Renalytix plc
("Renalytix" or the "Company")

Half Year Report

LONDON and SALT LAKE CITY, March 31, 2022 – Renalytix plc (NASDAQ: RNLX) (LSE: RENX), an artificial intelligence-enabled in vitro diagnostics company, focused on optimizing clinical management of kidney disease to drive improved patient outcomes and advance value-based care, today reported financial results for the six months ended December 31, 2021.

Recent Highlights

- Quarter over quarter growth in KidneyIntelX testing volume
- Quarter over quarter growth in active physicians ordering KidneyIntelX
- KidneyIntelX now on-line with the Veterans Administration health system (VHA), New York physician led payor program CDPHP, Wake Forest Baptist Health and Atrium Health system
- Singing River Health System partnership to deploy KidneyIntelX informed care management to improve kidney health in individuals across the Mississippi Gulf Coast with type 2 diabetes and early-stage chronic kidney disease
- Hired, trained, and deployed regional sales managers, sales representatives and medical science liaisons to support KidneyIntelX physician onboarding, education and test ordering
- Launch of myIntelX national provider access portal for on-line ordering of KidneyIntelX
- Renalytix is now registered as a vendor to provide KidneyIntelX testing services at 16 VHA health centers, with additional health centers expected this calendar year
- Continued insurance payment expansion for KidneyIntelX testing services helping ensure patients have access to advanced risk assessment regardless of economic status
- 22 private insurance coverage contracts now executed, including the first regional Blue Cross Blue Shield plans, with additional coverage contracts expected this calendar year
- 31 state Medicaid programs now contracted with additional states expected this calendar year
- Salt Lake and New York laboratories built and operate to most rigorous standards; CLIA certified, CAP accredited, ISO certified and U.S. Food and Drug Administration compliant
- Joint program with American Diabetes Association® to improve overall kidney health in patients with type 2 diabetes in the United States
- Launching regionally focused early state kidney disease education programs in partnership with the National Kidney Foundation
- Published data in the American Journal of Nephrology demonstrating KidneyIntelX successfully monitored patient response to new drug therapy in 1,325 multinational clinical trial cohort patients
- World Congress of Nephrology data showing KidneyIntelX predicts the future rate of decline in kidney function compared with current standard diagnostics in patients with early-stage chronic kidney disease and type 2 diabetes

Financial Results

During the six months ended December 31, 2021, the Company recognized $1.3 million of revenue (HY21: $0.4 million). Cost of revenue for the six months ended December 31, 2021, was $0.8 million (HY21: $0.2 million).

Administrative expense for the six months ended December 31, 2021, was $27.5 million compared to $14.0 million during the prior year period. The increase in administrative expenses was driven by a $5.6m increase in employee related expenses due to continued hiring of key corporate and commercial personnel, a $5.0m increase in consulting and professional fees as the company continues to focus on commercialization as well as R&D efforts and utility studies at Mount Sinai, Wake Forest as well as the University of Utah, as well as a $2.9m increase in corporate expenses such as marketing, IT, insurance, depreciation and amortization.

Net loss before tax was $26.8 million for the six months ended December 31, 2021, compared to $16.2 million for the prior year period.

Cash and cash equivalents totaled $39.9 million as of December 31, 2021, compared to $65.2 million as of June 30, 2021.

Investors are advised to read the results for the 3 months ended 31 December 2021 which have been released alongside these results.

The Company will host a corresponding conference call and live webcast today to discuss the financial results and key topics including business strategy, partnerships and regulatory and reimbursement processes, at 8:30 a.m. (ET) / 1:30 p.m. (GMT).

Conference Call Details:
US/Canada Participant Toll-Free Dial-In Number: (833) 614-1551
US/Canada Participant International Dial-In Number: (914) 987-7290
United Kingdom International Dial-In Number: 0800 0288 438
United Kingdom Local Dial-In Number: 0203 1070 289
Conference ID: 6597955

Webcast Registration link: https://edge.media-server.com/mmc/p/hu7xau2s

For further information, please contact:

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About KidneyIntelX
KidneyIntelX, is a first-of-kind decision support and implementation platform that facilitates the identification and promotes the effective management of patients at risk of early-stage diabetic kidney disease, or DKD, progression by combining diverse data inputs, including validated blood-based biomarkers, inherited genetics, and personalized patient data from electronic health record, or EHR, using a proprietary algorithm to generate a unique patient risk score. This patient risk score enables prediction of progressive decline in kidney function, allowing physicians and healthcare systems to optimize the allocation of treatments and clinical resources to patients at highest risk.

About Renalytix
Renalytix (NASDAQ: RNLX) (LSE: RENX) is the global founder and leader in the new field of bioprognosis™ for kidney health. The company has engineered a new solution that successfully enables early-stage CKD progression risk assessment. The Company's lead product, KidneyIntelX, has been granted Breakthrough Designation by the U.S. Food and Drug Administration and is designed to help make significant improvements in kidney disease prognosis, transplant management, clinical care, patient stratification for drug clinical trials, and drug target discovery (visit www.kidneyintelx.com). For more information, visit www.renalytix.com.

Forward-Looking Statements
Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Examples of these forward-looking statements include statements concerning: the commercial prospects of KidneyIntelX, including whether KidneyIntelX will be successfully adopted by physicians and distributed and marketed, the rate of testing with KidneyIntelX in health care systems, expectations and timing of announcement of real-world testing evidence, the potential for KidneyIntelX to be approved for additional indications, our expectations regarding regulatory and reimbursement decisions and the ability of KidneyIntelX to curtail costs of chronic and end-stage kidney disease, optimize care delivery and improve patient outcomes. Words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "seeks," and similar expressions are intended to identify forward-looking statements. We may not

actually achieve the plans and objectives disclosed in the forward-looking statements, and you should not place undue reliance on our forward-looking statements. Any forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These risks and uncertainties include, among others: that KidneyIntelX is based on novel artificial intelligence technologies that are rapidly evolving and potential acceptance, utility and clinical practice remains uncertain; we have only recently commercially launched KidneyIntelX; and risks relating to the impact on our business of the COVID-19 pandemic or similar public health crises. These and other risks are described more fully in our filings with the Securities and Exchange Commission (SEC), including the "Risk Factors" section of our annual report on Form 20-F filed with the SEC on October 21, 2021, and other filings we make with the SEC from time to time. All information in this press release is as of the date of the release, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Chairman & CEO's Joint Statement

TO THE MEMBERS OF RENALYTIX PLC

We are delighted to present the Half Year Report for the six months ended 31 December 2021 for Renalytix plc ("Renalytix" or the "Company").

