Ordinary shareholders are entitled to receive dividends as may be declared by the board of directors. From inception through June 30, 2021, no cash dividends have been declared or paid.

12. Share-based compensation

Equity Incentive Plan

In November 2018, Company established the Renalytix AI plc Share Option Plan (the "Plan") and a U.S. Sub-Plan and Non-Employee Sub-Plan. The Plan provides for the Company to grant options, restricted share awards and other share-based awards to employees, directors and consultants of the Company. As of June 30, 2021, there were 2,937,005 shares available for future issuance under the Plan.

The Plan is administered by the board of directors. The exercise prices, vesting and other restrictions are determined at their discretion, except that all options granted have exercise prices equal to the fair value of the underlying ordinary shares on the date of the grant and the term of stock option may not be greater than ten years from the grant date.

The options granted as of June 30, 2021 vest equally over twelve quarters following the grant date, with the exception of 80,724 options which vested immediately when granted, 602,100 options which vest 25% on the one year anniversary and equally over twelve quarters following the one year anniversary and 500,000 which vest 1/12th on the one year anniversary and equally over twelve quarters following the one year anniversary. If options remain unexercised after the date one day before the tenth anniversary of grant, the options expire. On termination of employment, any options that remain unexercised are either forfeited immediately or after a delayed expiration period, depending on the circumstances of termination. Upon the exercise of awards, new ordinary shares are issued by the Company.

The Company recorded share-based compensation expense in the following expense categories in the consolidated statements of operations for the years ended June 30, 2021, 2020 and 2019 (in thousands):

	Year Ended June 30,		
	2021	2020	2019
Research and development	$ 683	$ 568	$322
General and administrative	1,903	591	203
	$2,586	$1,159	$525

The fair value of options is estimated using the Black-Scholes option pricing model, which takes into account inputs such as the exercise price, the value of the underlying ordinary shares at the grant date, expected term, expected volatility, risk-free interest rate and dividend yield. The fair value of each grant of options during the years ended June 30, 2021, 2020 and 2019 were determined using the methods and assumptions discussed below.

- The expected term of employee options is determined using the "simplified" method, as prescribed in SEC's Staff Accounting Bulletin No. 107, whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option due to the Company's lack of sufficient historical data.
- The expected volatility is based on historical volatility of the publicly-traded common stock of a peer group of companies.

- The risk-free interest rate is based on the interest rate payable on U.S. Treasury securities in effect at the time of grant for a period that is commensurate with the assumed expected term.
- The expected dividend yield is none because the Company has not historically paid and does not expect for the foreseeable future to pay a dividend on its ordinary shares.

For the years ended June 30, 2021, 2020 and 2019, the grant date fair value of all option grants was estimated at the time of grant using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Years Ended June 30,		
	2021	2020	2019
Expected term (in years)	5.9	5.7	5.8
Expected volatility	70.2%	63.7%	66.9%
Risk-free rate	0.8%	1.7%	3.1%
Dividend yield	—%	—%	—%

The weighted average fair value of the options granted during the years ended June 30, 2021, 2020 and 2019 was $6.60, $2.09 and $0.97 per share, respectively.

The following table summarizes the stock option granted to employees and non-employees for the year ended June 30, 2021:

	Number of shares under option plan	Weighted-average exercise price per option	Weighted-average remaining contractual life (in years)
Outstanding at June 30, 2020	3,028,858	$ 1.95	8.6
Granted	1,387,100	$ 10.63	
Exercised	(150,000)	$ 1.57	
Outstanding at June 30, 2021	4,265,958	$ 4.73	8.2
Exercisable at June 30, 2021	2,495,621	$ 2.18	7.6
Vested and expected to vest at June 30, 2021	4,265,958	$ 4.73	8.2

As of June 30, 2021, there was $9.0 million in unrecognized compensation cost related to unvested options that will be recognized as expense over a weighted average period of 2.02 years. The aggregate intrinsic value of options outstanding and options exercisable at June 30, 2021 was $45.2 million and $31.8 million, respectively.

