renalytix™

Chronic Kidney Disease Preventative Medicine

FDA De Novo Marketing Authorization.
Real World Evidence.
Increasing Reimbursement.

Index

STRATEGIC REPORT

CEO Statement

During the prior year we have taken considerable and painful steps to reorganize our Company and complete the transition from a development-phase organization to a commercial growth-phase business. With substantive reductions in operating expenses, restructuring of debt and payable obligations, and in November, the completion of a fresh institutional funding, we now believe that the company will be able to achieve profitability in 2 years.

With the positive June Medicare coverage decision, kidneyintelX.dkd has just completed the trifecta of FDA approval, insurance reimbursement and guidelines recommendation. kidneyintelX.dkd is now the only regulated and reimbursed test available for early prognosis, a cornerstone in understanding who is at risk and who to treat with lifetime drug therapy for some 14 million patients with diabetic kidney disease in the United States.

In the United States, over 80% of our $4.5 trillion national healthcare budget is spent on chronic disease. Yet the U.S. has one of the poorest life-expectancies in the developed world – a U.S. male can expect to live 10 years less than in Japan or Switzerland. Chronic kidney disease, the third fastest-growing cause of death globally, is one of the principal drivers of this unsustainable dynamic.

The great news is that new drug therapies such as SGLT2 inhibitors and GLP1 agonists are now available for individuals with diabetes and kidney disease and have dramatically changed the game. However, we simply cannot afford to blanket prescribe these expensive drugs across such large populations at costs approaching $30,000 per year for life.[1]

kidneyintelX.dkd opens the door to heavily vetted prognostic risk assessment to front-line doctors making critical choices during the short patient visit times allotted. Indeed, world experts, including in the 2024 clinical guidelines[2], are now strongly advocating prognosis to enable a personalized approach to treatment and patient identification. And to put this in perspective, kidneyintelX.dkd prognosis can be executed for less than one month's worth of drug therapy cost.

After a multi-year process, the decision in May 2024 by Medicare contractor National Government Services to provide full coverage for kidneyintelX.dkd at $950 per reportable result, is now allowing for settlement of billed tests in under 30 days and an increase to our realized average sales price. Achieving Medicare insurance coverage represents a key commercial milestone given that Medicare and its related insurance plans make up the majority of our addressable patient market in the United States.

We are continuing to perfect the commercial implementation of kidneyintelX.dkd into doctor practice groups using the electronic medical record system to automatically identify eligible patients for testing , accompanied by a doctor best practice alert. Our sales team is now able to walk into this message-integrated environment with doctors already alerted to at-risk patients with the actionable benefits of kidneyintelX.dkd. We are seeing the benefits of this integrated approach to order generation this quarter and expect to leverage this model with additional large group practices in calendar 2025.

The Environment is Heating Up for kidneyintelX.dkd

Chronic disease and preventative medicine are now taking center stage with regard to policy on both sides of the Atlantic to address unsustainable healthcare costs.

The return of a Trump Administration has already brought the discussion on chronic disease management policy to the forefront. U.S. Health and Human Services Secretary nominee Robert Kennedy has pledged to "end the chronic disease epidemic in the country". The KidneyIntelX prognostic program benefited greatly from the previous Trump Administration's chronic disease regulatory and insurance policy environment. We also note a parallel policy discussion emerging in the United Kingdom with Health Secretary, Wes Streeting's chronic disease platform for revival of NHS. We would expect kidneyintelX.dkd, to have renewed opportunities to support both governments' preventative medicine goals.

[1] Clinical practice is moving towards the "four pillars" of diabetic kidney disease therapeutic management which includes combination use of ACEi/ARB, SGLT2 Inhibitors, Finerenone and GLP1 RAs. Estimated cost of SGLT2 Inhibitors, Finerenone and GLP1 RA are $12k, $7.9K and $11.6K annually.

[2] https://kdigo.org/wp-content/uploads/2024/03/KDIGO-2024-CKD-Guideline.pdf

Also, of strategic importance to the kidneyintelX.dkd top line was New York Governor Kathy Hochul's signing into law of Senate Bill1196a/Assembly Bill 1673a (https://www.governor.ny.gov/news/governor-hochul-takes-action-protect-public-health-signs- legislative-package-support-patients) which requires all insurance companies, including state Medicaid, to cover comprehensive diagnostic biomarker testing for patients beginning January 1st, 2025. While we will remain cautious about actual government implementation dates, this type of legislation has received broad bi-partisan support and can have a significant positive impact on kidneyintelX.dkd adoption, average testing sales price and revenue recognition. Other states in our commercial focus are also in process of enacting similar legislation and we will provide updates as they become available.

Reorganized for Expense Reduction and Commercial Execution

In Fiscal year 2024, we completed a substantial reorganization of our business and raised enough money to secure the run through profitability. Our execution was painful, wholly necessary and only available to us now that we have achieved the regulatory, outcomes data and reimbursement trifecta. The Company is now devoting the significant majority of resources to our sales program with much less cash required to operate. Two big moves below have allowed us to target a cash burn rate of £560,000 or less per month by the end of FY25 (June).

- **Debt and Payables Reduction**
  Post year end, we have successfully renegotiated the terms of our £8.7 million amortizing senior convertible loan notes. We have improved our accounts payable situation and negotiated with other accounts payable creditors to reduce or write-off their balances. The various actions that we've taken will substantially reduce the Company's monthly cash burn and we estimate that this will remove more than 80% of the total forecasted cash obligations of the Company over the next three years (approximately £485,000 per month).

- **Transfer of U.S. Trading to OTCQB and Re-qualification of Foreign Private Issuer Status**
  Having considered the benefits versus the costs of maintaining the Nasdaq listing, we have decided to transition U.S. trading of our ADS securities to the OTCQB ® Venture Market, which is operated by OTC Markets Group, from the NASDAQ Global Market on October 7th. In addition, at our next testing date for Foreign Private Issuer ("FPI") status, the Company expects to qualify as an FPI. We anticipate that transferring the trading to OTCQB and re-acquisition of FPI status will provide significant savings of up to £1.9 million p.a.

Financing

Post year end, the Company raised an additional £11.9 million gross with strong institutional demand that exceeded our initial funding target. Inside management was an important investment player, and we received long-term cornerstones from both large UK and US institutions.

Board Changes

It is with great pleasure that Renalytix has secured Julian Baines MBE as our new Executive Chairman. Julian was formerly the Non-Executive Chairman of Renalytix from March 2018 to June 2020. I am also delighted Christopher Mills, our long-serving Chairman will continue on the Board as a Non-Executive Director of the Company.

Thank you for your continued confidence.

James R. McCullough
Chief Executive Officer

Company Overview

PIONEERING NEXT-GENERATION TECHNOLOGY SOLUTIONS FOR KIDNEY HEALTH

Renalytix is the global founder and leader in the new field of bioprognosis™ for kidney health. The Company has engineered a new solution that enables early-stage chronic kidney disease progression risk assessment. The Company's lead service, kidneyintelX.dkd, has been granted Breakthrough Designation by the U.S. Food and Drug Administration (FDA) 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.

Renalytix is focused on optimizing clinical management of kidney disease to drive improved patient outcomes and lower healthcare costs. KidneyIntelX, our first-in-class in vitro diagnostic platform, employs a proprietary algorithm that combines diverse data inputs, including validated blood-based biomarkers, inherited genetics and personalized patient data from electronic health record, or EHR, systems, to generate a unique patient risk score. This patient risk score enables prediction of rapid progressive kidney function decline in chronic kidney disease, or CKD, allowing physicians and healthcare systems to optimize the allocation of treatments and clinical resources to patients at highest risk.

ON A MISSION TO COMBAT A DEVASTATING AND COSTLY DISEASE

Kidney disease is a public health epidemic affecting over 850 million people globally. Managing a CKD population of this scale and the associated healthcare spending presents a unique healthcare system challenge, requiring a solution that provides a clearer understanding of clinical risk tied to specific guideline-driven clinical recommendations. The ability to predict which patients will experience progressive kidney function decline, which includes rapid kidney function decline, or RKFD, sustained significant decline in kidney function, kidney failure, initiation of long-term dialysis or kidney transplant, is critical to changing patient outcomes and health economics. Current methods for risk stratification of patients with CKD lack sufficient precision in predicting progressive kidney function decline, especially at earlier stages of the disease. This can exacerbate the occurrence of unexpected and expensive clinical events. In fact, up to 38% of patients with CKD initiate dialysis with little or no prior clinical specialist consultation, and up to 63% of patients with CKD initiate dialysis in an unplanned fashion with a central venous catheter and/or during emergency hospitalization, which we refer to as "dialysis crash." This highlights the need for an early mechanism to identify potential instances of rapidly progressing CKD before it becomes critical to the patient's health and costly to healthcare providers.

We have now validated KidneyIntelX in multiple distinct studies, involving specimens from thousands of patients with DKD. In all studies, KidneyIntelX has demonstrated the ability to more accurately identify which patients would experience rapid progressive kidney function decline over current clinical practice. We believe early risk stratification, using advanced technology implemented in partnership with healthcare systems and insurance payors, can help support a fundamental shift towards optimal treatment for the over 850 million people suffering from kidney disease worldwide.

Operational and Financial Highlights

Including post-period events

COMMERCIAL HIGHLIGHTS

Business refocused to deliver commercial sales growth

- New leadership with a track record of commercial success
- Revamped sales and customer service strategy and implementation of a scalable sales-force-led or “direct-to-doctor” strategy
- Now demonstrating quarter-over-quarter sales growth and repeat doctor testing
- 400 direct-to-doctor orders received from 125 doctors in calendar Q3 2024, with the number of ordering doctors expected to increase to 225 in calendar Q4 2024
- Significant expansion in patient blood draw options with Quest Dx and Exam One, a simplified test order requisition form to reduce doctor workload and a market-informed Customer Services and Billing offering to improve end-to-end user experiences
- Rollout to a major New York-based physician group practice, with potential to access up to 10,000 eligible patients and 140 new ordering doctors starting in September 2024
- Target to achieve 1% US market penetration in 3-4 years
- Guidance on potential revenue generation: c. US$3.2 million in FY25, $8.5 million in FY26 and $17.5 million in FY27

FINANANCIAL & OPERATIONAL HIGHLIGHTS

Restructuring to accelerate path to profitability

- Successful renegotiation of existing senior convertible loan note terms, improved accounts payable situation and agreed with other creditors to reduce or write-off balances – removing more than 80% of cash obligations over next three years (£485,000 per month)
- Nasdaq delisting with American Depository Shares ("ADSs") now quoted on the OTCQB® Venture Market under symbol (OTCQB: RNLXY), and anticipated move to Foreign Private Issuer (“FPI”) status to provide significant savings of up to £1.9m annually
- Over-all cash burn to be reduced to £560,000 or less per month by the end of FY25
- Over-subscribed equity capital Fundraise to raise approximately £11.9 million, with strong demand exceeding our initial funding target of £10 million that targeted along with reduction in expenses and anticipated revenue growth are expected to allow the Company to achieve break-even in approximately two years
- Board changes – Julian Baines, MBE, an experienced executive within the life science industry and former Renalytix Non-Executive Chairman of the Company from March 2018 to June 2020 reappointed as Executive Chairman; additionally, Daniel Levangie announced his resignation from the Board of Directors effective October 31, 2024

Product Overview and Strategy

THE KIDNEYINTELX MODEL

At the core of our approach is an artificial intelligence-enabled algorithm capable of synthesizing a set of current and diverse data inputs, such as biomarkers, EHR data, genomics, patient-generated digital data, environmental information, clinical utility, and actuarial and clinical compliance information.

Proprietary blood-based biomarkers

Blood-based biomarkers are typically genes or proteins that indicate the existence and severity of certain conditions (such as kidney disease) and can be measured from a simple blood sample. KidneyIntelX includes inputs from three specific blood-based biomarkers that have previously been examined in several academic and clinical study settings as reported in scientific publications. These publications support consistent associations of soluble Tumor Necrosis Factor Receptor (sTNFR) 1 and 2 and plasma Kidney Injury Molecule-1 ("KIM-1"), with reliable independent predictive signals for kidney disease progression in DKD patients. We licensed the patented sTNFR1 and sTNFR2 biomarkers from the Joslin Diabetes Center of Harvard University because of this evidence of their predictive capabilities. KidneyintelX.dkd measures these biomarkers using a proprietary, analytically validated multiplex format with reliable inter- and intra-assay results. We are exploring additional biomarkers, including both proteomic and genomic based, from blood, urine and other biological samples for subsequent KidneyIntelX technology platform service offerings that could support enhanced predictive performance and expand indicated uses.