ABOUT RENALYTIX

At Renalytix, we are helping lead the charge to introduce simple, more accurate prognosis and effective care management for the estimated 850 million people worldwide with chronic kidney disease. In the United States alone, chronic kidney disease affects close to an estimated 40 million people and is responsible for one of the largest cost drivers in the national medical system. Early identification, prognosis and treatment beginning with primary care physicians is essential if we are to stem the growing social cost and suffering associated with kidney disease.

With our lead product, KidneyIntelX, our goal is to shift the conversation from kidney disease to kidney health through a more accurate understanding of early-stage risk. With the deployment of KidneyIntelX this year, Renalytix has become global leader in the new field of bioprognosis, a biology-driven approach to risk assessment that relies on integrating information from a simple blood draw and a patient's health record to produce an accurate picture of kidney health. A doctor can use KidneyIntelX results to act on patients at high risk of kidney disease progression or failure at an early stage where active management and therapeutics have the best opportunity to impact outcomes and cost before it is too late.

We have crossed key data, reimbursement and regulatory hurdles during a relatively short time-period since we began operations in 2018 through a public listing on AIM, a market of the London Stock Exchange. We subsequently expanded our capital base by raising a further $17 million in July 2019 and then an additional $85 million through a listing on the Nasdaq Global Market in July 2020. The commercial roll-out of our kidney health solution, KidneyIntelX, is underscored by:

- A 10-year government-wide contract with the U.S. General Services Administration at $950 per test
- Hiring of sales, medical science liaison, and customer service support for national coverage
- The Centers for Medicare & Medicaid Services awarding a national price of $950 per test
- 31 state Medicaid program authorization contracts
- Launch of myIntelX national provider access portal for on-line ordering of KidneyIntelX
- Partnerships announced with the Mount Sinai Health System, University of Utah, Atrium Health, Wake Forest Baptist Health, Capital District Physicians' Health Plan (CDPHP), St. Joseph's Health and Singing River Health System
- New York State Department of Health approval
- A distinct Common Procedural Terminology (CPT) Code for reimbursement granted by the American Medical Association
- 22 private payor coverage determinations
- Multi-center, peer reviewed clinical studies validating the clinical effectiveness and utility dynamics of KidneyIntelX for identifying patients at high risk for rapid kidney disease progression and/or kidney failure in the earliest stages of kidney disease

KIDNEYINTELX™

Our novel platform, KidneyIntelX, uses a machine-learning enabled algorithm to process predictive blood biomarkers with key features from a patient's health record to generate an early and accurate kidney health risk score. The score identifies those patients at the most risk for kidney disease progression and/or failure and further guides ongoing clinical decisions.

KidneyIntelX is initially indicated for use with adults who have diagnosed kidney disease and diabetes – diabetic kidney disease or DKD. Future KidneyIntelX products in development intend to expand the indicated uses to include broader chronic kidney disease, health equity strategies and kidney health monitoring through treatment. Diabetes is the leading cause of chronic kidney disease, representing nearly 40%, and DKD patients are the highest contributors to emergency room dialysis. Unfortunately, many DKD patients are unaware that they either have kidney disease or that their disease has been progressing, often uncontrolled, for many years and now find themselves making difficult decisions about late-stage treatments. We believe this predicament is largely avoidable and have built the KidneyIntelX care model to ultimately provide the estimated 210,000 primary care physicians in the United States with a comprehensive suite of information and guidelines driven follow-on action.

KidneyIntelX was designed as an expandable platform which is able to add indicated uses and a monitoring capability, all within an FDA regulated framework. Expansion may include extending into additional populations of chronic kidney disease patients beyond those with diabetes, including patients of African ancestry with the APOL1 high-risk genotype. We also intend to develop solutions for use in other large chronic disease patient populations, like cardiovascular disease.

OPERATIONAL PROGRESS

Renalytix is pleased to report quarter over quarter KidneyIntelX testing volume growth under a backdrop of increasing insurance payment and new medical systems coming on-line. In our New York launch market, KidneyIntelX utilization has continued to accelerate through the end of March. We have now provided integrated advanced risk assessment services for over 2,600 patients with kidney disease and diabetes. In addition, over the past six months KidneyIntelX clinical testing has now been brought on-line within the Veterans Administration health system, our Albany New York physician led payor partner, Atrium Health and Wake Forest Baptist Health in the Southeast. We now estimate the current serviceable, patient population with insurance payment availability for KidneyIntelX testing at greater than one million.

Our commercial focus in calendar year 2022 remains on regions where our health system partnerships provide a base for adoption of KidneyIntelX testing. As of the end of March 2022, we have four regional sales managers and 12 account executives focused on the Veterans Health Administration. We have also added a regional manager and three sales executives focused on the New York market. This sales effort is being complemented by a medical education effort led by a team of seven medical liaisons and our partnership with the National Kidney Foundation to offer chronic kidney disease education nationally. We expect additional health providers to be brought on-line in the next few months, including recently announced St. Josephs Health in central New York State and now expect to exceed 20 health centers running KidneyIntelX patient risk assessment in calendar 2022.

Reimbursement and Regulatory

Insurance payment remains the biggest factor to driving KidneyIntelX adoption and revenue growth. Over the past year, we have consistently demonstrated that we can secure payment for KidneyIntelX from a diverse set of insurance sources. To date, we have received 22 private insurance coverage contracts, and contracted with 31 state Medicaid programs.
Our $950 reportable pricing structure has been established by National Medicare and a 10-year government contract covering, among others, payment for patient testing in the VA Medical system.

Under our real-world evidence study program with Mount Sinai Health System, several metrics are pointing to greater efficiencies being achieved with KidneyIntelX physicians onboarding, including the fact that time to first KidneyIntelX order from education/training has dropped to three days currently from eleven days in our fiscal second quarter.

Our partnership model with Mount Sinai Health System under our real-world evidence study program is validating the engagement of population health departments and KidneyIntelX electronic health record integration to improving primary care physician access to advanced prognosis in kidney disease. The advantages of an integrated KidneyIntelX solution in a large hospital system include 1) broad physician education and care pathway support, 2) electronic test ordering and reporting, 3) advanced data analytics, 4) patient education and support.
Our laboratory testing infrastructure and personnel include the capacity to scale efficiently as distribution opportunities expand in fiscal 2022 and 2023. We have now achieved CAP Accreditation and ISO Certification for both Salt Lake City and New York City laboratories, all important parts to expand testing services and qualify for certain reimbursement.