Employee Share Purchase Plan

The Company's 2020 Employee Share Purchase Plan (the "ESPP") became effective on August 17, 2020. The ESPP authorizes the issuance of up to 850,000 shares of the Company's common stock. The number of shares of the Company's common stock that may be issued pursuant to rights granted under the ESPP shall automatically increase on January 1st of each year, commencing on January 1, 2021 and continuing for ten years, in an amount equal to the lesser of one percent of the total number of shares of the Company's common stock outstanding on December 31st of the preceding calendar year, and 2,000,000 ordinary shares, subject to the discretion of the board of directors or renumeration committee to determine a lesser number of shares shall be added for such year.

Under the ESPP, eligible employees can purchase the Company's common stock through accumulated payroll deductions at such times as are established by the board of directors or renumeration committee. Eligible employees may purchase the Company's common stock at 85% of the lower of the fair market value of the

Company's common stock on the first day of the offering period or on the purchase date. Eligible employees may contribute up to 15% of their eligible compensation. Under the ESPP, a participant may not purchase more than $25,000 worth of the Company's common stock for each calendar year in which such rights is outstanding. During the year ended June 30, 2021, 17,652 shares were purchased under the ESPP.

In accordance with the guidance in ASC 718-50 – *Compensation – Stock Compensation*, the ability to purchase shares of the Company's common stock at 85% of the lower of the price on the first day of the offering period or the last day of the offering period (i.e. the purchase date) represents an option and, therefore, the ESPP is a compensatory plan under this guidance. Accordingly, share-based compensation expense is determined based on the option's grant-date fair value as estimated by applying the Black Scholes option-pricing model and is recognized over the withholding period. The Company recognized share-based compensation expense of $57,000 in general and administrative expense and $20,000 in research and development expense during the year ended June 30, 2021, related to the ESPP.

13. Income taxes

Loss from operations before income taxes was comprised of the following (in thousands):

	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2019
United Kingdom	$ (6,199)	$ (1,898)	$ (37,803)
United States	(29,137)	(7,946)	(4,498)

	$ (35,336)	$ (9,844)	$ (42,301)

Due to the pretax losses reported in both the United Kingdom and United States for all periods since inception there is no income tax expense or benefit.

A reconciliation of income tax benefit from continuing operations as reflected in the financial statements is as follows:

	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2019
U.K. tax benefit at statutory rate	(19.0)%	(19.0)%	(19.0)%
State taxes, net of federal benefit	(12.4)	(6.6)	(1.2)
Permanent differences	(0.1)	1.6	8.0
Research and development	(0.1)	0.0	0.0
Change in valuation allowance	34.5	25.0	11.4
Other	(2.9)	(1.0)	0.8
Effective tax rate	0.0%	0.0%	0.0%

The principal components of the Company's deferred tax assets and liabilities were as follows (in thousands):

	June 30,		
	2021	2020	2019
Deferred tax assets:			
Net operating losses	$ 13,491	$ 4,296	$ 1,832
Research and development licenses	4,133	2,550	2,831
Development costs		418	301
Share-based compensation	762	198	88
Unrealized foreign exchange loss	1,739		
Deferred Interest expense	2,112		
Accrued expenses	741		
Other	144		6
Valuation allowances	(21,046)	(7,331)	(5,000)
Total deferred tax assets	2,076	131	58
Deferred tax liabilities:			
Depreciation	(431)	(91)	(58)
Mark-to-market securities	(1,645)	—	—
Other	(—)	(40)	—
Total deferred tax liabilities	(2,076)	(131)	(58)
Net deferred tax	$ —	$ —	$ —

The Company does not have unrecognized tax benefits as of June 30, 2021, 2020 or 2019. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

The Company's net operating loss carryforwards ("NOL") for U.K., U.S. federal and U.S. state income tax purposes consisted of the following (in thousands):