Electronic health records data harmonization, adjudication and machine learning

The use of EHRs has been adopted broadly by hospital systems in the United States, the United Kingdom, the European Union and other developed countries. EHR data are generally collected during routine clinical encounters and contain detailed information on disease and treatment patterns. When assessed in the aggregate, EHR data can provide insights into disease progression and clinical management strategies across diverse populations. EHR factors may include items such as current or past therapeutic regimes, diagnostic results, weight, age, geographic location, physician visiting habits and physician annotations. Additional data factors can be added to the KidneyIntelX technology algorithms to address different target populations.

Through experience with our clinical study work, we have developed proprietary data processing methods that enables us to analyze patient data collected during clinical encounters by a diverse set of physicians in different clinical environments and still ensure that the data used by the KidneyIntelX technology platform to support product development and clinical testing is consistent and falls within specific quality control metrics. We have tested this capability in our clinical validation studies involving stored specimens from over 2000 patients with DKD from the Mount Sinai Health System and University of Pennsylvania Health System biobanks.

- EHR Data Harmonization. EHR data from different institutions can be entered and stored in different formats. To overcome this significant limitation, we have developed proprietary algorithms to convert the diverse data (specifically laboratory values and medication names) and map to a standardized template.
- Clinical Adjudication. Kidney function can fluctuate over time and can vary in different clinical scenarios. In the clinical validation studies, to ensure that the kidney disease outcomes for kidneyintelX.dkd and future service offerings were accurately classified and did not represent random non-disease variation, all kidney function changes over time and all clinical outcomes were adjudicated by examining the trajectory of kidney function over their longitudinal course of treatment to the outcome. This adjudication and knowledge base has been codified into the overall workflow for KidneyIntelX technology versioning and validation.
- Machine Learning. We use a proprietary machine learning-enabled algorithm to integrate the diverse inputs from biomarker data and harmonized EHR data to achieve increased predictive performance over the current metrics for prediction of kidney disease progression.

In addition, the KidneyIntelX technology risk score may, at the sole discretion of the clinical user, be tied to specific clinical guideline recommendations developed by the healthcare system, health insurance providers or practice groups. This care pathway is expected to include elements such as targets for clinician visits and referrals, blood pressure control, diabetes control

and prescription of specific medications, as well as patient behavior, such as appropriate diet, exercise, weight loss, medication adherence, to provide immediate and actionable steps related to kidney health. We also plan to link reportable results to educational modules on kidney disease for patients to improve awareness and influence lifestyle practices.

Seamless integration with electronic health record systems for test ordering and reporting results

KidneyIntelX is designed to interface with EHR systems in order to securely access the information required for each ordered test, which is then combined with biomarker data to generate the risk score and test report. The test result is reported directly to the ordering physician through the EHR system.

In this way, the treating physician can have all of the relevant information pertinent to the patient's care delivered to them at the time of the clinical encounter and can trigger care pathways directly from the EHR interface, with the goal of driving a virtuous cycle in which patients and clinicians have increased visibility and awareness changes in care management and patient behavior on kidney health.

All personal health information captured by the kidneyintelX.dkd application is at all times stored in secure Microsoft Azure-supported cloud infrastructure and is encrypted using Advanced Encryption Standard. All transfers of data and reports through firewalls of the health system are executed using secure transfer protocols in accordance with internationally accepted Transport Layer Security versions 1.2 and 1.3. Security components also include rigid authentication and authorization of all users, a continuous monitoring tool, intrusion detection system and periodic penetration testing to mitigate risks of cyber-attacks.

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OUR STRATEGY

Our goal is to lower healthcare costs and improve patient quality of life by transforming the paradigm for kidney disease risk assessment and clinical management through our KidneyIntelX platform technology and the now FDA authorized kidneyintelX.dkd. Core strategy elements to achieve this goal include the following:

- Continue to Build Integrated Partnerships with Healthcare Systems on a Population Health Basis. We are focused on building partnerships with healthcare systems and the engagement and support of their clinical leadership teams, which will enable us to efficiently initiate and deploy our solution to patient populations with DKD. A key aspect of this is technical integration of the KidneyIntelX technology software platform with healthcare systems' EHR systems and clinical workflow. In September 2020, we announced the initiation of patient testing with Mount Sinai Health System. Integrated partnerships such as this are designed to allow KidneyIntelX technology to be deployed directly to patient populations and their treating clinicians in a cost-efficient and timely manner. We are engaging with multiple healthcare institutions and national payors regarding additional partnership opportunities.
- Further Expand Insurance Payor Coverage. We continue to successfully build pathways for payment for KidneyIntelX technology across a range of insurance payors in multiple states including from Blue Cross Blue Shield, Medicaid, Medicare, Medicare Advantage and other private insurance companies. We believe we are reaching critical scale of insurance payment in several key markets including in Illinois, New York, Texas, Florida and North Carolina.

- Continue to Pursue Permanent Medicare Coverage through a National Coverage Determination (NCD), following the Company having achieved a Local Coverage Determination (LCD), which became effective 1 August 2024. We achieved our first payments from National Government Services (NGS), a Medicare Administrative Contractor ("MAC"), in October 2022. Along with achieving the LCD, we are pursuing additional coverage from other MACs in other jurisdictions. We are also simultaneously pursuing a National coverage determination directly from the Centers for Medicare & Medicaid Services ("CMS"). FDA and CMS have proposed a new Transitional Coverage for Emerging Technologies (TCET) program to support Medicare coverage on the national level for innovative diagnostic devices that service an urgent clinical need.
- Build Substantial Repository of Kidney Disease-Related Data. We are building a repository of kidney disease-related data for the development of progressive KidneyIntelX product versions and additional artificial intelligence-powered clinical applications. We are designing applications to examine disease patterns in large patient populations and to optimize clinical care navigation and management effectiveness. These developments are underpinned by the goals of driving patient and physician behavior changes and ultimately improving patient outcomes. Access to current and historical patient data, combined with the ability to analytically and clinically validate study results in a quality-controlled framework, provides us with a powerful product development platform. Moreover, the depth, specificity and quality of data is of paramount importance to developing solutions with demonstrated clinical utility across a range of practice specialties and patient demographics, and securing access to this data is central to our strategy of demonstrating both short- and long-term impact on patient outcomes and health economics.
- Expand Our Product Portfolio. We believe there are significant opportunities to expand our platform through incremental version releases of KidneyIntelX technology as well as through extending the KidneyIntelX platform into new applications for CKD patients beyond those with diabetes, including repeat testing to monitor changes in risk and therapeutic response and other CKD subtypes. We also intend to develop solutions for use in other large chronic disease patient populations, like CKD associated cardiovascular disease. KidneyIntelX technology has been designed within a quality controlled environment with regulatory approval process to allow us to take advantage of the dynamic nature of machine learning to improve product performance through a sequence of controlled version releases. We believe that our product development approach, which is based on a quality systems framework following FDA's Quality System Regulations and the ISO guidelines applicable to medical devices, will enable our KidneyIntelX platform to take advantage of exponential data growth and new clinical use cases, with a clearer path to achieving additional products and services.
- Real World Evidence Program. We have invested heavily over the past several years in developing a comprehensive portfolio of both real-world evidence outcomes and utility data. We have published and presented this data in various formats including in peer-reviewed publications and at major medical conferences. We believe the data released to date has largely satisfied the primary objective of demonstrating the clinical and economic impact of KidneyIntelX technology informed care management in large populations as has been evidenced by our regulatory, reimbursement and adoption achievements. We expect to continue to pursue real-world evidence generation in the future for KidneyIntelX platform products over time.
- Launch in Major International Markets. With FDA De Novo authorization for kidneyintelX.dkd, we have seen an increase in in-bound inquiries for international licensing and distribution opportunities. Kidney disease poses an increasing threat globally and we believe there will be a number of opportunities to partner with third-party entities to carry KidneyIntelX technology internationally through license.

We believe KidneyIntelX technology produces early, actionable prognosis that can support clinical pathways to slow the progression of kidney disease and potentially prevent the occurrence of progressive kidney function decline such as kidney failure and the need for long-term dialysis or kidney transplant. We have built a comprehensive body of published evidence through clinical validation studies and patient data generation to demonstrate that accurate and early identification of high-risk patients, coupled with guidelines-driven clinical recommendations designed to maximize patient treatment and compliance, can have a measurable positive impact on patient quality of life and significantly lower healthcare costs. By involving a broad range of expert clinical opinions, testing a growing number of patient samples, consulting closely with clinical society and patient advocacy organizations, partnering with healthcare systems and payors and developing a detailed understanding of the clinical practice environment, we believe successful use of KidneyIntelX technology will help ease suffering and improve outcomes for patients living with DKD.

OUR COMPETITIVE STRENGTHS

The KidneyIntelX platform has the following key strengths:

- Novel Bioprognostic™ Platform Incorporating Biomarkers and Health Record Features Analyzed with a Machine Learning Enabled Algorithm to Assess the Risk for Kidney Disease Progression. KidneyIntelX technology has produced the first machine learning enabled in vitro prognostic device with the ability to identify patients at risk of progressive kidney function decline while in the earlier stages of DKD, when costs and outcomes can be better controlled.
- Large and Growing Addressable Market. CKD affects over 850 million people worldwide, including approximately 35.5 million people in the United States. The NKF estimates that one third of adults in the United States are at risk of developing kidney disease. Type 2 diabetes is one of the most significant risk factors for developing CKD and obesity is believed to account for 80% to 85% of the risk of developing type 2 diabetes. It is estimated that there are approximately 14 million adults with DKD in the United States. Published data suggests that the DKD population will continue to grow along with the anticipated increase in the occurrence of type 2 diabetes and obesity. One study estimates that by 2060, the number of adults in the United States diagnosed with diabetes will reach 60 million. Further, according to a 2019 study from the Harvard T.H. Chan School of Public Health, by 2030, about half of the adult U.S. population will be obese and about a quarter will be severely obese.
- Achievements in Reimbursement and Coverage. We have received Medicare payment, Medicare national payment rate and multiple private insurance coverage determinations to date. We believe these positive outcomes are the result of several factors: (1) our rigorous approach to a product development and the market access process, (2) significant changes in U.S. reimbursement law with the full implementation of the Protecting Access to Medicare Act, and (3) global improvements in kidney disease policy management, including the U.S. Presidential Executive Order on Advancing American Kidney Health issued in July 2019.
- Economic Health Benefits. KidneyIntelX technology was designed to provide accurate, real-time, actionable results for patients and physicians while reducing costs and promoting improved health economics for patients, physicians, healthcare systems and payors. Health economic benefits are projected to be derived from three key areas: (1) slowing progression to the next stage of CKD, (2) delaying or preventing progression to ESKD and the need for dialysis or kidney transplant and (3) avoiding dialysis crashes. By deploying our proprietary artificial intelligence-enabled algorithm in a regulated, clinically validated, in vitro diagnostic test, kidneyintelX.dkd is able to help predict which patients will experience progressive kidney function decline from early stage disease (Stage 1-3b) within a five-year timeframe, equipping physicians with the information they need to understand risk in their patients. According to a study conducted by BHA, based on the Medicare price of $950 per reportable test, KidneyIntelX technology would generate a positive return for health insurers in 12-24 months and deliver a cost savings of up to $1.3 billion over five years per 100,000 patients with DKD. We believe successive and broad insurance coverage decisions have validated this health economics value proposition.
- Partnered Business Model at Population Health Level. We have begun to deploy KidneyIntelX technology in the form of the KidneyIntelX laboratory developed service through partnerships with healthcare systems (including Mount Sinai Health System, and Atrium Health/Wake Forest Baptist Health) and insurance payors that provide coverage to certain healthcare systems' patients. We expect to transition these deployments and new deployments to our now FDA authorized kidneyintelX.dkd beginning early in calendar 2024. As we have demonstrated with the KidneyIntelX laboratory developed service, we believe an EHR integrated kidneyintelX.dkd with population health support will be able to potentially benefit significant patient populations without employing a large, traditional sales force on a provider-level basis at those health systems. In addition, integration of the kidneyintelX.dkd software platform with healthcare providers' EHR systems enables seamless electronic test ordering and score reporting.
- Kidney Disease Data Repository. As a result of our partnered business model at a population health level, we anticipate that we will have the opportunity to build the most comprehensive de-identified kidney disease data repository geared toward early identification of high-risk patients and optimization of care pathways. Further, our partnerships with relevant insurance payors increases the visibility and the potential cost/benefit economics of KidneyIntelX technology.

Financial Review

The results presented cover FY24. The presentational currency for Renalytix plc and its subsidiaries (together, the "Group") is the United States Dollar.

INCOME STATEMENT

Revenue

The Group recognized a total of $2.3 million in revenue in the financial year ended 30 June 2024 ("FY24") (financial year ended 30 June 2023 ("FY23"): $3.4 million) which was comprised of $2.15 million in revenue related to testing services (FY23: $3.12 million) as well as $0.14 million related to pharmaceutical services revenue (FY23: $0.28 million).