Continuing to build a robust peer-reviewed published data pool is a compelling driver for payer and market adoption. In January, data was published in American Journal of Nephrology demonstrating the value of KidneyIntelX for monitoring patient response to new drug therapy in 1,325 multinational clinical trial cohort patients. And in February, at the World Congress of Nephrology, we provided results demonstrating KidneyIntelX provides robust prognostic information to better predict the future rate of decline in kidney function compared with current standard diagnostics in patients with early-stage chronic kidney disease and type 2 diabetes.

Outlook

We reported testing revenues of $0.7 million in Q2. This compares favorably with revenues from Q1 of $0.5 million. Volumes with Mount Sinai have continued to increase into Q3 and we anticipate test volume to strengthen further as we progress through the remainder of the fiscal year. As additional hospital systems begin to come on stream into fiscal 2023 and beyond, we anticipate further increase to these testing volumes.

In the fiscal second quarter, we made a number of one-time investments pertaining to the recruiting, equipping, training and deploying of our salesforce, and associated marketing and other expenses to enable them to be most successful in the field. We are happy with the sales infrastructure we now have in place to pursue the large VA and commercial hospital revenue that is available to us. Much of this is included in one-time expenses that are not repeating, and indeed our quarterly burn rate is already reduced versus fiscal Q2, and we plan to exercise continued prudent cash discipline.

Christopher Mills
Chairman

James R. McCullough
Chief Executive Officer

Financial Review

The results presented cover the six months ended 31 December 2021 ("HY22"). The presentational currency for Renalytix plc and its subsidiaries (together, the "Group") is the United States Dollar.

INCOME STATEMENT

Revenue

The Group recognized revenue of $1.3 million in HY22 related to commercial testing as well as pharmaceutical services performed, compared to revenue of $0.4 million in HY21 related to pharmaceutical services performed.

Cost of Sales

The cost of sales associated with the commercial testing and services revenue was $0.8 million for HY22, compared to $0.2 million for HY21.

Administrative Costs

During HY22, administrative expenses totaled $27.5 million (six months ended 31 December 2020 ("HY21"): $14.0 million). Administrative expenses increased as a result of the company's continued growth. Major items of expenditure were employee related expenses of $11.3 million (HY21: $5.7 million) due to continued hiring of key corporate and commercial personnel. Professional fees of $6.4 million (HY21: $3.2 million). Contract labour of $3.3 million (HY21: $1.4 million) which include expenses related to R&D efforts such as the utility studies at Mount Sinai and Wake Forest. Depreciation and amortization of $1.1 million (HY21: $0.8 million), laboratory supplies of $0.4 million (HY21: $0.1 million) and other expenses of $5.0 million (HY21: $2.8 million) including $2.3 million of insurance expense, $1.1 million of marketing expense, $0.8 million of IT related expenses and $0.8 million of miscellaneous expenses.

Gain on financial assets at fair value through profit or loss

During HY22 the group recorded mark to market adjustments related to the Verici securities which resulted in an unrealized loss of $2.0 million (Six months ended 31 December 2020 ("HY21"): $5.1 million gain).

Finance Income (Expense)

Finance income totaled $2.2 million during HY22 (HY21: $7.1 million expense) related to unrealized foreign exchange losses.

BALANCE SHEET

Inventory

Inventory consists of consumable materials used by the labs to carry out KidneyIntelX tests. During HY22, inventory levels increased due to purchases as the company prepares for increased KidneyIntelX testing volumes. Inventory on hand as at 31 December 2021 totaled $0.7 million (FY21: $0.4 million).

Fixed Assets

Property, plant, and equipment consists of laboratory equipment being used to support testing and product development activities. As at 31 December 2021, the company held $1.5 million in net property, plant, and equipment (FY21: $1.1 million).

Intangible Assets

The Group held $16.6 million net book value of intangible assets as at 31 December 2021 (FY21: $18.0 million) includes payments made primarily to Mount Sinai for license and patent costs for the intellectual property underlying KidneyIntelX, as well as amounts capitalized as development costs. Intangible assets also include the value of the biomarker business purchased (in exchange for ordinary shares in the Company) from EKF. Intangible assets decreased period over period due to amortization and the impact of foreign exchange translation at period end.

Deferred Tax

A deferred tax asset totaling $10.9 million (FY21: $7.1 million) has been calculated based on the unused tax losses in the U.S.

Investment in Verici

At the end of HY22 the group held 9.8 million shares in Verici Dx. The fair value of the investment in Verici Dx was $7.0 million as at 31 December 2021 (FY21: $9.3 million).

Trade and Other Receivables

As at 31 December 2021, the company held $0.8 million of trade and other receivables (FY21: $0.6 million). During HY22, trade and other receivables increased due to increased revenue period over period.

Prepaid and Other Current Assets

As at 31 December 2021, the company held $2.8 million of prepaid and other current assets. (FY21: $0.5 million). During HY22, prepaid and other current assets increased due to prepaid insurance as well as upfront payments associated with studies and other administrative expenses.

Cash

The Group had cash on hand of $39.9 million (FY21: $65.2 million). Cash and cash equivalents are held in several deposit accounts in the US ($32.3 million), UK ($7.3 million) and IRE ($0.3 million). Our expenditure plans remain sufficiently adaptable to align with available resources.

Borrowings

The Group has no long-term debt outstanding as of 31 December 2021.

Unaudited Consolidated Income Statement

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
		$'000	$'000
Continuing operations			
Revenue	8	1,327	400
Cost of Sales		(808)	(234)
Gross Profit		**519**	**166**
Administrative expenses	9	(27,465)	(14,009)
Operating loss		**(26,946)**	**(13,843)**
Share of Net loss in Associate accounted for using the equity method	30	37	(221)
Gain / (Loss) on financial assets at fair value through profit or loss	19	(2,021)	5,050
Finance (costs) income – net	11	2,154	(7,143)
Loss before tax		**(26,776)**	**(16,157)**
Taxation	12	3,791	2,121
Loss for the period		**(22,985)**	**(14,036)**
Earnings per Ordinary share fromcontinuing operations			
Basic and diluted	13	$ (0.32)	$ (0.20)

Unaudited Consolidated Statement ofComprehensive Income

FOR THE PERIOD ENDED 31 DECEMBER 2021

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	**$'000**
Loss for the period – continuing operations	(22,985)	(14,036)
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(3,073)	9,495
Other comprehensive loss for the period	**(26,058)**	**(4,541)**
Total comprehensive loss for the period	**(26,058)**	**(4,541)**

Items stated above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 12.