	June 30,		
	2021	2020	2019
United Kingdom	$ 9,981	$ 3,640	$1,667
Ireland	726		
U.S. Federal	33,613	11,817	4,770
U.S. State and Local	67,291	21,520	9,540

The UK, Irish and federal net operating loss carryforwards have no expiration. The amount of UK annual profits that can be relieved by losses carried forward is limited to 50%, in excess of a threshold amount of £5 million of profits. Certain state net operating loss carryforwards begin to expire in 2038. The Company recorded a valuation allowance on the deferred tax assets as of June 30, 2021 and June 30, 2020 because of the uncertainty of their realization. The valuation allowance increased by $13.7 million for the year ended June 30, 2021, and by $2.3 million for the year ended June 30, 2020.

Utilization of the net operating losses and general business tax credits carryforwards may be subject to a substantial limitation under Sections 382 and 383 of the Internal Revenue Code of 1986 as amended, if changes in ownership of the company have occur previously or occur in the future. Ownership changes may limit the amount of net operating losses and general business tax credits carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of 5-percent shareholders in the stock of a corporation by more than 50 percentage points over a three-year period. If the Company experiences a Section 382 ownership

change, the tax benefits related to the NOL carry forwards may be further limited or lost. The Company has not completed an analysis to determine whether any such limitations have been already triggered. The Company may also experience ownership changes as a result of shifts in share ownership, some of which are outside its control. Therefore, as a result of ownership changes with respect to ordinary shares, the ability to use current net operating losses and other pre-change tax attributes to offset post-change taxable income or taxes could be subject to limitation.

The Company files income tax returns in the United Kingdom, Ireland the U.S. federal jurisdiction and various state jurisdictions. The Company's 2018, 2019 and 2020 tax years remain subject to examination. Carryforward attributes from prior years may be adjusted upon examination by tax authorities if they are used in an open period.

14. Related-party transactions

EKF Diagnostic Holdings

During the years ended June 30, 2021, 2020 and 2019, the Company incurred expenses of $0.2 million, $0.1 million and $0.1 million respectively, related to employees of EKF who provided services to Renalytix.

Icahn School of Medicine at Mount Sinai

In May 2018, the Company secured its cornerstone license agreement with ISMMS for research and clinical study work and intended commercialization by the Company (see Note 10). As part of the collaboration, ISMMS became a shareholder in the Company and has subsequently made equity investments both in the Company's IPO on AIM in November 2018, the subsequent sale of ordinary shares in July 2019 and the Company's IPO on Nasdaq in July 2020. As of June 30, 2021, amounts due to ISMMS totaled $0.3 million. During the years ended June 30, 2021, 2020 and 2019 the Company incurred expenses of $1.3 million, $0.3 million and $0.4 million, respectively.

Kantaro Biosciences LLC

In connection with the formation of Kantaro, the Company entered into a five-year Advisory Services Agreement ("Advisory Agreement") pursuant to which the Company has agreed to provide certain advisory services to Kantaro. Pursuant to the Kantaro Operating Agreement, Kantaro issued 750 Class A Units to Mount Sinai in exchange for Mount Sinai granting licenses to Kantaro under certain intellectual property rights of Mount Sinai and 250 Class A Units to the Company as the sole consideration for the services to be rendered by the Company under the Advisory Agreement. A portion of the Company's units are subject to forfeiture if, prior to December 31, 2021, Kantaro terminates the Advisory Agreement as a result of an uncured material breach of the Advisory Agreement or in the event the Company is acquired by a hospital or health system that serves all or any portion of the service areas served by Mount Sinai. The Company determined the fair value of the services to be provided under the Advisory Agreement was $2.0 million and the fair value of the Class A units received from Kantaro was $2.0 million. Fair value was determined using discounted cash flows which is a Level 3 measurement in the fair value hierarchy. The method requires several judgments and assumptions which include discount rates and future cash flows, among others. As a result of the impairment charge discussed in Note 5, the carrying value of the Kantaro investment was written down to zero.