Cost of Sales

The cost of sales associated with the services performed and commercial testing revenue was $2.1 million for FY24 (FY23: $2.7 million).

Administrative Costs

During FY24, administrative expenses totaled $30.7 million (FY23: $43.1 million). The major items of expenditure were general and administrative costs of which included $12.1 million in employee- related costs (FY23: $21 million), $7.1 million in subcontractors, legal, accounting, and other professional fees (FY23: $5.9 million), $5.1 million in external R&D Services, lab supplies and lab services (FY23: $8.0 million), $1.4 million in insurance (FY23: $2.7 million), $2 million in depreciation and amortisation (FY23: $2.1 million), $0.7 million in marketing and public relations (FY23: $1.3 million), $1.1 million in IT related costs (FY23: $1.3million), $0.5 million in office related expenses including rent (FY23: $0.4 million), $0.2 million in stock exchange listing and filing fees (FY23: $0.1 million) and $0.5 million in other expenses (FY23: $0.3 million).

Gain (Loss) On Financial Assets At Fair Value Through Profit Or Loss

The Group accounts for the investment in VericiDx equity securities at fair value, with changes in fair value recognized in the income statement. During the year ended 30 June 2024, we recorded a loss of $0.5 million to adjust the VericiDx investment to fair value. During the year ended 30 June 2023, we recorded a loss of $1.3 million to adjust the VericiDx investment to fair value.

Fair Value Adjustment Of Convertible Debt

We elected to account for the convertible notes at fair value with qualifying changes in fair value recognized through the income statement until the notes are settled. This excludes fair value adjustments related to instrument-specific credit risk, which are recognized in OCI. For the year ended 30 June 2024, we recorded a loss of $3.8 million to adjust the convertible notes to fair value. For the year ended 30 June 2023, we recorded a loss of $3.1 million to adjust the convertible notes to fair value.

Finance Income (Expense)

During the year ended 30 June 2024, we recognized a gain of $0.2 million, which was comprised of $0.2 million of grant income, $0.2 million interest income earned on our cash deposits, and offset by $0.5 million of foreign exchange losses and $0.1 million of realized loss on the sale of VericiDx shares. During the year ended 30 June 2023, we recognized a gain of $0.5 million, which was comprised of $0.2 million of income related to the dissolution of Kantaro, $0.3 million of income for refunds from Citibank, $0.1 million interest income earned on our cash deposits, and offset by $0.1 million of foreign exchange losses.

BALANCE SHEET

Inventory

Inventory consists of consumable materials used by the labs to carry out KidneyIntelX tests. Inventory on hand at 30 June 2024 totaled $0.3 million (FY23: $0.7 million).

Fixed Assets

Property, plant, and equipment consists of laboratory equipment being used to support testing and product development activities. At 30 June 2024, the group held $0.2 million in net property, plant, and equipment (FY23: $1.0 million).

Intangible Assets

The Group held Nil net book value of intangible assets at 30 June 2024 (FY23: $12.5 million). The Group has fully impaired its intangible assets. The intangible assets were made of payments made to Mount Sinai for license, patent costs for the intellectual property underlying KidneyIntelX, as well as amounts capitalized as development costs. Intangible assets also included the value of the biomarker business purchased (in exchange for ordinary shares in the Company) from EKF Diagnostics Holdings plc. In addition to impairment charges the intangible assets decreased over year due to amortization and the impact of foreign exchange translation at year end.

Investment in Verici Dx

At the end of FY24 the group held 8,831,682 shares in Verici Dx, the fair value of the investment in Verici Dx was $0.7 million at 30 June 2024 (FY23: $1.5 million).

Convertible Note

In April 2022, the Company issued amortising senior convertible bonds with a principal amount of $21.2 million due in April 2027 (the "Bonds"). The Bonds were issued at 85% par value with total net proceeds of $18.0 million. The Company elected to account for the Bonds at fair value. As at 30 June 2024, the Bonds had a fair value of $8.5 million. At 30 June 2023, the Bonds had a fair value of $11.9 million. Post year end, the convertible note has been restructured with approximately $3.96 million converted to equity through the issuance of 33,000,000 ordinary shares at 9 pence per share and the balance restructured as a new unsecured convertible bond. The new convertible bond will accrue interest at a rate of 5.5 per cent. per annum, if paid in cash, or 7.5 per cent. per annum, if rolled into the principal amount, at the discretion of the Company. The New Convertible Bond will have a maturity date of 31 July 2029 and may not be converted before 1 April 2026 except in the event that the Company undertakes a further qualifying equity issuance in the future, in which case the New Convertible Bond may be converted at the placing price thereunder. The New Convertible Bond is callable by the Company at any time prior to maturity.

Cash

The Group had cash on hand of $4.7 million (FY23: $24.7 million). Cash and equivalents are held in several deposit accounts in the US ($2.4 million), UK ($2.1 million) and IRE ($0.1 million).

Risk Management Approach

We recognize that effective risk management is essential to the successful delivery of the Group's strategy. As we grow our business, we believe it is important to develop and enhance our risk management processes and control environment on an ongoing basis and ensure it is fit for purpose by identifying and managing risks across the Group in a consistent and robust manner.

Below we describe our risk management approach, the principal risks and uncertainties faced by the Group and the controls in place to manage them.

OVERVIEW OF RISK MANAGEMENT APPROACH

The key principles that guide the Group's risk management approach are outlined below:

- It is the employees' responsibility to ensure they understand and comply with the Risk Management Policy and their defined risk management roles and responsibilities.
- There is a defined risk management governance structure with clear accountabilities.
- A consistent risk management approach is used throughout the Group to identify and manage risks posed in the AI and life sciences industries.
- Risk management is embedded in all key processes and decision-making within the Group (including strategy setting, budgeting, planning and day-to-day operations and activities).

A risk register is maintained and updated periodically. The register includes the risk description, risk owner, mitigation/control description and risk profile.

PRINCIPAL RISKS AND UNCERTAINTIES

Set out below are the principal risks which we believe could materially affect the Group's ability to achieve its financial and operating objectives and control or mitigating activities adopted to manage them. The risks are not listed in order of significance.

THE GROUP IS DEPENDENT UPON ITS STRATEGIC COLLABORATION WITH THIRD PARTY PARTNERS

The Group is working to develop and commercialize its products in close collaboration with strategic partners. The Group is dependent upon third parties for resources and revenue. Failure by these strategic partners to meet its key contractual obligations or to purchase KidneyIntelX tests, for whatever reason, would likely have a material adverse effect on the Group and its ability to achieve its commercial objectives, potentially including the attainment of sales volumes leading to profitability, and may ultimately result in the Group becoming unviable.

REGULATORY RISK

There can be no guarantee that any of the Group's products will be able to obtain or maintain the necessary regulatory approvals in any or all of the territories in respect of which applications for such approvals are made. Where regulatory approvals are obtained, there can be no guarantee that the conditions attached to such approvals will not be considered too onerous by the Group or its partners in order to be able to market its products effectively.

The Group seeks to reduce this risk by seeking advice from regulatory advisers, consultations with regulatory approval bodies and by working with experienced partners.

REIMBURSEMENT LEVELS

There is no guarantee that the Company will be able to continue to sell its products or services profitably if the reimbursement level from third party payers, including government and private health insurers, is limited or subsequently withdrawn. Third party payers are increasingly attempting to contain health care costs through measures that could impact the Company including challenging the prices charged for health care products and services, limiting both coverage and the amount of reimbursement for new diagnostics products and services, and denying or limiting coverage for products that are approved by the regulatory agencies but are considered experimental by third party payers.

The Company understands that due to third party dependency it is extremely difficult to eradicate this risk. However, the Company manages this risk with constant dialogue and educating the third-party payers on the Group's products and also developing new technologies in order to seek additional reimbursements.

KEY EMPLOYEES

The Company's future development and prospects depend to a significant degree on the continuing contribution of key members of its Board, Senior Management and Scientific Advisory Board. As a small organization, the Company relies on a core team of staff and is therefore exposed to any significant departures of key personnel. In particular, the Company's performance depends significantly on the continuing contribution of its CEO, James McCullough, its President, Howard Doran, its CTO, Fergus Fleming, its Interim CFO, Joel Jung and its CMO, Michael Donovan.

The Group operates in a highly competitive field and the expertise and skills of key individuals are also applicable in a number of other fields and industries. The high level of demand for such expertise and skills means that there is increasingly intense competition for talent. The departure of any of the key members to pursue other opportunities or because they are no longer able to continue to perform their roles (for whatever reason) could have a negative impact on its operations and could affect the Group's ability to execute the Group's business strategy.

To seek to mitigate the potential risk of departures, the Company has adopted a competitive remuneration structure, which includes share-based incentives. The Company has also taken out key- man insurance on James McCullough. However, there can be no assurance that this insurance will be adequate or continue to be available on appropriate terms or at all.

OBSOLESCENCE OF GROUP'S PRODUCTS

Demand for the Group's products could be adversely impacted by the development of alternative technology and alternative medicines specifically intended for the identification, stratification and/ or treatment of CKD patients. There can be no assurance that the technology and products currently being developed by the Group will not be rendered obsolete. New AI technology may continue to emerge and develop. As a result, there is the possibility that new technology may be superior to, or render obsolete, the technology that the Group currently is developing. Any failure of the Company to ensure that its technology platform and products remain up to date with the latest technology may have a material adverse impact on the Company's competitiveness and financial performance. The Group's success will depend, in part, on its or its partners' ability to develop and adapt to these technological changes and industry trends.

THE GROUP IS SUBJECT TO INCREASINGLY STRINGENT PRIVACY AND DATA SECURITY LEGISLATION

Regulatory, legislative or self-regulatory/standard developments regarding privacy and data security matters could adversely affect the Group's ability to conduct the Group's business. The Group is subject to laws, rules, regulations and industry standards related to data privacy and cyber security, and restrictions or technological requirements regarding the collection, use, storage, protection, retention or transfer of data.

For the foreseeable future, the Group will only process data relating to patients in the US and will therefore be subject to various rules and regulations, including those promulgated under the authority of the US Department of Health and Human Services, the Federal Trade Commission, and state cybersecurity and breach notification laws, as well as regulator enforcement positions and expectations.

If the Company begins processing personal data in the context of an establishment in a country that is subject to the GDPR or if it offers products or services to residents of an EU country, it will have to comply with various robust obligations.

Globally, governments and agencies have adopted and could in the future adopt, modify, apply or enforce laws, policies, regulations, and standards covering user privacy, data security, technologies that are used to collect, store and/or process

data, marketing online, the use of data to inform marketing, the taxation of products and services, unfair and deceptive practices, and the collection (including the collection of information), use, processing, transfer, storage and/or disclosure of data associated with unique individual internet users. New regulation or legislative actions regarding data privacy and security (together with applicable industry standards) may increase the costs of doing business and could have a material adverse impact on the Group's operations and cash flows.

Despite the Group's ongoing efforts to ensure practices are compliant, the Group may not be successful either due to various factors within the Group's control, such as limited financial or human resources, or other factors outside the Group's control. It is also possible that local data protection authorities may have different interpretations of the GDPR, leading to potential inconsistencies amongst various EU member states.

COMPETITION

The markets in which the Group operates, which include the markets for laboratory developed tests, clinical diagnostic support tools and clinical AI solutions, are potentially highly competitive and rapidly changing.

Competitors may have access to considerably greater financial, technical and marketing resources. The availability and price of the Group's competitors' clinical AI development services could limit the demand, and the price the Group is able to charge, for its services. New competing products may enter the market and make the Group's discoveries and the products developed from those discoveries obsolete.

Alternatively, a competitor's products may be more effective, cheaper or more effectively marketed than the products developed by the Group, which could have a material adverse effect on the Group's profitability and/or financial condition.

Technological competition from medical device companies, life science companies, universities and academic medical centres is intense and can be expected to increase. Many competitors and potential competitors of the Group have substantially greater product development capabilities and financial, scientific, marketing and human resources than the Group. The future success of the Group depends, in part, on its ability to maintain a competitive position, including an ability to further progress through the necessary preclinical and clinical trials to support commercialization, marketing authorization where necessary, and coverage and reimbursement. Other companies may succeed in commercializing products earlier than the Group or in developing products that are more effective than those which may be produced by the Group. While the Group will seek to develop its capabilities in order to remain competitive, there can be no assurance that research and development by others will not render the Group's products obsolete or uncompetitive.

RESEARCH AND DEVELOPMENT RISK

The Group operates in the life sciences sector and will look to exploit opportunities within that sector. The Group is involved in complex clinical development processes and industry experience indicates that there may be a very high incidence of delay or failure to produce the desired results. The Group may not be able to develop new products or to identify specific market needs that can be addressed by technology solutions developed by the Group. The ability of the Group to develop new technology relies, in part, on the recruitment of appropriately qualified staff as the Group grows. The Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate, which could affect its ability to develop as planned.