Unaudited Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2021

	Note	UNAUDITED As at 31 December 2021	AUDITED As at 30 June 2021
		$'000	$'000
Assets			
Non-current assets			
Property, plant and equipment	15	1,483	1,081
Right of use asset	16	369	297
Intangible assets	17	16,648	18,021
Note Receivable	27	75	75
Investment in Kantaro	30	37	-
Deferred tax assets	12	10,888	7,097
Total non-current assets		**29,500**	**26,571**
Current Assets			
Inventory	18	736	353
Security deposits	19	86	86
Financial asset at fair value through profit or loss	19	7,033	9,295
Trade and other receivables	20	823	594
Prepaid and other current assets	21	2,761	520
Cash and cash equivalents	22	39,928	65,159
Total current assets		**51,367**	**76,007**
Total assets		**80,867**	**102,578**
Equity attributable to owners of the parent			
Share capital	23	233	233
Share premium	24	76,776	76,457
Share-based payment reserve	25	7,227	4,940
Foreign currency reserves		6,629	9,701
Retained earnings/(deficit)		(19,214)	3,771
Total equity		**71,651**	**95,102**

	Note	UNAUDITED As at 31 December 2021	AUDITED As at 30 June 2021
Liabilities			
Current liabilities			
Trade and other payables	26	8,550	6,652
Deferred Revenue	8	67	122
Current lease liabilities	16	130	86
Borrowings		-	53
Current due to affiliated company	27	219	350
Total current liabilities		**8,966**	**7,263**
Non-current liabilities			
Non-current lease liabilities	16	250	213
Total non-current liabilities		**250**	**213**
Total liabilities		**9,216**	**7,476**
Total equity and liabilities		**80,867**	**102,578**

The notes are an integral part of these financial statements.

Unaudited Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 31 DECEMBER 2021

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	$'000
Cash flow from operating activities		
Loss before income tax	(26,776)	(16,157)
Adjustments for		
Depreciation	136	88
Amortization and impairment charges	1,145	702
Share-based payments	2,288	916
Share of net loss of associate	-	221
Reversal of Kantaro Liability	(131)	-
Gain on Sale of assets	-	(481)
Unrealized loss (Gain) on financial asset at fair value through profit or loss	2,021	(5,018)
Foreign Exchange Loss (Gain)	(1,867)	4,744
Equity in (net earnings) losses of affiliate	(37)	-
Changes in working capital		
Trade and other receivables	(229)	-
Prepaid assets and other current assets	(2,192)	(134)
Inventory	(383)	(435)
Security Deposits	-	(29)
Trade and other payables	1,650	321
Deferred Revenue	(55)	-
Cash used in operations	**(24,430)**	**(15,262)**
Interest paid	(1)	-
Net cash used in operating activities	**(24,431)**	**(15,262)**
Cash flow from investing activities		
Purchase of property, plant and equipment (PPE)	(538)	(723)
Software development costs	(103)	(603)
Proceeds (purchase) of financial assets	-	1,000
Net cash generated by/ (used in)investing activities	**(641)**	**(326)**

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
Cash flow from financing activities		
Issue of shares (net of issue costs)	-	76,877
Proceeds from the issuance of ordinary shares under employee share purchase plan	120	-
Proceeds from exercise of stock options	197	-
Lease Payments	(53)	(50)
Net cash generated from financing activities	**264**	**76,827**
Effect of exchange rate changes on cash	(423)	-
Net increase/(decrease) in cash and cash equivalents	**(25,231)**	**61,239**
Cash and cash equivalents at beginning of period	65,159	13,293
Cash and cash equivalents at end of period	**39,928**	**74,532**

Unaudited Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share Capital	Share Premium	Share-based payment reserve	Foreign Currency Reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
At 30 June and 1 July 2020	**192**	**-**	**2,833**	**(1,915)**	**34,852**	**35,962**
Comprehensive income						
Loss for the period	-	-	-	-	(14,036)	(14,036)
Other comprehensive income						
Currency translation differences	-	-	-	9,495	-	9,495
Total comprehensive income	-	-	-	9,495	(14,036)	(4,541)
Transactions with owners						
Distribution of Verici Shares at Par Value	-	-	-	-	(75)	(75)
Issuance of Ordinary Shares in US IPO	40	85,101	-	-	-	85,141
Less issue costs	-	(9,007)	-	-	-	(9,007)
Share-based payments	-	-	762	-	-	762
Total transactions with owners of the parent, recognized directly in equity	40	76,094	762	-	(75)	76,821
At 31 December 2020 and 1 January 2021	**232**	**76,094**	**3,595**	**7,580**	**20,741**	**108,242**
Comprehensive income						
Loss for the period	-	-	-	-	(16,966)	(16,966)
Other comprehensive income						
Currency translation differences	-	-	-	2,121	(4)	2,117
Total comprehensive income	-	-	-	2,121	(16,970)	(14,849)

	Share Capital	Share Premium	Share-based payment reserve	Foreign Currency Reserve	Retained earnings	Total equity
Transactions withowners						
Share-based payments	-	-	1,345	-	-	1,345
Shares issued under ESPP	-	111	-	-	-	111
Exercise of stock options	1	252	-	-	-	253
Total transactions with owners	1	363	1,345	-	-	1,709
At 30 June 2021 and 1 July 2021	**233**	**76,457**	**4,940**	**9,701**	**3,771**	**95,102**
Comprehensive income						
Loss for the period	-	-	-	-	(22,985)	(22,985)
Other comprehensive income						
Currency translation differences	-	-	(1)	(3,072)	-	(3,073)
Total comprehensive income	-	-	(1)	(3,072)	(22,985)	(26,058)
Transactions with owners						
Share-based payments	-	-	2,288	-	-	2,288
Shares issued under ESPP	-	86	-	-	-	86
Exercise of stock options	-	233	-	-	-	233
Total transactions with owners	-	319	2,288	-	-	2,607
At 31 December 2021	**233**	**76,776**	**7,227**	**6,629**	**(19,214)**	**71,651**

Notes to the Financial Statements

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Renalytix Plc (the "Company") is a company incorporated in the United Kingdom. The Company is a public limited company, which is listed on the AIM market of the London Stock Exchange and Nasdaq global market. The address of the registered office is Finsgate, 5-7 Cranwood Street, London, United Kingdom, EC1V 9EE. The Company was incorporated on 15 March 2018 and its registered number is 11257655.

The principal activity of the Company and its subsidiaries (together "the Group") is as a developer of artificial intelligence- enabled diagnostics for kidney disease.

The financial statements are presented in United States Dollars ("USD") because that is the currency of the primary economic environment in which the Group operates.