A contributing factor to the impairment consideration for Kantaro was lower forecasted sales volume and consequently, a lower time commitment from Renalytix employees. Based on these circumstances, the Company adjusted the liability to perform services to Kantaro under the Advisory Agreement. The adjustment for the change in estimate that resulted in a decrease of the liability of $0.5 million is classified within other income, net in the statements of operations and other comprehensive loss. As of June 30, 2021, the total liability associated with the services was $0.8 million, of which the total amount is classified as a current liability.

For the year ended June 30, 2021, the Company recognized $1.0 million in the statement of operations related to services performed under the Advisory Agreement. For the year ended June 30, 2021, $0.5 of costs incurred related to the performance of the Advisory Agreement services were included within research and development and $0.2 was included within general and administrative expense, respectively.

In addition to the equity granted at formation, the Company and Mount Sinai each committed to making a loan to Kantaro. Mount Sinai committed to lend an initial amount of $0.3 million and an additional $0.5 million thereafter. The Company committed to lend an initial amount of $83,333 and an additional $166,667 thereafter. Each loan bears interest at a per year rate equal to 0.25%, compounded monthly, until repaid, and is repayable from the first amounts that would otherwise constitute cash available for distribution to the members of Kantaro (provided that each loan repayment will be made, 75% to Mount Sinai and 25% to the Company based on each investor's proportionate ownership). The Company loaned Kantaro $250,000 and initially recorded a note receivable. At June 30, 2021, the Company determined that $175,000 was uncollectible and accordingly recorded an impairment charge within equity in losses of affiliate in the consolidated statements of operations. In addition, the Company recognized losses of $0.2 million on their investment in Kantaro during the year ended June 30, 2021. The Company elects to recognize the equity investment losses based on the ownership level of each specific investment and will continue to record equity method losses until the amount of the loan receivable is reduced to zero.

VericiDx

During the year ended June 30, 2021, the Company paid the salary of an executive of VericiDx and VericiDx has agreed to reimburse the Company for those amounts. As of June 30, 2021, amounts due from VericiDx were de minimis.

14. Subsequent events

The Company has evaluated subsequent events from the balance sheet date through the date at which the consolidated financial statements were available to be issued and determined there are no other items requiring disclosure beyond those disclosed below.

EXHIBIT 12.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James McCullough, certify that:

1. I have reviewed this annual report on Form 20-F of Renalytix plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

    c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 1, 2022

By: /s/ James McCullough
James McCullough
Chief Executive Officer

EXHIBIT 12.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, O. James Sterling, certify that:

1. I have reviewed this annual report on Form 20-F of Renalytix plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

    c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 1, 2022

By: /s/ O. James Sterling
O. James Sterling
Chief Financial Officer

EXHIBIT 13.1

CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), James McCullough, Chief Executive Officer of Renalytix plc (the "Company"), and O. James Sterling, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 20-F for the year ended June 30, 2021, to which this Certification is attached as Exhibit 13.1 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 1, 2022

/s/ James McCullough
Name: James McCullough
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ O. James Sterling
Name: O. James Sterling
Title: Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-248741) pertaining to the Share Option Plan for Employees with Non-Employee Sub-Plan and U.S. Sub-Plan, 2020 Employee Share Purchase Plan, and 2020 Equity Incentive Plan of Renalytix plc of our report dated October 21, 2021, with respect to the consolidated financial statements of Renalytix plc included in this Amendment No. 2 to the Annual Report (Form 20-F/A) for the year ended June 30, 2021.

/s/ Ernst & Young LLP

Iselin, New Jersey

August 1, 2022

EXHIBIT 15.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-248741 on Form S-8 of our report dated October 27, 2020, relating to the financial statements of Renalytix plc (formerly Renalytix AI plc) appearing in this Annual Report on Amendment No. 2 to Form 20-F/A for the years ended June 30, 2020 and 2019.

/s/ Deloitte & Touche LLP

Morristown, New Jersey

August 1, 2022