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Board. If such delays occur, the Group may require further working capital. The Board shall seek to minimize the risk of delays by careful management of projects.

In addition, research and development may be subject to various requirements, such as research subject protection for individuals participating in clinical evaluations of new laboratory developed tests and products, institutional review board oversight, regulatory authorizations, and design control requirements for FDA and EU-regulated products. Failure to comply with requirements could result in penalties, delay, or prevent commercialisation of products.

FINANCIAL REPORTING AND DISCLOSURE

Due to the nature of the Group there is a requirement to report accurate financial information in compliance with accounting standards and applicable legislation.

This risk is mitigated through the Group's internal controls over the financial information and reporting, overseen by the local financial heads and then reviewed by the central finance team, including the Interim Chief Financial Officer. The

annual financial statements are also subject to audit by the Group's external auditors.

CYBER SECURITY RISK

The Group uses computers extensively in its operations and has an online presence but does not trade online. It is at risk of attack through hacking or other methods. This risk is mitigated by the use of robust security measures, staff training, and back-up systems.

INTELLECTUAL PROPERTY RISK

The commercial success of the Group and its ability to compete effectively with other companies depends, amongst other things, on its ability to obtain and maintain patents sufficiently broad in scope to provide protection for the Group's intellectual property rights against third parties and to exploit its products. The absence of any such patents may have a material adverse effect on the Group's ability to develop its business.

The Group mitigates this risk by developing products where legal advice indicates patent protection would be available, seeking patent protection for the Group's products, maintaining confidentiality agreements regarding Group know-how and technology and monitoring technological developments and the registration of patents by other parties. The commercial success of the Group also depends upon not infringing patents granted, now or in the future, to third parties who may have filed applications or who have obtained, or may obtain, patents relating to business processes which might inhibit the Group's ability to develop and exploit its own products.

Section 172 Statement

The Directors are required by law to act in good faith to promote the success of the Company for the benefit of the shareholders as a whole and are also required to have regard to the following:

- the likely long-term consequences of any decision;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

Please see the Corporate Governance Statement in the Directors' Report for an overview of the Company's corporate governance arrangements.

The Chief Executive Officer's statement and the section headed "Product Overview and Strategy" in this Strategic Report describes the Group's activities, strategies and future prospects, including the considerations for long-term decision making. In particular, the Group has made significant progress towards its operational, regulatory and reimbursement goals and is now engaged in commercial roll-out of its lead product, KidneyIntelX in the United States. In addition, the Group is seeing an increase in strategic partnering activities which will continue to build on the validation and commercial use cases for KidneyIntelX.

The Board has a good relationship with the Group's employees. The Board maintains constructive dialogue with employees through the Chief Executive Officer and other members of the executive team. Appropriate remuneration and incentive schemes are maintained to align employees' objectives with those of the Group. See further under Employees in the section headed "Corporate Social Responsibility" below.

The Group endeavors to maintain good relationships with its suppliers by contracting on fair business terms, paying within agreed timeframes, and responding promptly to inquiries.

The Group's operations have minimal environmental impact. Please see Environment in the section headed "Corporate Social Responsibility" below for more details.

The Board recognizes the Group's duty to be a good corporate citizen. See Social, community and human rights in the section headed "Corporate Social Responsibility" below for more details.

The Board recognizes the importance of maintaining high standards of business conduct. The Group operates a Code of Business Conduct and Ethics applicable to its employees, independent contractors, executive officers and directors. A current copy of the Code of Business Conduct and Ethics is available on our website, which is located at www.renalytix.com.

The Board endeavors to maintain good relationships with its shareholders and treat them equally. This is described in more detail in the Corporate Governance Statement under the heading "Relations with Shareholders."

There were a number of initiatives and strategic actions undertaken during FY24 which the Directors believe were in the best interests of the Company and all its stakeholders as follows:

- Achieved FDA De Novo marketing authorization for kidneyintelX.dkd to assess risk of progressive kidney function decline in adults with diabetes and early-stage kidney disease
- Secured additional key insurance coverage contracts for KidneyIntelX
- Inclusion of KidneyIntelX in draft Kidney Disease Improving Global Outcomes (KDIGO) 2023 Clinical Practice Guideline for Evaluation and Management of Chronic Kidney Disease (KDIGO 2023 Guideline)
- Continuing to maintain contracted pricing at or over the Medicare Clinical Laboratory Fee Schedule (CLFS) of $950 per reportable test result

- Continued receiving Medicare payments for KidneyIntelX
- Executed over 40 commercial payor contracts and enrolled as a provider in 35 state Medicaid programs to date
- Milestone achievement converting payment to full, long-term commercial insurance billing model at Mount Sinai Health System
- Appointed senior diagnostics executive Howard Doran to lead global commercial sales beginning with direct to physician salesforce in New York, Illinois, North Carolina, Florida and Texas
- Full Epic electronic health record system integration with Atrium / Wake Forest proceeding with launch expected before end of calendar 2023
- Core participant in consortium granted $10 million by Horizon Europe Grant to advance personalized medicine in treating chronic kidney disease
- Increasing diversity of commercially billable testing volume, particularly among primary care physician practices ordering through the MyIntelX portal
- Continued data generation and analysis presented in multiple scientific venues and publications reinforcing the benefits of KidneyIntelX
- Completed $23.6 million equity financing led by existing and new institutional investors in February 2024 and October 2024
- Reduced annual operating expenses by over $11 million versus the prior year with additional cost reduction initiatives underway to extend cash runway while preserving revenue generating activity

Corporate Social Responsibility

ENVIRONMENT

The Directors consider that the nature of the Group's activities is not inherently detrimental to the environment. The Group is committed to identifying and minimizing any effect on the environment caused by its operations. As a minimum standard, we will fully comply with all relevant legislation and, wherever possible, look for opportunities to make a positive contribution to the environments in which we operate.

EMPLOYEES

The Group places great value on the involvement of its employees and they are regularly briefed on the Group's activities. The Group closely monitors staff attrition rates which it seeks to keep at low levels and aims to structure staff compensation levels at competitive rates in order to attract and retain high calibre personnel.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the specific aptitudes of the applicant involved. It is the policy of the Group that the training, career development and promotion of disabled persons, as far as possible, be identical to that of other employees.

SOCIAL, COMMUNITY AND HUMAN RIGHTS

The Board recognizes that the Group has a duty to be a good corporate citizen and to respect and comply with laws, regulations, and where appropriate the customs and culture of the territories in which it operates. The Group encourages employees to take part in charitable activities which are related to our business areas or customers. It contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices.

GENDER DIVERSITY INFORMATION

	Male	Female
Directors of the Company	5	1
Employees in other senior executive positions	2	1
Senior managers other than directors and senior executives of the company	6	6
Other employees of the group	13	14

Board of Directors

Julian Baines MBE

Executive Chairman (Aged 60)

Julian rejoined the executive team at EKF Diagnostics Holdings plc ("EKF") as Executive Chairman on a short term basis as announced in early February 2023. Julian is also currently Non-Executive Chairman of Verici Dx plc. Julian has significant experience in the life science industry.

He has over 20 years' experience as CEO of EKF and BBI Holdings plc. Before joining EKF, he undertook a management buyout at BBI in 2000, a flotation on AIM in 2004 and was responsible for selling the business to Alere Inc. (now part of Abbott Laboratories) in 2008 for c. £85 million. Whilst CEO at EKF he successfully completed a number of fund raisings, acquisitions and subsequent integration of businesses in seven countries. He oversaw the spin out of businesses from EKF including Renalytix plc which listed on Nasdaq in 2020. In 2016 he was awarded an MBE (Member of the British Empire) for services to the life sciences industry. Julian has previously held the position of Non-Executive Chairman of Renalytix Plc between 2018 and 2020.

James McCullough

Chief Executive Officer and Director (Aged 56)

James McCullough has served as Renalytix's co-founder and Chief Executive Officer since its inception. James has leadership experience building emerging technology companies in both the public and private sectors with specific expertise in the life-sciences industry. James was most recently Chief Executive Officer of Exosome Diagnostics, a venture-backed personalized medicine company developing non-invasive liquid biopsy diagnostics in cancer, which was recently acquired by Bio-Techne Corporation. James is also a managing partner of Renwick Capital, LLC, a management consulting firm specializing in assisting emerging healthcare technology companies with strategic planning and business execution, and was a co-founder of PAIGE.AI, a computational pathology spin-out from the Memorial Sloan Kettering Cancer Center. James received his B.A. from Boston University and an M.B.A. from Columbia Business School. James is currently Chairman of BalletNext, a performing arts company in park city Utah.

Christopher Mills

Non-Executive Director (Aged 72)

Christopher Mills has served as a member of the Renalytix Board since its inception. Christopher founded Harwood Capital Management in 2011, a successor to its former parent company, J.O. Hambro Capital Management, which he co-founded in 1993. He is Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust plc and Chief Investment Officer of Harwood Capital LLP. He is a Non-executive Director of a number of companies, including EKF Diagnostics.

Fergus Fleming

Chief Technical Officer and Director (Aged 57)

Fergus Fleming has served as Renalytix's Chief Technical Officer since its inception. Fergus has over 25 years' experience in the life sciences sector, including leadership positions with Baxter Healthcare, Boston Scientific, Trinity Biotech plc, and EKF Diagnostics. Fergus has extensive experience in the design and manufacture of interventional medical devices, digital health solutions, in vitro diagnostics instruments and reagents, and electromechanical devices. He has extensive experience managing global projects, including clinical research collaborations, product development, acquisitions, and manufacturing site transfers.

Erik Lium Ph.D.

Non-Executive Director (Aged 56)

Erik Lium, Ph.D., has served as a member of the Renalytix Board since November 2018. Dr. Lium is the executive vice president of Mount Sinai Innovation Partners and is responsible for advancing Mount Sinai's research, instruction, and public service missions through strategic research partnerships with industry, the management, transfer and commercialisation of technologies, and fostering the development of start- ups and joint ventures to advance promising early-stage technologies. Dr. Lium also serves as a director of Amathus Therapeutics and as a member of the Investment Review Committee for the Accelerate NY Seed Fund.

Prior to joining Mount Sinai, Dr. Lium served as the assistant vice chancellor of Innovation, Technology & Alliances at the University of California, San Francisco (UCSF), and the UCSF Principal Investigator for the Bay area National Science Foundation I-Corps node. He held previous positions at UCSF, including assistant vice chancellor of Research and director of Industry Contracts, and director of Business Development for the Diabetes Center & Immune Tolerance Network. Dr. Lium served as president of LabVelocity Inc., an Information Services Company focused on accelerating research and development in the life sciences prior to its acquisition in 2004. He pursued post-doctoral research at UCSF, and earned a PhD with honours from the Integrated Program in Cellular, Molecular and Biophysical Studies at Columbia University. Dr. Lium holds a BS in Biology from Gonzaga University.

Catherine Coste

Non-Executive Director (Aged 58)

Catherine Coste has served as a member of Renalytix Board since June 2023. Ms. Coste retired from Deloitte and Touche LLP ("Deloitte") in 2020, where she was a Senior Partner, and served as one of Deloitte's Life Sciences industry executive leaders. She spent 32 years in both corporate and professional services positions leading global finance, internal audit, and operations teams. During her career at Deloitte, Ms. Coste was directly involved with over 30 life science corporations, the majority of which were large-cap and medium-cap public corporations. She also serves as a Director at both Minerva Surgical, Inc., where she is Chair of the Audit Committee and a Member of the Compensation Committee, and Biomerica, Inc., where she is Chair of the Audit Committee, and serves on both the Compensation Committee and the Nominating and Corporate Governance Committee. Ms. Coste's experience includes, Sarbanes-Oxley compliance, corporate risk analysis and management, cyber risk assessment, fraud prevention, IT systems analysis and upgrades, internal controls, and corporate governance. She is a Certified Public Accountant, who earned her B.A. in business administration, accounting, from California State University, Hayward.

Directors' Report

The Directors present their annual report on the affairs of the Group and Parent Company, together with the consolidated financial statements and auditor's report for the year ended 30 June 2024. The Corporate Governance Statement set out on pages 26 to 29 forms part of this report.

CORPORATE DETAILS

Renalytix plc is a public limited company incorporated under the laws of England & Wales (Registration Number 11257655). The address of the registered office is 2 Leman Street, London, United Kingdom, E1W 9US.

DIRECTORS

The Directors, who served in office during the year and as at the date of signing these financial statements were as follows:

- Julian Baines (appointed 31 October 2024)
- James McCullough
- Fergus Fleming
- Christopher Mills
- Erik Lium
- Catherine Coste
- Daniel Levangie (resigned 31 October 2024)
- Chirag Parikh (resigned 5 December 2023)
- Timothy Scannell (resigned 18 October 2023)

Details of the Directors' membership of committees is shown on page 28. The Company Secretary is Salim Hamir.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the development of artificial intelligence-enabled clinical diagnostic solutions for kidney disease.