2. BASIS OF PRESENTATION

The Group's and Company's financial statements for the period ended 31 December 2021 have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS). The standards that have been adopted by the Group are those that are effective for financial years beginning on or after 1 January 2021.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets measured at fair value. They cover the period to 31 December 2021. The comparatives cover the period ended 31 December 2020 and the year ended 30 June 2021.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

New Standards, amendments, and interpretations not adopted by the group

The group did not adopt any new standards, amendments or interpretations in year as they did not have a material impact on the financial statements.

New standards, amendments, and interpretations issued but not effective for the period ended 31 December 2021, and not early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group.

- Amendments to IFRS 16: Leases - COVID-19 Concessions
- Amendments to IFRS 9, IAS 39, IFRS 7 IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2

3. SIGNIFICANT ACCOUNTING POLICIES

Going concern

The Group and Company meet their day-to-day working capital requirements through the use of cash reserves.

The Directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results which show, taking into account reasonably probable changes in financial performance, that the Group and Company should be able to operate within the level of its current funding arrangements.

We have not yet seen any material disruption to our business as a result of the COVID-19 pandemic and current trading suggests that our base case forecasts are still applicable.

The Directors believe that the Group and the Company have adequate resources to continue in operation for the foreseeable future. For this reason, they have adopted the going concern basis in the preparation of the financial statements.

Accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the company's annual financial statements for the year ended 30 June 2021.

4. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company.

(a) Market Risk

Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk primarily with respect to the US Dollar and the Pounds Sterling. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

(b) Credit Risk

Credit risk relates mainly to cash at bank. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

(c) Liquidity Risk

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

5. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders. The Company's capital structure primarily consists of equity attributable to the owners, comprising issued capital, reserves and retained losses.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

- Capitalisation and recoverability of intangible assets.
- Share based payments.

7. SEGMENTAL REPORTING

The Group operates as a single segment.

8. 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 period ended 31 December 2021, the Company recognized $1.1 million of testing services revenue. Sales tax and other similar taxes are excluded from revenues. There was no testing services revenue recognized during the period ended 31 December 2020.

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 period ended 31 December 2021, the Company recognized $0.2 million of pharmaceutical services revenue. There was $0.4 million of pharmaceutical services revenue recognized in the period ended 31 December 2020.

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:

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	**$'000**
Balance, beginning of period	122	-
Deferral of revenue	67	-
Revenue recognized	(122)	-
Balance, end of period	**67**	**-**

9. EXPENSES – ANALYSIS BY NATURE

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	**$'000**
Employee benefit expense	11,284	5,679
Contract labor	3,266	1,369
Depreciation and amortization	1,135	789
Professional fees	6,342	3,197
Laboratory supplies	487	140
Other expenses	4,951	2,835
Total administration expenses	**27,465**	**14,009**

10. EMPLOYEE BENEFIT EXPENSE

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	$'000
Wages, salaries and Bonus	7,231	4,014
Social security costs and Benefits	1,766	750
Share based paymentexpenses	2,287	915
Total	11,284	5,679

11. FINANCE INCOME AND COSTS

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	$'000
Finance costs:		
Interest expense	(1)	(3)
Finance income:		
Interest income	12	122
Gain on debt forgiveness	-	449
Gain/(Loss) on Foreign Exchange	2,143	(7,711)
Net finance income/(loss)	2,154	(7,143)

12. INCOME TAX

Management recorded a deferred tax asset of $10.9 million as at 31 December 2021.

Income tax credit is recognized based on the company's estimated deferred tax. Deferred tax assets are recognized based on subsidiary net losses based on the US corporate tax rate of 21%. Net losses can be carried forward indefinitely to offset future taxable profits. No deferred asset is calculated on losses in the UK totaling $7,924,196 where the probability of future utilization is considered too remote.

The standard rate of corporation tax in the UK is 19%.

A reduction in the UK corporation tax rate from 19% to 17% effective 1 April 2020 was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020. An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	UNAUDITED Period to 31 December 2021	UNAUDITED Period to 31 December 2020
	$'000	$'000
Loss attributable to owners of the parent	(22,985)	(14,036)
Weighted average number of ordinary shares in issue	72,258,372	70,932,808
Basic and diluted loss per share	$ (0.32)	$ (0.20)

The Company was incorporated on 15 March 2018 with 50,000 ordinary shares of £1.00 each, and as a result of subdivisions (100:1 on 4 May 2018 and then 4:1 on 24 October 2018), the resulting founding shares became 20,000,000 at £0.0025 each.

The Company has one category of dilutive potential ordinary share, being share options. The potential shares were not dilutive in the period and prior period as the Group made a loss.

14. DIVIDENDS

No dividends were declared for the period ended 31 December 2021 or 31 December 2020.

15. PROPERTY, PLANT AND EQUIPMENT

	UNAUDITED Fixtures and fittings
	$'000
Cost	
At 1 July 2020	650
Additions	853
At 31 December 2020	1,503
Depreciation	
At 1 July 2020	70
Charge for the period	118
At 31 December 2020	188
Net book value at 31 December 2020	1,315
Cost	
At 1 January 2021	1,503
Additions	61
Reclass to computer software	(278)
Foreign translation	-
At 30 June 2021	1,286
Depreciation	
At 1 January 2021	188
Charge for the period	87
Reclass computer software	(67)
Foreign translation	(3)
At 30 June 2021	205
Net book value at 30 June 2021	1,081
Cost	

At 1 July 2021	1,286
Additions	538
At 31 December 2021	**1,824**
Depreciation	
At 1 July 2021	205
Charge for the period	136
Foreign translation	-
At 31 December 2021	**341**
Net book value at 31 December 2021	**1,483**

The depreciation charge of $136k related to Property, Plant and Equipment has been charged to administration expenses ($124k) and cost of goods sold ($12k).

16. LEASES

(i) Amounts recognized in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	**$'000**
Right-of-use assets		
Properties	369	297
Total right-of-use assets	**369**	**297**
Lease liabilities		
Current	130	86
Non-current	250	213
Total lease liabilities	**380**	**299**

Right-of-use assets have been measured at the amount equal to the lease liability.
Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

(ii) Amounts recognized in the Statement of Comprehensive income

The statement of profit or loss shows the following amounts relating to leases:

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	**$'000**
Depreciation charge -right-of-use assets		
Properties	62	155
Total right-of-use	**62**	**155**
Interest expense (included in finance cost)	1	3

(iii) The group's leasing activities and how these are accounted for

The group leases various offices. Rental contracts for offices are made for fixed periods of between 1 and 5 years, but may have extension options as described below.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental cash rate is used, being the rate that the individual lessee would forego to release the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

17. INTANGIBLE FIXED ASSETS

	Trademarks, Trade Names & Licenses	Trade Secrets	Development Costs	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 July 2020	**9,466**	**6,402**	**3,223**	**19,091**
Additions	-	-	488	488
Foreign translation	739	342	84	1,165
At 31 December 2020	**10,205**	**6,744**	**3,795**	**20,744**
Amortization				
At 1 July 2020	**1,973**	**-**	**-**	**1,973**
Charge for the period	510	-	-	510
Foreign translation	158	-	-	158
At 31 December 2020	**2,641**	-	**-**	**2,641**
Net book value				
At 31 December 2020	**7,564**	**6,744**	**3,795**	**18,103**
Cost				
At 1 January 2021	**10,205**	**6,744**	**3,795**	**20,744**
Additions	-	-	359	359
Foreign translation	348	392	275	1,015
At 30 June 2021	**10,553**	**7,136**	**4,429**	**22,118**
Amortization				
At 1 January 2021	**2,641**	**-**	**-**	**2,641**
Charge for the period	520	529	305	1,354
Foreign translation	93	6	3	102
At 30 June 2021	**3,254**	**535**	**308**	**4,097**
Net book value				
At 30 June 2021	**7,299**	**6,601**	**4,121**	**18,021**
Cost				
At 1 July 2021	**10,553**	**7,136**	**4,429**	**22,118**
Additions	-	-	103	103
Foreign translation	(233)	(157)	(84)	(474)
At 31 December 2021	**10,320**	**6,979**	**4,448**	**21,747**
Amortization				
At 1 July 2021	**3,254**	**535**	**308**	**4,097**
Charge for the period	521	352	229	1,102
Foreign translation	(77)	(15)	(8)	(100)
At 31 December 2021	**3,698**	**872**	**529**	**5,099**
Net book value				
At 31 December 2021	**6,622**	**6,107**	**3,919**	**16,648**

Licenses entail agreements with Icahn School of Medicine at Mount Sinai for rights to intellectual property and data to support the KidneyIntelX diagnostic assay. Trade secrets refer to the Company's acquisition of the biomarker business from EKF, which

includes intellectual property licensed from Joslin Diabetes Centre and forms a key component of the KidneyIntelX product. Development costs include proprietary software development and diagnostic assay design for KidneyIntelX.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Group has tested the carrying value for impairment at the balance sheet date. The recoverable amount was assessed in the basis of value in use. The assessed value exceeded the carrying value and no impairment loss was recognized. The key assumptions in the calculation to assess value in use are future revenues and costs and the ability to generate future cash flows. Recent working capital projections approved by the Board were used as well as forecasts for a further four years, followed by an extrapolation of expected cash flows and the calculation of a terminal value. For prudence the expected growth rate used for longer term growth was zero. The projected results were discounted at a rate which is a prudent evaluation of the pre-tax rate which reflects current market assessments of the value of money and the risks specific to the business, reflecting an assessment of the risk-adjusted weighted average cost of capital of 10%. The headroom in the value in use calculation is not sensitive to changes in key assumptions.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Any impairment loss is charged pro rata to the other assets in the cash generating unit.

The remaining average useful lives of the intangible assets is as follows:

Trademarks trade names & licenses	10-15 years
Trade secrets	15 years
Development Costs	15 years

The Company holds capitalized development costs with a cost of $3,494,865 and net value of $3,428,107, these projects were placed into service in FY21.

18. INVENTORY

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	**$'000**
Finished goods	736	326

The Directors are of the opinion that the replacement values of inventories are not materially different to the carrying values stated above. The carrying values above are stated net of impairment provisions of $0 (30 June 2021: $0).

The cost of inventories recognized as expense and included in 'cost of sales' amounted to $128K (Year to 31 December 2020: $Nil).

19. FINANCIAL INSTRUMENTS

(a) Assets at amortized cost

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	**$'000**
Assets as per balance sheet		
Security deposits	86	86
Cash and cash equivalents	39,928	65,159
Total	**40,014**	**65,245**

Receivables in the analysis above are all categorized as "loans and receivables" for the Group and Company.

(b) Assets at fair value through profit or loss

	UNAUDITED 31 December 2021	AUDITED 30 June 2021

	$'000	$'000
Assets as per balance sheet		
Investment in Verici Dx	7,033	-
Total	**7,033**	**-**

(c) Liabilities at amortized cost

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	$'000
Liabilities as per balance sheet		
Accounts payable	2,387	1,765
Accrued expenses	6,163	4,887
Lease Liabilities	380	299
Total	**8,930**	**6,951**

(d) Credit Quality of Financial Assets

The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banksand financial institutions, foreign exchange transactions and other financial instruments.

The Group's maximum exposure to credit risk, due to the failure of counterparties to perform their obligations as at 31 December 2021, in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in theaccompanying balance sheets.

Trade Receivables

The credit quality of trade receivables that are neither past due nor impaired have been assessed based on historicalinformation about the counterparty default rate.

Cash at Bank

The credit quality of cash has been assessed by reference to external credit ratings, based on reputable credit agencies' long-term issuer ratings:

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	$'000
AA-	39,928	65,159
AA+	-	-
Total	**39,928**	**65,159**

20. TRADE AND OTHER RECEIVABLES

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	$'000
Trade Receivables	823	594
Total	**823**	**594**

Due to their short-term nature, the Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

21. PREPAIDS AND OTHER CURRENT ASSETS

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	$'000
Prepaids	2,761	520
Prepaids and OtherCurrent Assets	2,761	520

22. CASH AND CASH EQUIVALENTS

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	$'000
Cash at Bank	39,928	65,159
Cash and cash equivalents	39,928	65,159

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

23. SHARE CAPITAL

Group and Company		Movement	Total Numberof Shares	$'000
At 31 December 2020		-	72,029,634	232
4-Mar-21	Shares issued under the ESPP	17,652	72,047,286	0
25-Jun-21	Exercise of Stock Options	150,000	72,197,286	1
At 30 June 2021		-	72,197,286	233
7-Jul-21	Exercise of Stock Options	27,500	72,224,786	0
17-Jul-21	Exercise of Stock Options	5,000	72,229,786	0
31-Aug-21	Shares issued under the ESPP	10,920	72,240,706	0
1-Nov-21	Exercise of Stock Options	68,224	72,308,930	0
At 31 December 2021			72,308,930	233

Ordinary Shares have a par value of £0.0025 each. All issued shares are fully paid.