GOING CONCERN

The Group and Company fund their day-to-day working capital needs through existing cash reserves. The Directors have evaluated the use of the going concern basis in preparing these financial statements.

The Group has historically experienced recurring losses and negative cash flows. Despite this, significant strides have been made in the commercialisation of kidneyintelX.dkd, and business objectives have been realigned for sharper focus. For the year ended 30 June 2024, the Group recorded a loss of $45.5 million, with cash reserves of $4.7 million at year-end. Substantial steps have been taken to refine the Company's commercial strategy to achieve consistent, scalable results in the coming periods. Key actions taken include:

- **Cost reductions**: During the year, the Company significantly reduced its cost base, halving employee numbers from over 80 to around 40 post-year-end, and cutting legal, professional, R&D expenses and other expenses which are not necessary at this stage of the business. In Q1 2025 (quarter ending September 2024), operating expenses were 4.2 million, down over 50% from $8.8 million in Q1 2024 (quarter ending September 2023). The Group projects operating expenses for FY 2025 to be significantly lower than FY 2024's total of $30.7 million.

- **Fundraising**: A post-year-end fundraising in November 2024 raised approximately $14.9 million after expenses and substantially restructured the outstanding liabilities on the Statement of the Financial Position. Approximately $3.9 million in convertible notes was converted to equity along with a $750K liability converted to a mix of equity and five year long non-amortizing loan. Additionally, the remaining balance of the convertible note was converted to an interest-only non-amortizing loan due July 2029 with interest fixed at 5.5% p.a. if paid in cash or 7.5% p.a. if rolled into the balance of the loan.

- **Commercial Growth**: Recent initiatives to expand kidneyintelX.dkd include the rollout of commercial testing with a new large New York-based physician group practice, with test ordering and processing having commenced in September 2024. Additionally, a significant expansion in patient blood draw options, a simplified test order requisition form to reduce doctor workload, and improvements in customer service and test services billing all offer an improved end-to-end user experience which the Company believes will support continued test volume growth.

Despite these measures, historical losses and ongoing cash needs pose a challenge to the Group's going concern status. The Directors recognize that continued operation may require additional capital to fund operations, support commercial growth, and develop new products. Although there are no immediate plans for further funding via equity or debt, the Group aims to build investor confidence through effective use of the current fundraising and strategic initiatives over the next 12 months.

The Company has incurred recurring losses and negative cash flows from operations since inception and had an accumulated deficit in retained earnings of $145.5 million as of 30 June 2024. The Company anticipates incurring additional losses until such time, if ever, that it can generate significant sales of kidneyintelX.dkd or KidneyIntelX technology services income.

The Company's ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next 24 months to improve the Company's liquidity and profitability, which includes, without limitation:

- The achievement of certain testing volumes in the lab;
- Continued expansion of reimbursement policies and contracts with commercial payers; and
- Continued management of operating and commercial expenses.

As a result of the Company's losses and its projected cash needs, along with the limited recent history of test order volume increases, as defined in the accounting literature, substantial doubt exists about the Company's ability to continue as a going concern. While subsequent to 30 September 2024, the Company has successfully raised approximately $14.9 million in new equity capital and restructured the existing long-term debt recorded on the Statement of the Financial Position, the Company does have a history of operating losses and it has been expensive to deliver all of the milestones to commercialize the kidneyintelX.dkd test. Should the company require additional capital it may not be available 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 future financing may adversely affect the holdings or the rights of the Company's shareholders. Should it be necessary, if the Company is unable to obtain funding it 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 prospects. As such, management has concluded that there is a going concern uncertainty. The consolidated financial statements do not include any adjustments that may result from the outcome of this going concern uncertainty.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The majority of the Group's employees are considered remote and primarily work from home offices therefore the Group has determined that it is not practical to calculate the annual quantity of greenhouse gas emissions resulting from activities for which the company is responsible in tonnes of carbon dioxide equivalent, the annual quantity of energy consumed from activities for which the company is responsible in kWh or what proportion of that figure relates to energy consumed in the UK and offshore area.

FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT ACTIVITIES

Future developments and research and development activities are discussed in the Strategic Report on pages 3 to 19.

RESULTS AND DIVIDENDS

The Group recorded a loss for the year of $45.5 million (FY23: loss of $46.2 million). When it is commercially prudent to do so and subject to the availability of distributable reserves, the Board may approve the payment of dividends. However, at present, the Directors consider that it is more prudent to retain cash to fund the development of the Group and, as a result, feel it is inappropriate to give an indication of the likely level or timing of any future dividend payment. The Directors do not recommend payment of a dividend in respect of FY24 (FY23: nil).

FINANCIAL RISK MANAGEMENT

Financial risk management is discussed in Note 4 of the financial statements.

SUBSIDIARIES OUTSIDE OF THE UK

The Group has two subsidiaries overseas, Renalytix AI Inc. (United States) and Renalytix AI Limited (Ireland).

EMPLOYEE POLICIES

Employee policies are discussed in the Strategic Report on page 19.

POLITICAL CONTRIBUTIONS AND CHARITABLE CONTRIBUTIONS

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year ended 30 June 2024 (FY23: nil).

DIRECTORS' INTERESTS

The interests in the share capital of the Company of those Directors serving at 30 June 2024 and as at the date of signing of these financial statements, all of which are beneficial, were as follows:

	On 30 June 2024 Ordinary Shares of 0.25p each	On 30 June 2023 Ordinary Shares of 0.25p each
Christopher Mills	14,109,9460	10,072,500
James McCullough	2,746,386	2,746,386
Erik Lium	—	—
Fergus Fleming	569,481	569,481
Daniel Levangie	—	—
Catherine Coste	—	—

Christopher Mills' shareholding includes shares held through North Atlantic Smaller Companies Investment Trust plc and Oryx International Growth Fund Limited. Christopher Mills is a partner and Chief Investment Officer of Harwood Capital LLP. Harwood Capital LLP is investment manager to North Atlantic Smaller Companies Investment Trust plc and investment adviser to Oryx International Growth Fund Limited.

SUBSTANTIAL SHAREHOLDINGS

As at 20 November 2024, the following interests in 3% or more of the issued Ordinary Share capital had been notified to the Company:

Shareholder	Number of Shares	Percentage of Issued Share Capital
Icahn School of Medicine at Mount Sinai	37,550,977	11.3%
CVI Investments, Inc	33,000,000	10.0%
Ruffer LLP	28,500,000	8.6%
Polar Capital	27,520,016	8.3%
Jefferson River Capital LLC	19,644,777	5.9%
Unicorn Asset Management Limited	18,955,777	5.7%
Pentwater Capital Management LP	17,946,298	5.4%
Christopher Mills	14,609,946	4.4%

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK-adopted international accounting standards and the parts of the Companies Act 2006 that applies to companies applying UK-adopted international

accounting standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group and Company financial statements, state whether applicable UK-adopted international accounting standards and the parts of the Companies Act 2006 that applies to companies applying UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors consider the Annual Report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' INDEMNITIES

The Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities to which they may become liable in their capacity as Director of the Company and of any Company in the Group. Those indemnities are qualifying third party indemnity provisions for the purposes of section 234 of the Companies Act 2006 and have been in force during the whole of the financial period and up to the date of approval of the financial statements.

INDEPENDENT AUDITORS

PKF Littlejohn LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE

The Company's statement of corporate governance can be found in the Corporate Governance Statement on pages 26 to 29 of these financial statements. The Corporate Governance Statement forms part of this Report of the Directors and is incorporated into it by cross-reference.

ANNUAL GENERAL MEETING

The resolutions to be proposed at the forthcoming Annual General Meeting are set out in a separate notice sent to the shareholders.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and it is unanimously recommended that shareholders support these proposals as the Board intends to do in respect of their own holdings.

This report was approved by the Board on 20 November 2024 and signed on behalf of the Board by:

Salim Hamir

Company Secretary

Corporate Governance Statement

COMPLIANCE

The Company recognizes the value of good corporate governance in every part of its business. The Board has adopted the corporate governance principles of the 2018 Quoted Companies Governance Code (the "QCA Code") and the Company has continued to comply with the QCA Code throughout the reporting period. The Board believes that this corporate governance framework is appropriate for the Company, having regard to its size and nature. Details of the QCA Code can be obtained from the Quoted Companies Alliance's website (www.theqca.com).

Details of how the Group seeks to address the principles underlying the QCA Code and how it leverages its principles to support the long-term success of the Group can be found on the Company's website.

BOARD COMPOSITION AND RESPONSIBILITY

The Board currently comprises three Executive Directors and three Non-Executive Directors.

It is the Board's opinion that Catherine Coste is independent and has been independent in character and judgement and that there were no relationships or circumstances which could materially affect or interfere with the exercise of her independent judgement during the course of FY24.

All Directors are subject to election by Shareholders at the first Annual General Meeting after their appointment, and are subject to re-election at least every three years. Non-Executive Directors are appointed for a specific term of office which provides for their removal in certain circumstances, including under section 168 of the Companies Act 2006. The Board does not automatically re-nominate Non-Executive Directors for election by Shareholders. The terms of appointment of the Non- Executive Directors can be obtained by request to the Company Secretary.

The Board's primary objective is to generate value for the Group by identifying and assessing business opportunities and ensuring that potential risks are identified, monitored and controlled. Matters reserved for Board decisions include strategic long-term objectives and the capital structure of major transactions. The implementation of Board decisions and day to day operations of the Group are delegated to senior management.

There is a division of responsibilities between the Executive Chairman, who is responsible for the overall strategy of the Group and running the Board, and the Chief Executive Officer, who is responsible for implementing the strategy and day to day running of the Group. He is assisted by the Chief Technology Officer, who is a Board member, and Interim Chief Financial Officer who is not a Board member.

BOARD MEETINGS

Twenty full Board meetings were held during the year and the attendance record during their year of office is as follows:

Christopher Mills (Non-Executive Chairman up to 30 June 2024)	17/20
James McCullough (Chief Executive Officer)	20/20
Erik Lium (Non-Executive Director)	17/20
Catherine Coste (Non-Executive Director)	19/20
Dan Levangie (Non-Executive Director)	18/20
Fergus Fleming (Chief Technology Officer)	20/20
Chirag Parikh (Non-Executive Director)	1/1
Timothy Scannell (Non-Executive Director)	1/1

During the year, the Board conducted an evaluation of the performance of the Board and that of the Chairman, as well as the effectiveness of the Board Committees. The Board intends to develop further its evaluation of the performance of the Board and Committees on an annual basis. The evaluation will include Board composition, experience, dynamics and the Board's role and responsibilities for strategy, risk review and succession planning. The evaluations will involve a detailed questionnaire and individual discussions between the Non-Executive Chairman and the Directors.

AUDIT COMMITTEE

The Audit Committee during the year comprised of Catherine Coste, who acts as chair, Dan Levangie and Erik Lium. Dan Levangie has resigned from the Board. The Audit Committee, among other things, determines and examines matters relating to the financial affairs of the Company including the terms of the engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It receives and reviews the reports from management and the Company's auditors relating to the half yearly and annual forward statements and the accounting and the internal control systems in use throughout the Company.

The committee has met formally three times during the year ended 30 June 2024. There have been no significant matters communicated to the Committee by the auditors and no interaction with the Financial Reporting Council.

REMUNERATION COMMITTEE

The Remuneration Committee during the year comprised of Daniel Levangie, who acted as chair, and Catherine Coste. Dan Levangie has now resigned from the Board on 31 October 2024. The Remuneration Committee reviews and makes recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee also make recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Committee has met twice during the year ended 30 June 2024.

NOMINATION COMMITTEE

The Nomination Committee is comprised of Christopher Mills, who acts as chair, and Erik Lium. The Nomination Committee reviews and recommends nominees as new Directors to the Board.

INTERNAL CONTROL

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded. There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business, has put in place strict authorization, approval and control levels within which senior management operates. These controls reflect the Group's organizational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organization. The Board operates procedures which include an appropriate control environment through the definition of the above organization structure and authority levels and the identification of the major business risks.

INTERNAL FINANCIAL REPORTING

The Directors are responsible for establishing and maintaining the Group's system of internal reporting and as such have put in place a framework of controls to ensure that on-going financial performance is measured in a timely and correct manner and that risks are identified as early as is practicably possible. There is a comprehensive budgeting system and monthly management accounts are prepared which compare actual results against both the budget and the previous year. They are reviewed and approved by the Board and revised forecasts are prepared on a regular basis.

RELATIONS WITH SHAREHOLDERS

The Company reports to Shareholders twice a year. The Company dispatches the notice of its Annual General Meeting, together with a description of the items of special business, at least 21 clear days before the meeting. Each substantially separate issue is the subject of a separate resolution and all Shareholders have the opportunity to put questions to the Board at the Annual General Meeting.