24. SHARE PREMIUM ACCOUNT

On May 15, 2020, our shareholders approved at a general meeting the reduction of our share capital by the cancellation of our share premium account in its entirety in order to create realized profits, which was confirmed by the High Court in England and Wales on June 9, 2020. This was necessary to increase our distributable reserves to allow us to implement the distribution in specie for the FractalDx spin-off, whose distribution was declared by our board of directors on July 7, 2020, and distributed on July 10, 2020.

In July 2020, the Company closed an initial public offering (IPO) on Nasdaq Global Market, in which they issued and sold 12,583,500 ordinary shares which converted into 6,291,740 American depository shares at a public offering price of $13.50 per share. In addition, the Company completed a concurrent private placement in Europe and other countries outside of the United States of 30,000 ordinary shares at a price of £5.37 per ordinary share (at an exchange rate of GBP:USD 1:1.2563). The Company received net proceeds of $76.1 million as a result of the offering.

25. SHARE OPTIONS AND SHARE-BASED PAYMENTS

In November 2018, Company established the Renalytix 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 31 December 2021, there were 2,830,062 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 31 December 2021 vest equally over twelve quarters following the grant date, with the exception of 80,724 options which vested immediately when granted, 888,100 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.

Details of the share options outstanding during the period are as follows:

General employee share option plan	Average exercise price per share (USD)	Number of Options
As at 30 June 2021	4.73	4,265,958
Granted during the period	11.90	326,000
Exercised	1.89	(100,724)
Forfeited	6.67	(118,333)
Outstanding at 31 December 2021	4.92	4,372,901
Exercisable at 31 December 2021	3.23	3,059,586
Vested and expected to vest at 31 December 2021	4.92	4,372,901

The fair value of each share option granted during the period has been estimated using a Black-Scholes model and is £5.12 - £6.04 ($6.91- $8.14). The inputs into the model are a weighted average share price of £5.26 ($7.10), exercise price of £8.82 ($11.90), expected volatility of 65.77%, no expected dividend yield, weighted-average term of 6.04 years and weighted-average risk-free interest rate of 1.28%. As of 31 December 2021, none of the granted stock options have been exercised, 100,724 previously granted options were exercised.

The aggregate fair value of the award is $14,973,107. The Group recognized total expenses of $2,288,152 ($229,529 withinR&D expense and $2,058,623 within G&A expense) relating to equity-settled share-based payment transactions during theperiod to 31 December 2021. The weighted average remaining contractual term of the options is 7.8 years.

26.TRADE AND OTHER PAYABLES

	UNAUDITED 31 December 2021	AUDITED 30 June 2021
	$'000	**$'000**
Accounts payable	2,387	1,765
Payroll taxes payable	954	638
Accrued expenses	5,209	4,249
	8,550	6,652

27. RELATED PARTY TRANSACTIONS

In May 2018, the Company secured its cornerstone license agreement with ISMMS for research and clinical study work and intended commercialization by the Company. As part of the collaboration, ISMMS became a shareholder in the Company and has subsequently made equity investments both in the Company's IPO in November 2018 and the subsequent sale of ordinary shares in July 2019. Additionally, in December 2018, the Company executed its option with ISMMS for the FractalDx license, which grants rights to technology and patents relating to a series of potential diagnostics and prognostics in the field of kidney transplant and rejection.

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, 2020, 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. As of 31 December 2021, the total liability associated with the services was $0.2 million. As of June 30, 2020, the total liability associated with the services was $0.4 million.

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 $0.2 million thereafter. Each loan bears interest at a per annum 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). In the year ended 30 June 2021, the Company loaned Kantaro the full $250,000 however later recorded a reserve of $175,000 based on uncertainty regarding collectability and had a remaining $75,000 note receivable at 30 June 30 2021 and the period ended 31 December 2021. In addition, the Company recognized gains of $37,000 on their investment in Kantaro during the period ended 31 December 2021 and losses of $221,000 during the period ended 31 December 31 2020.

In June 2020, we and Mount Sinai entered into a registration rights agreement pursuant to which we have granted Mount Sinai the following registration rights:

- **Demand Registration on Form F-3 –** Mount Sinai is entitled to demand registrations on Form F-3, if we are theneligible to register shares on Form F-3, including up to two underwritten offerings in any 12-month period.
- **Demand Registration on Form F-1 or Form S-1 –** At any time following one year after the completion of the globaloffering, if we are not eligible to register shares on Form F-3 or S-3, Mount Sinai is entitled to a maximum of one demand registration on Form F-1 or Form S-1 during any 12-month period, subject to specified exceptions.
- **Piggyback Registration –** Mount Sinai is entitled to certain piggyback registration rights, subject to certain marketingand other limitations in the context of an underwritten offering.
- **Expenses –** We will pay all registration expenses incident to the performance of our obligations under the registrationrights agreement.

Mount Sinai's registration rights will terminate at such time as Rule 144, or another similar exception under the Securities Act, is available for the unlimited public sale of all of Mount Sinai's registrable securities without any volume or manner of sale limitations, subject to specified exceptions.

28. CONTINGENT LIABILITIES

The Group has a contract with Icahn School of Medicine at Mount Sinai which give rise to contingent liabilities:

Mount Sinai Collaboration Agreement

The Group is subject to the following one-off milestone payment obligations:

- $1.5 million once worldwide sales of Licensed Products reach $50 million; and
- $7.5 million once worldwide sales of Licensed Products reach $300 million.

In addition, royalties of 4-5% are payable to Mount Sinai on net sales of KidneyIntelX™, and 15% or 25% (depending on timing) of income from sublicensing. The Group is also subject to an annual data transfer fee of $50,000.

Joslin Diabetes Center Agreement

The Group has a contract with Joslin Diabetes Center under which the Group is liable for the following costs and payments:

- 5% royalty on net sales of Joslin Licensed Products and Joslin Licensed Processes;
- 25% of royalties received by the Group from sublicensing;
- A one-off milestone payment of $300,000 once total net sales reach $2 million; and
- A one-off milestone payment of $1 million once total net sales reach $10 million

29. ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.

30. EQUITY METHOD INVESTMENTS

In May 2020, the Group and Mount Sinai entered into the Kantaro Operating Agreement in order to form 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. In connection with the formation of Kantaro, the Group entered into the Advisory Agreement, pursuant to which the Group 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 Group in respect of the services to be rendered by the Group under the Advisory Agreement. A portion of the units are subject to forfeiture if, prior to December 31, 2020, Kantaro terminates the Advisory Agreement as a result of the uncured material breach of the Advisory Agreement or in the event we are acquired by a hospital or health system that serves all or any portion of the service areas served by Mount Sinai. The Group account for the investment in Kantaro using the equity method of accounting as the Group can exert significant influence over, but do not control, Kantaro.