The Chair(s) of the Audit and Remuneration Committees normally attend the Annual General Meeting and will answer questions which may be relevant to their work. The Chairman advises the meeting of the details of proxy votes cast on each of the individual resolutions after they have been voted on in the meeting. The Chairman and the Non- Executive Directors intend to maintain a good and continuing understanding of the objectives and views of the Shareholders.

DIVERSITY POLICY

The Company has not adopted a formal diversity policy however the employee handbook includes a policy against harassment, discrimination and retaliation of any kind.

Shareholders May Contact the Company as Follows:

Tel: +44 (0)20 7933 8790 (from USA: +1-646-217-4999) Email: investors@renalytix.com

CORPORATE SOCIAL RESPONSIBILITY

The Board recognizes that the Group has a duty to be a good corporate citizen and is conscious that its business processes minimize harm to the environment, that it contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices. The Group is subject to the requirements of the Modern Slavery Act 2015 and published the required statement on its website. The directors consider that the nature of the Group's activities is not inherently detrimental to the environment. The Group is committed to minimizing any effect on the environment caused by its operations.

The Corporate Governance Statement was approved by the Board on 20 November and signed on its behalf by:

Salim Hamir

Company Secretary

Director's Remuneration Report and Policy

RENALYTIX PLC
REMUNERATION COMMITTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Dear shareholder,

I am pleased to present, on behalf of the board of directors (the "Board") of Renalytix PLC (the "Company" or "Renalytix"), the Directors' remuneration report for the year ended 30 June 2024 (the "Directors' Remuneration Report").

The Company's Annual Report and Accounts, along with the Directors' Remuneration Report, will be subject to an advisory vote at the forthcoming Annual General Meeting (the "AGM"). There are no other matters that the Company requires approval for under Chapter 4A of Part 10 of the Companies Act 2006. The Directors' Remuneration Policy (the "Remuneration Policy") was approved by the shareholders at the Company's AGM on 17 December 2021. We have included a copy of our current Remuneration Policy, which will remain in effect for the 2025 financial year.

Introduction

During the period covered by this Directors' Remuneration Report, we maintained the remuneration programs and policies that the Committee established during the financial year 2024 and implemented strategic compensation initiatives designed to incentivise and retain key employees in the Company.

As we move into financial year 2025 and beyond, the Committee's role will be to ensure that Directors and senior executives at Renalytix are appropriately compensated and incentivised to deliver growth to shareholders in a long-term and sustainable manner. The Committee seeks to accomplish this by establishing remuneration programs that are grounded in market practice, are effective at driving proper management behaviors, clearly link pay and performance and are cost efficient overall.

Corporate Governance Standards

As a public company, we are subject to corporate governance standards and regulations applicable in the United States and the United Kingdom.

The Global Marketplace for Talent

Renalytix is a biopharmaceutical company with operations in Europe and the United States. The Company plans to expand its operations in both geographic regions in line with the growth of its clinical and manufacturing activities and its plans to commercialize its products in these geographies. Given that the market for experienced directors and biopharmaceutical executive management talent, particularly in the United States, is very competitive, the Committee references the US market as the leading indicator for remuneration levels and practices. This will help attract and retain directors and motivate the superior executive management talent needed to successfully manage the Company's complex global operations. Being consistent in this market view of the United States as the primary benchmark for remuneration practices for directors and executive directors (CEO and CTO) is key for the Company as it builds its global operations in a manner designed to deliver sustainable long-term growth and shareholder value.

Committee decisions have been taken in light of the extensive benchmarking for director and executive director compensation conducted in 2023, which included a review of compensation practices of comparable companies to Renalytix in the US and Europe. In taking any actions, the Committee is mindful of the general UK compensation framework, including investor bodies' guidance, and the UK Corporate Governance Code, and has incorporated these into its remuneration programs, policies and decisions where it believes they best serve the long-term interests of shareholders.

Remuneration Program Highlights

While I recommend that you carefully read the disclosure on our programs and policies that follows this letter to help with the understanding of our approach to director compensation, I want to highlight the following aspects of our program below:

- **Pay for Performance -** We believe that a significant portion of remuneration of our directors and our executive directors (CEO & CTO) should be based on achieving objectives designed to create inherent value in the Company, and ultimately on achieving value creation for our shareholders. In line with this belief, the compensation of our CEO includes a significant performance-based cash bonus opportunity and a large equity incentive component. Further, our directors receive equity incentives designed to reward long-term value creation for our shareholders.

- **Shareholding requirements for Executive Directors** - We believe having these requirements encourages executive directors to build meaningful shareholding positions and furthers alignment of their interests with those of shareholders.

- **2024 Remuneration Outcome** - As outlined above, a core principle in Renalytix's remuneration program is the linkage between pay and performance. In financial year 2024, the annual bonuses of James McCullough our CEO and Fergus Fleming our CTO, our executive directors were based on a combination of corporate and personal objectives. The Committee determined that while Management made progress in key areas in financial year 2024 growing the business, the Company did not achieve 100% of its annual corporate objectives, and therefore no bonuses for the company executives will be paid. This outcome was based on achievements versus goals in the following key areas: technology/innovation, healthcare/commercial partnerships, insurance reimbursement, regulatory compliance, governance, inclusion, operations and underachievement of the revenue target.

- **Major Decisions and Substantial Changes regarding Directors' Remuneration** - During financial year 2024, there were no major decisions or substantial changes on our directors' remuneration scheme except for reduction in the compensation agreed with the executives from the restructuring and dedication towards the goal of achieving breakeven within two years.

Conclusion

On behalf of the Committee, I hope you will agree that our judgements set out in this report are a sensible approach to reward and motivate our directors and our CEO to deliver sustainable growth and shareholder value over the long term and do so in a responsible and cost efficient manner.

I hope that you find the information in this report helpful and responsive to shareholders' and other stakeholders' expectations, and look forward to the AGM, where we hope to have your support.

Catherine Coste

Member of the Remuneration Committee

20 November 2024

DIRECTORS' REMUNERATION POLICY

This part of the Directors' remuneration report sets out the Directors' remuneration policy for the Company's directors and executive directors and has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The remuneration policy was approved by shareholders in a binding vote at our AGM on 17 December 2021 and took effect from the date of approval.

The policy applies for a maximum period of three years (or until a revised policy is approved by shareholders) and will therefore next need to be approved in a binding vote at the AGM in 2024.

The scenario charts have been updated to reflect the intended application of the policy for the financial year 2024 and references to prior financial years have been updated where appropriate to aid understanding. A copy of the as approved policy (including the scenario charts set out in that Policy) is in the Annual Report and Financial Statements for the financial year 2021 which is available at: https://investors.renalytixai.com/financials-and-filings/annual-and-half-year-reports. The policy is unchanged this year, and as such is not subject to a shareholder vote.

Renalytix's remuneration policy has been designed to:

- align to the Company's strategy and business model;
- attract, retain and motivate high calibre individuals who have the potential to support the growth of the Company;
- be competitive against appropriate market benchmarks, focusing particularly on the US bio-technology sector; and
- take account of good governance and promote the long-term success of the Company.

EXECUTIVE DIRECTOR REMUNERATION POLICY TABLE

The table below sets out, for each element of pay, a summary of how remuneration of executive directors is structured and how it supports the Company's strategy.

Executive Directors			
Purpose and Link to Strategy	**Operation**	**Maximum Opportunity**	**Performance Metrics**
BASE SALARY			
To attract, retain and motivate executive directors of the highest calibre who are capable of delivering the Company's strategic objectives, reflecting the individual's experience and role within the Company. Base salary is designed to provide an appropriate level of fixed income to avoid an over-reliance on variable pay elements that could encourage excessive risk taking.	Salaries are normally reviewed annually, and changes are generally effective from 1 October. The annual salary review of the Executive Directors takes into consideration a number of factors, including: • scope of the individual's responsibilities; • abilities, experience and performance of the individual; • business performance; • salary increases awarded to the overall employee population; • market competitiveness and US and UK market practice; and • the underlying rate of inflation.	Executive Director level salaries are determined considering industry benchmarking data. There is no prescribed maximum annual salary or salary increase. Base salary increases are awarded at the discretion of the Committee; however, the Committee is guided by the general increase for the broader employee population but may decide to award a lower increase for Executive Directors or exceed this to recognize, for example, an increase in the scale, scope or responsibility of the role and/or take account relevant market movements. Executive Director level salary increases are approved by the Board in line with corporate performance and are consistent with positions held.	No formal metrics, although any increases take account of Company performance and the individual performance of the Executive Director.
BENEFITS			
Benefits in kind offered to Executive Directors are provided on a market-competitive basis, to assist with their recruitment and retention.	The Company aims to offer benefits that are in line with the Executive Directors' local market and those offered to the wider workforce.	There is no defined maximum value for benefits, but the Committee will consider the aggregate value of any such benefits when determining what should be offered.	Not performance related.

Executive Directors			
Purpose and Link to Strategy	**Operation**	**Maximum Opportunity**	**Performance Metrics**
PENSION			
The Company aims to provide a contribution towards life in retirement.	Depending on their location and comparable benefits offered to local employees, Executive Directors may be eligible to receive employer contributions to a defined contribution pension scheme or a cash supplement in lieu of such contributions, or a mixture of both.	The maximum employer pension contribution or cash in lieu amount will be a percentage of annual base salary aligned with that provided to other senior executives in the Executive Director's location.	Not performance related.
ANNUAL BONUS			
An annual bonus rewards the achievement of objectives that support the Company's corporate goals and delivery of the business strategy.	Bonuses are determined based on objectives that are agreed with the Committee, and the Board, at the start of each financial year although the Committee retains the discretion to amend objectives during the year if it considers that objectives are no longer appropriate. Different performance measures and weightings may be used each year, as agreed with the Committee, to take into account changes in the business strategy. Bonuses are normally paid in cash (but may be paid in the form of an equity award, at the discretion of the Committee).	Executive Director level bonuses are approved by the Board in line with corporate performance and are consistent with positions held.	Performance measures are determined by the Committee each year and may vary to ensure that they promote the Company's business strategy and shareholder value. The annual bonus will be based on corporate measures, including, but not limited to, financial and/or strategic measures. Bonus measures are reviewed at least annually and the Committee has the discretion to change the measures or to introduce new measures when it deems appropriate.
EQUITY INCENTIVE PLAN ('EIP')			
To attract, motivate, retain and reward for long-term, sustainable performance linked to corporate strategy and provide alignment with shareholders' interests.	Equity awards granted to Executive Directors may take the form of options, restricted shares, performance share units, restricted share units, or other forms of awards granted in accordance with the discretionary EIP that may be in place from time to time. The Executive Directors received a grant under the EIP's predecessor plan upon listing on AIM and it is intended that top- up awards shall be issued under the EIP from time to time in the discretion of the Committee.	There is no maximum opportunity for equity incentives. However, the Committee will generally assess the position at similar sized comparative companies prior to making any award to ensure that any awards are aligned to the market.	Vesting of equity awards is generally subject to continued employment and may also be subject to the achievement of performance conditions aligned with the Company's strategic plan. Measures, their weightings and the period over which performance is tested will be determined by the Committee. The Committee will select the most appropriate form of EIP for awards each year and/or each individual grant. Vesting of equity awards may be accelerated in part or in full in connection with certain corporate events such as a change of control.
ALL EMPLOYEE EQUITY PLANS			
Encourages employee share ownership and therefore increases alignment of interests with shareholders.	The Company may, from time to time, operate tax-advantaged share plans for which Executive Directors would be eligible on the same basis as all other eligible employees.	Within the limits of the relevant legislation.	Not performance related.

Notes to the Executive Director Remuneration Policy Table

Legacy Arrangements

For the duration of this Remuneration Policy, the Company will honour any commitments made in respect of current or former Directors before the date on which either: (i) the Remuneration Policy becomes effective; or (ii) an individual becomes a Director, even where not consistent with the Remuneration Policy set out in this report or prevailing at the time such commitment is fulfilled. For the avoidance of doubt, all outstanding historic awards that were granted in connection with, or prior to, our IPO on NASDAQ remain eligible to vest based on their original or modified terms.

Clawback Provisions

The Company has adopted a Nasdaq-compliant Incentive Compensation Recoupment Policy.

Shareholding Requirements

Executive directors are not currently required to build and retain a shareholding, but the Committee will keep this under review.

NON-EXECUTIVE DIRECTOR REMUNERATION POLICY TABLE

The table below sets out, for each element of pay, a summary of how remuneration of non-executive directors is structured and how it supports the Company's strategy.

Chair and Non-Executive Directors			
Purpose and Link to Strategy	**Operation**	**Maximum Opportunity**	**Performance Metrics**
CASH FEES AND BENEFITS			
Set at a level that is sufficient to attract and retain high calibre non- executives who contribute to the business.	The Chair and the Non-Executive Directors receive fees paid in cash. Fees are paid and reviewed annually. Non-Executive Directors ordinarily do not participate in any pension, bonus or performance-based share incentive plans. Travel, accommodation and other business-related expenses incurred in carrying out the role as well as fees for tax advice associated with completion of international tax returns will be paid by the Company including, if relevant, any gross- up for tax and/or social security contributions. Tax equalization and/or relocation benefits may be provided to Non-Executive Directors who are required to relocate or become tax resident in a new jurisdiction.	When reviewing fee levels and benefits, account is taken of market movements in the fees and benefits of Non-Executive Directors, Board Committee responsibilities and ongoing time commitments. Actual fee levels are disclosed in the annual Directors' Remuneration Report for the relevant financial year.	Not performance related.

Chair and Non-Executive Directors			
Purpose and Link to Strategy	**Operation**	**Maximum Opportunity**	**Performance Metrics**
EQUITY-BASED AWARDS			
To facilitate share ownership and provide alignment with shareholders.	Non-Executive Directors may receive equity awards under any equity incentive plan operated by the Company from time to time which permits their participation with careful consideration being given to ensuring their independence. Non-Executive Directors may receive an initial equity award upon appointment or election. Initial equity awards will normally vest over a specified period of time, subject generally to continued service. Vesting of equity awards may be accelerated in part or in full in connection with certain corporate events such as a change of control. In addition, Non-Executive Directors may be granted an equity award each year which may vest in full upon grant or over time subject to continued service. If a new Non-Executive Director joins the Board following the date of grant of this annual grant in any calendar year, such Non-Executive Director may be granted a pro rata portion of the next annual grant to reflect his or her service during the relevant part of the relevant year.	There is no maximum number of equity incentive awards that may be awarded to individuals each year. However, when reviewing award levels, account is taken of market movements in equity incentive awards, Board committee responsibilities, ongoing time commitments and the general economic environment.	Non-executive directors do not participate in performance-based equity incentives.

REMUNERATION FOR NEW APPOINTMENTS

Where it is necessary to appoint or replace an Executive Director, the Committee has determined that the new Executive Director will receive a compensation package in accordance with the provisions of the approved remuneration policy in force at the time of appointment but focusing on the objective of appointing the most appropriate person in the right geography.

In setting base salaries for new Executive Directors, the Committee will consider the existing salary package of the new Director, the individual's skills, level of experience and the market rate for the role.

In setting the annual performance bonus, the Committee may wish to set different performance metrics (to those of other Executive Directors) in the first year of appointment. Where it is appropriate to offer a below-median salary on initial appointment, the Committee will have the discretion to allow phased salary increases over a period of time for a newly appointed Director as the Executive gains experience in their new role, even though this may involve increases in excess of inflation and the increases awarded to the wider workforce.

Benefits and pensions will be in line with those offered to other executive directors, taking account of local market practice with relocation expenses provided at the discretion of the Committee if necessary. Tax equalization may also be considered if an executive is adversely affected by taxation due to their employment with the Group. Legal fees and other costs incurred by the individual may also be met by the Company.

The ongoing incentive opportunity offered to new recruits will be in line with that offered to existing Directors. Different measures and targets under the bonus plan or the Company's equity incentive arrangements may be set initially taking account of the responsibilities of the individual and the point in the financial year at which they join. A new employee may be granted normal annual equity awards in the first year of employment in addition to any awards made with respect to prior employment being forfeited, which shall be excluded from any annual maximum on the size of awards.

To enable the recruitment of exceptional talent, the Committee may determine that the buy-out of remuneration forfeit from a prior employer is necessary. Where possible, any replacement remuneration will be offered on a like-for-like basis with the forfeited awards and may be in the form of cash or shares and depending whether the award forgone has similar performance conditions, may or may not be subject to performance conditions. The value of any buy-out will be limited to the value of remuneration forfeit. Where appropriate, such awards will be granted under existing share plans, however, the Committee will have discretion to make standalone awards where appropriate.

In respect of internal appointments, any commitments entered into in respect of a prior role, including variable pay elements, may be allowed to pay out according to their prior term, adjusted as relevant to take into account the appointment.

The terms of appointment for a new Non-Executive Director would be in accordance with the remuneration policy for Non-Executive Directors in force at that time.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

James McCullough (Chief Executive Officer) is currently employed at-will pursuant to an employment agreement entered into with Renalytix AI, Inc, dated 2 November 2018 but effective on 1 November 2018. His employment may be terminated by either party at any time for any or no reason, with or without notice. Severance payments no more generous than those described in this policy will be payable to him on termination. Upon termination of his employment agreement, our Chief Executive Officer is required to resign from all other positions within the Company's group. Following termination of his employment, our Chief Executive Officer will be bound by certain post-termination covenants.

As is customary for US executives, our Chief Executive Officer's remuneration is subject to a "best-after-tax" cutback for excise tax calculations under section 280G of the US Internal Revenue Code of 1986, with no tax gross-up.

Fergus Fleming (Chief Technology Officer) is currently employed on an indefinite term pursuant to an employment agreement entered into with the Company dated 1 November 2018. His employment may be terminated by either party on 12 months written notice.

At its discretion, upon receipt of his written notice, or as an alternative to providing notice, terminate the employment with immediate effect and make a payment in lieu of notice, comprising base salary only, for the notice period (or remainder thereof, should notice have been given). In the event of a breach of service agreement or other summary termination of employment, no such payments will be made.

A copy of these contracts may be viewed at the Company's head office or may be requested from the Company Secretary at the annual general meeting.

NON-EXECUTIVE DIRECTORS' TERMS OF ENGAGEMENT

All Non-Executive Directors, including the Chair, have specific terms of engagement which may be terminated on not less than six months' notice by either party.

The remuneration of Non-Executive Directors is determined by the Board within the limits set by the Company's articles of association and based on a review of fees and equity-based remuneration paid to Non-Executive Directors of similar companies.

A Board evaluation has been performed and the results of this exercise confirmed that all Non-Executive Directors were independent.

TERMINATION AND LOSS OF OFFICE PAYMENTS

Depending on market practice in the jurisdiction in which an Executive Director is employed, exit payments shall depend on the circumstances of termination and may be made by reference to a notice period (including a payment in lieu of notice) or employment "at-will" together with a severance payment. Where a notice period applies, this will not exceed 12 months but may be accompanied by additional severance entitlements where applicable.

The Company's policy on remuneration for Executive Directors who leave the Company is set out below. The Committee will exercise its discretion when determining amounts that should be paid to leavers, taking into account the facts and circumstances of each case.

US-BASED EXECUTIVES

	Termination without cause or with Good Reason[1]	Termination for cause	Termination without cause or with Good Reason[1] in connection with change in control
Salary and benefits	Subject to the executive executing a release: a payment of up to 12 months' salary and benefits including COBRA or other applicable healthcare coverage payable in equal monthly instalments or as a lump sum, at the discretion of the Committee.	No payment.	Subject to the executive executing a release: a payment of up to 18 months' salary and benefits and benefits payable in equal monthly instalments or as a lump sum, at the discretion of the Committee.
Annual bonus	Any earned but unpaid bonus, a pro-rata portion of the bonus that would have been due for any part year worked, plus up to one year's target bonus, or a higher bonus at the discretion of the Committee, payable as a lump sum or on a monthly basis.	No payment.	Any earned but unpaid bonus, a pro-rata portion of the bonus that would have been due for any part year worked, plus up to 1.5 year's target bonus, or a higher bonus at the discretion of the Committee, payable as a lump sum or on a monthly basis.
Equity incentive awards	The Company may accelerate the vesting of the portion of equity held on the termination date that would have vested over the following one year period.	Unvested awards lapse in full.	Full vesting on termination.

1: Includes, among others, a material diminution in role, a material reduction in base salary or mandated relocation, as defined by contract.

NON-US BASED EXECUTIVES

When calculating termination payments for Non-US based Executives, the Committee will consider a variety of factors, including individual and Company performance, the length of service of the Executive Directors in question and, where appropriate, the obligation for the Executive Directors to mitigate loss. In the event of a change of control and ownership, the Committee may exercise its discretion to provide for additional remuneration and/or benefits for Executive Directors who leave the Company in connection with such change of control, and will take into account all relevant circumstances when making any such determination.

In the case of a 'good leaver' (to be determined at the discretion of the Committee) the following policy will normally apply, although the Committee retains the discretion to make payments which are no more generous than those applicable to a US based Executive Director (as described above), when viewed in the round with notice / payment in lieu of notice entitlements:

- notice period of twelve months or payment in lieu of notice;
- statutory redundancy payments will be made, as appropriate;
- Executive Directors have no entitlement to a bonus payment in the event that they cease to be employed by the Company, however, they may be considered for a pro-rated award by the Committee in good leaver circumstances; and
- any share-based entitlements granted to an Executive Director under the Company's share and individual share contracts or share option plans will be determined based upon the relevant individual share option contracts or plan rules, and performance conditions or hurdles and vesting may be accelerated in the discretion of the Committee.

ADDITIONAL PAYMENTS

The Committee will make payment of any statutory entitlements as necessary. In addition, the Committee will retain the discretion to make additional payments in settlement of, or to compromise, an actual or potential claim in connection with a termination of any Executive Director as necessary.

The Committee reserves the right to make reasonable legal, relocation and outplacement costs, if deemed necessary.

ILLUSTRATION OF APPLICATION OF THE POLICY

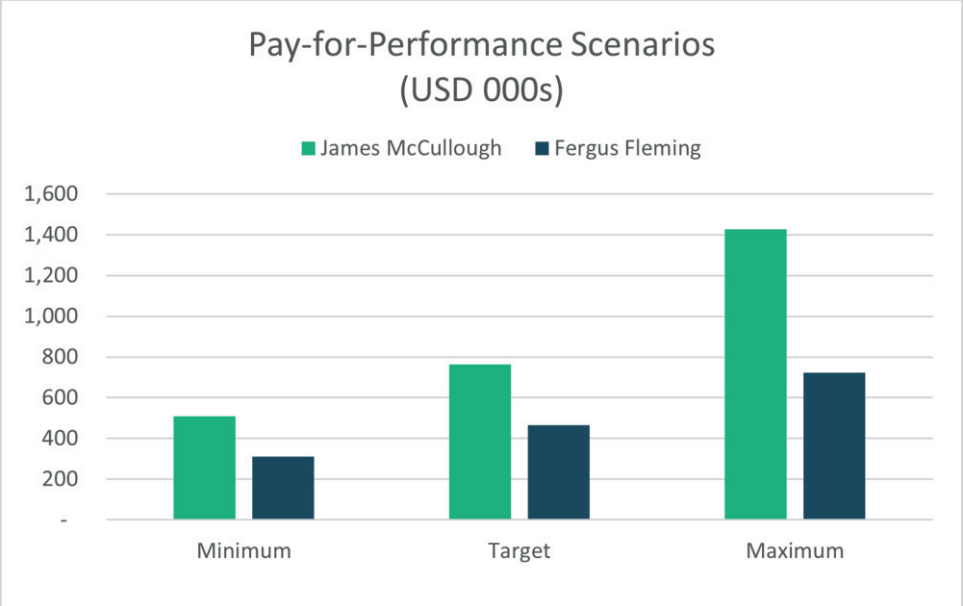
Pay-For-Performance Scenario Analysis

The charts below have been updated to reflect the intended application of the policy for the 2025 financial year. A copy of the shareholder approved policy (including the scenario charts for the 2024 financial year) is in the Annual Report for the year ended 30 June 2024, which is available on the Company's website. The charts below provide an estimate of the potential future reward opportunities for the Executive Directors, and the potential split between different elements of remuneration under different performance scenarios:

- Minimum - fixed pay only.
- Target (performance in line with expectations) - fixed pay, plus bonus and equity payouts at threshold level (50% of maximum).
- Maximum (performance meets or exceeds maximum) - fixed pay, plus the maximum bonus payout and full vesting of any equity awards, based on grant-date face value of awards to be granted in financial year 2025.

Fixed Pay Comprises:

- Salaries - salary effective at 1 July 2024.
- Benefits - an estimated value of all benefits receivable in the 2025 financial year.
- Pension - 6% of salary for the CEO and CTO.



Amounts are shown in thousands (USD).

Values do not include the impact of any share price appreciation over the vesting period. The reporting regulations require the disclosure of maximum total pay including the impact of a 50% increase in share price over the vesting period for equity awards subject to multi-year performance measures which is not applicable to any of our current equity awards. The equity award amounts shown above relate to share options vesting during the year using the Company's AIM closing price at the end of the quarter in which the award vested less associated exercise price.