In addition to the equity granted at formation, the Group and Mount Sinai each committed to making a loan to Kantaro.

Mount Sinai committed to lend an initial amount of $250,000 and an additional $500,000 thereafter. The Group committed to lend an initial amount of $83,333 and an additional $166,667 thereafter. Each loan bears interest at a per annum 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 us). All services provided by the Group under the Advisory Agreement are subject to the oversight and direction of the board of managers of Kantaro.

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. The forecasts indicate there is a prolonged period of time that Kantaro's fair value is below the carrying value of the investment. Accordingly, the Company recorded a $1.9 million impairment charge within the consolidated income statement for the year ended 30 June 2021.

(A) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Group as of 30 June 2021 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directlyby the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the Entity	Place of Business/ Country of Incorporation	% of Ownership Interest		Nature of Relationship	Method of Measurement	Quoted Fair Value		Carrying Amount	
		Dec 2021	June 2021			Dec 2021	June 2021	Dec 2021	June 2021
Kantaro BiosciencesLLC	USA	25%	25%	Joint Venture	Equity Method	(*)	(*)	$37,000	-

(*) - Private Entity - Noquoted price available

Additional Financial Information

RECONCILIATION OF IFRS TO US GAAP

Since Renalytix initial listing on Nasdaq, the Company has followed accounting principles generally accepted in the United States of America ('US GAAP'), both for internal as well as external purposes. The information below is unaudited and does not form part of the statutory accounts. Renalytix Form 6-K, which is based on US GAAP, contains differences from its Half Year Report, which is based on IFRS. The Form 20-F and Annual Report are available on the Company's website (www.renalytix.com). To help readers to understand the difference between the Group's two sets of financial statements, Renalytix has provided, on a voluntary basis, a reconciliation from IFRS to U.S. GAAP as follows:

BALANCE SHEET

(in thousands except share and per share amounts)

	GAAP As at 31 December 2021	IFRS As at 31 December 2021	GAAP vs IFRS Difference	
	$'000	**$'000**		
Assets				
Cash at Bank	39,928	39,928	-	
Accounts Receivable	823	823	-	
Prepaid expenses and other current assets	3,546	3,548	(2)	**(a)**
Note Receivable - Kantaro	75	75	-	
Related-party receivable	35	35	-	
Property, plant and equipment, net	2,880	1,483	1,397	**(b)**
Intangibles, net	-	16,648	(16,648)	**(c)**
Deferred tax assets	-	10,888	(10,888)	**(d)**
Investment in Verici	7,033	7,033	-	
Investment in Kantaro	37	37	-	
Right of use asset	-	369	(369)	**(e)**
Total Assets	**54,357**	**80,867**		
Liabilities				
Accounts payable	2,386	8,550	(294)	**(f)**
Deferred Revenue	67	67		
Accrued expenses and other current liabilities	4,533	-		**(f)**
Accrued expenses – related party	1,337	-		**(f)**
Current lease liability	-	130	(130)	**(e)**
Payable to Kantaro - current	219	219	-	
Non-current lease liabilities	-	250	(250)	**(e)**
Other liabilities	15	-	-	
Total Liabilities	**8,557**	**9,216**		
Stockholders' equity				
Ordinary shares	220	233	13	**(a)**
Additional paid-in capital	152,662	84,003	(68,659)	**(g)**
Accumulated other comprehensive (loss) income	5,788	6,629	841	**(h)**
Accumulated deficit	(112,870)	(19,214)	93,656	**(i)**
Total stockholders (deficit) equity	**45,800**	**71,651**		
Total liabilities and stockholder's (deficit) equity	**54,357**	**80,867**		

a) Represents other immaterial presentation differences between US GAAP & IFRS
b) Differences is attributable to capitalized software costs which are recorded as property and equipment under U.S. GAAP and Intangibles under IFRS.
c) Under IFRS, the acquisition of licenses and subsequent development efforts are capitalized and presented as intangible assets. Under U.S. GAAP, such costs are expensed as incurred until technological feasibility has been achieved or the assets are deemed to have future alternative use. In addition to capitalized software costs which are recorded as property and equipment under US GAAP and Intangibles under IFRS.
d) Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized based on available evidence. Under U.S. GAAP, a full valuation allowance has been applied. Under IFRS, a partial valuation allowance has been applied.
e) Represents the adoption of IAS 17 in connection with the Company's commercial laboratory in Utah. The Company has deferred the adoption of ASC 842 under U.S. GAAP until July 1, 2022.
f) Accounts payable and other current liabilities are presented in the aggregate within the Half Year report while broken out separately on the US GAAP 6-k. Difference represents different 'probability' thresholds used under IFRS and US GAAP to record contingent liabilities. Generally, US GAAP has a higher recognition threshold than IFRS standards.
g) Represents cancellation of share premium account and reduction in accumulated deficit under IFRS in anticipation of a distribution of FractalDx net assets to the shareholders of Verici in prior year. In addition, stock-based compensation is recognized on a straight-line basis under U.S. GAAP and a graded vesting basis under IFRS which creates timing differences as to when expenses are recorded.
h) Represents the difference in weighted average foreign exchange rates and spot rates used for translation of financial statements under IFRS and U.S. GAAP.
i) Represents cancellation of share premium and reduction in accumulated deficit under IFRS in anticipation of a distribution of FractalDx net assets to the shareholders of Verici and differences noted within the Company's consolidated statement of operations and comprehensive loss.

RECONCILIATION OF NET LOSS

($ thousands)

	31 December 2021	
Net loss in accordance with IFRS	**(22,985)**	
Deferred tax assets	(3,791)	**(a)**
Stock compensation expense	374	**(b)**
Amortization of intangibles	1,011	**(c)**
Other adjustments	(37)	**(d)**
Net loss in accordance with US GAAP	**(25,428)**	

a. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized based on available evidence. Under U.S. GAAP, a full valuation allowance has been applied. Under IFRS, a partial valuation allowance has been applied.
b. In addition, stock-based compensation is recognized on a straight-line basis under U.S. GAAP and a graded vesting basis under IFRS which creates timing differences as to when expenses are recorded.
c. Amortization expense is higher on the IFRS books as a result of the higher intangible asset balance. Under IFRS, the acquisition of licenses and subsequent development efforts are capitalized and presented as intangible assets. Under U.S. GAAP, such costs are expensed as incurred until technological feasibility has been achieved or the assets are deemed to have future alternative use.
d. The remaining difference represents the aggregation other immaterial audit adjustments and small accounting standard differences