Statement Of Consideration Of Employees' Pay and Remuneration Conditions Elsewhere In The Group

The Company does not formally consult with employees on the matters of Executive Director remuneration. However, the Committee is made aware of employment conditions in the wider Group. The same broad principles apply to the remuneration policy for both Executive Directors and the wider employee population. However, the remuneration for Executive Directors has a stronger emphasis on performance-related pay than for other employees. Salaries, benefits and pensions are compared to appropriate market rates in the jurisdiction in which the Executive Director is employed and is set at an appropriate level with allowance for role, responsibilities and experience.

Statement Of Consideration Of Shareholders' Views

The Committee will consider any Shareholder feedback received at the Annual General Meeting and at meetings throughout the year, when reviewing the overall remuneration policy each year. The guidance from relevant shareholder representative bodies is also considered on an ongoing basis.

More specifically the Committee will consult with major Shareholders when proposing any significant changes to the policy in the future.

ANNUAL REPORT ON REMUNERATION

This report constitutes a Directors' Remuneration Report in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018, and the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and section 420 of the Companies Act 2006. This report sets out the Group policy on Directors' remuneration, including emoluments, benefits and other share-based awards made to each Director.

This section of the remuneration report provides details of how our remuneration policy was implemented during the financial year ended 30 June 2024, and how it will be implemented during the year ending 30 June 2025.

This report splits certain information into that for Executive Directors and that for Non-Executive Directors.

REMUNERATION COMMITTEE (THE "COMMITTEE")

Governance

In its decision-making process, the Committee takes account of information from both internal and independent sources and Aon surveys. Aon was appointed as remuneration consultants by the Committee based on their expertise in the field via a competitive tender process. Aon advises the Committee on all aspects of senior executive remuneration. Aon has kept the Committee up to date on remuneration trends and corporate governance best practice. Aon does not have any other connection with the Company and is considered to be independent and objective by the Committee. During the year ended 30 June 2024, fees charged by Aon amounted to approximately USD 31,500 and this was charged on a time spent basis.

The members of the Committee during the year were Daniel J. Levangie (Chair) and Catherine Coste.

Remuneration Committee report

The Company's Chief of Staff provides updates to the Committee, as required, to ensure that the Committee is fully informed about pay and performance issues throughout the Company. The Committee takes these factors into account when determining the remuneration of the Executive Directors and senior executives.

No Executive Director or employee can participate in any discussion directly relating to their own personal conditions of service or remuneration.

No conflicts of interest have arisen during the year and none of the members of the Committee has any personal financial interest in the matters discussed, other than as option holders. The fees of the Non-Executive Directors are approved by the Board on the joint recommendation of the Committee and the Chief Executive Officer.

Discretions Retained By The Committee

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that require certain matters to be put to either shareholder or Board approval. These rules provide the Committee with certain discretions which serve to ensure that the implementation of the Remuneration Policy is fair, both to the individual director and to the shareholders. The Committee operates the Company's remuneration plans in accordance with their rules from time to time. To maintain an efficient administrative process, the Committee retains the following discretions to apply its judgement in setting remuneration:

- the eligibility to participate in the plans;
- the timing of grant of awards and any payments;
- the size of awards and payments (subject to any maximum limits set out in the policy table above and the respective plan rules);
- the determination of whether the performance conditions have been met;
- determining a good or bad leaver under the terms of the plan and the treatment of such leaver's cash and equity remuneration;
- dealing with a change of control or restructuring of the Group;
- adjustments required in certain capital events such as rights issues, corporate restructuring, events and special dividends and certain other out-of-the-ordinary events;
- the annual review of performance and other vesting conditions for the annual bonus plan and equity awards.

In certain circumstances, such as a material acquisition/divestment of a Group business, which mean the original performance conditions are no longer appropriate, the Committee may adjust the targets, alter weightings or set different measures as necessary, to ensure the conditions achieve their original purpose and are not materially less difficult to satisfy.

The Committee may make minor amendments to the Remuneration Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Directors' Remuneration – financial year ended 30 June 2024

The total remuneration of the individual Directors who served during the period is shown below. Total remuneration is the sum of emoluments for the period in service as a director plus Company pension contributions, and the value of long-term incentive awards vesting by reference to performance in the twelve months to 30 June 2024.

Directors' Remuneration – financial year ended 30 June 2024

	Year	Base Salary ($000s)[a]	Benefits ($000s)[b]	Bonus ($000s)[c]	EIP[d]	Pension ($000s)[e]	Total Remuneration ($000s)	Total Fixed Remuneration ($000s)	Total Variable Remuneration ($000s)
Executive Directors									
James McCullough	2024	510	54	-	-	17	580	580	-
	2023	601	30	406	-	20	1,057	651	406
Fergus Fleming	2024	310	17	-	-	16	343	343	-
	2023	351	16	154	-	18	539	385	154
Non-Executive Directors									
Erik Lium (Mount Sinai representative)[1]	2024	-	-	-	-	-	-	-	-
	2023	24	-	-	-	-	24	24	-
Christopher Mills	2024	-	-	-	-	-	-	-	-
	2023	24	-	-	-	-	24	24	-
Daniel Levangie[2]	2024	65	-	-	-	-	65	65	-
	2023	24	-	-	-	-	24	24	-
Catherine Coste	2024	68	-	-	-	-	68	68	-
	2023	-	-	-	-	-	-	-	-
Chirag Parikh[3]	2024	11	-	-	-	-	11	11	-
	2023	24	-	-	-	-	24	24	-
Timothy Scannell[4]	2024	14	-	-	-	-	14	14	-
	2023	24	-	-	-	-	24	24	-

Notes to the remuneration table

a. All amounts presented were earned in respect of the financial period.

b. This is the taxable value of benefits paid or payable in respect of the financial period. For executive directors, benefits include health, dental, vision, life and long-term disability insurance paid for by the Company

c. The remuneration committee has concluded that executive bonuses will not be paid out for the financial year ended 30 June 2024.

d. The amount shown relates to the market value of the EIP and other equity awards vesting during the year using the Company's AIM closing price at the end of the quarter in which the award vested less associated exercise price.

e. The amount shown relates to Company contributions to the defined contribution scheme, plus any cash in lieu.

1. Dr. Lium sits on our board as a representative of the Icahn School of Medicine at Mount Sinai. This fee is invoiced annually by Mt. Sinai.

2. Daniel Levangie resigned from the Board in October 2024.

3. Chirag Parikh resigned from the board in December 2023.

4. Timothy Scannell resigned from the board in October 2023.

ANNUAL PERFORMANCE BONUS – 2023/2024 financial year

In the 2024 financial year, all employees were eligible for an annual discretionary cash bonus, whereby performance objectives were established at the beginning of the financial year by reference to suitably challenging corporate goals. For the 2024 financial year, no annual performance bonus was paid to any employees.

EXECUTIVE DIRECTORS' SHARE AWARDS

Shareholdings as at 30 June 2024 for each director who has held office during the 2024 financial year are set out in the table below (together with interests held by his or her connected persons):

Directors' Interests In Shares At 30 June 2024

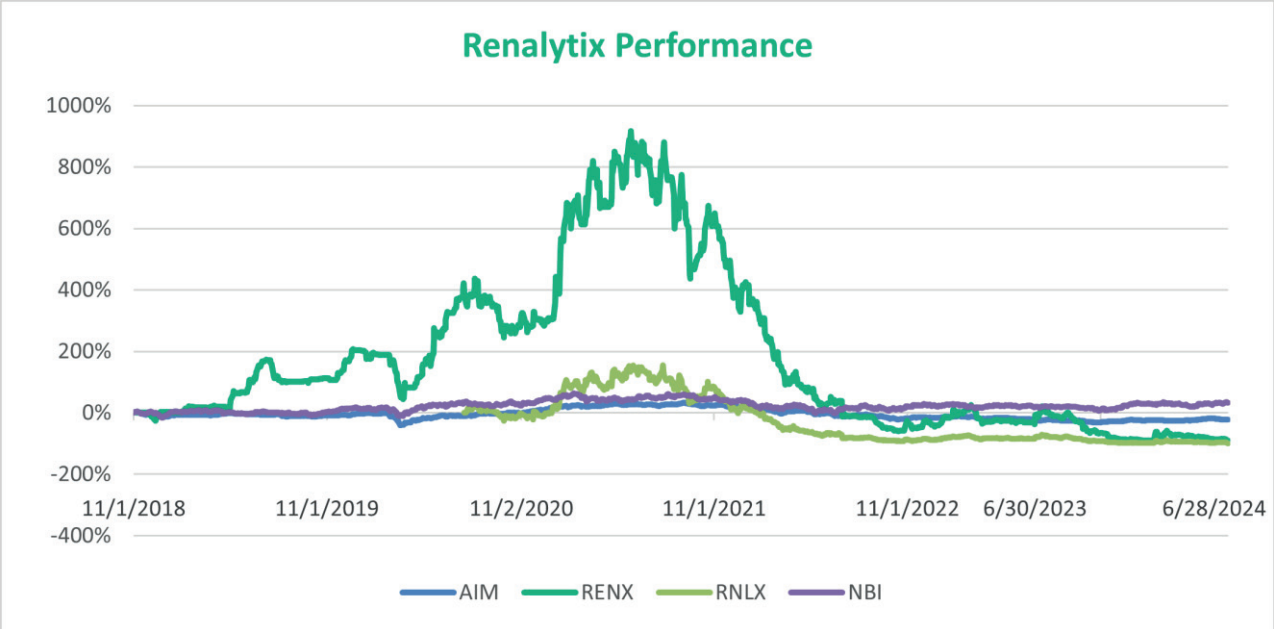
Director	Total shares owned outright plus vested options	Shares owned outright	Percentage of issued share capital	Vested but not exercised	Unvested but subject to performance	Unvested and not subjected to performance
Current Directors						
James McCullough[1]	2,965,140	2,746,386	1.7%	218,754	—	656,263
Fergus Fleming	1,195,869	569,481	0.3%	626,388	—	264,675
Mount Sinai (Board Seat)	24,184,227	23,979,726	14.5%	204,501	—	—
Christopher Mills[2]	14,072,500	14,072,500	8.5%	—	—	95,000
Daniel Levangie	27,500	—	—	27,500	—	107,500
Catherine Coste	—	—	—	—	—	285,000

1. James McCullough shareholding includes 2,746,386 shares held through his family trust, The McCullough 2020 Irrevocable Trust (the "Trust").
2. Christopher Mills is partner and Chief Investment Officer of Harwood Capital LLP. Harwood Capital LLP is Investment Manager to North Atlantic Smaller Companies Investment Trust plc and investment adviser to Oryx International Growth Fund Limited. Christopher's shareholding is made up of 10,458,582 ordinary shares held by North Atlantic Smaller Companies Investment Trust PLC, 2,812,794 ordinary shares are held by Oryx International Growth Fund Limited and 801,124 ordinary shares are held by Harwood Capital LLP.
3. Executive Directors are encouraged to build a meaningful shareholding so as to align their interests with those of shareholders but no formal shareholders requirements apply.
4. Save as noted, no connected persons hold any interests.

Performance Graph and Table

The following graph shows Renalytix's cumulative Total Shareholder Return ("TSR") from the Company's November 2018 IPO on AIM relative to the FTSE AIM All Share Index and the Nasdaq Biotech Index. These two indices were chosen due to Renalytix's listing on both exchanges and the sector in which it operates. For the period from 6 November 2018 to 30 June 2024 Renalytix Plc data relates to AIM TSR, and from 17 July 2020 the data relates to Nasdaq TSR (as show by the separate line).

TSR is defined as the return on investment obtained from holding a company's shares over a period. It includes dividends paid, the change in capital value of the shares and any other payment made to or by shareholders within the period.



ALIGNING PAY WITH PERFORMANCE

CEO Remuneration Compared With Annual Growth In TSR:

The total remuneration figure for the CEO (James McCullough) is shown in the table below, along with the value of bonuses, and EIP vesting, as a percentage of the maximum opportunity.

James McCullough	2024 ($000s)	2023 ($000s)	2022 ($000s)
Total remuneration ($000s)	580	1,057	648
Actual bonus as a % of the maximum	0%	75%	0%
Actual share award vesting as % of the maximum ($000s)	242	—	—

Percentage Change In Remuneration Of The Directors and Employees

Set out below is the change between the financial years 2022 to 2024 in base salary, benefits, pension and annual performance bonus for all the directors and the Company's employees.

	Percent change FY23 - FY24			Percent change FY22 - FY23			Percent change FY21 - FY22		
	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
James McCullough	-15%	81%	-100%	0%	48%	-	3%	-68%	-100%
Fergus Fleming	-12%	5%	-100%	-7%	1%	-	3%	-8%	-100%
Mount Sinai	-100%	-	-	-9%	-	-	-	-	-
Christopher Mills	-100%	-	-	-9%	-	-	-	-	-
Chirag Parikh[1]	-53%	-	-	-73%	-	-	-	-	-
Daniel Levangie[2]	170%	-	-	-9%	-	-	-	-	-
Timothy Scannell[3]	-40%	-	-	262%	-	-	-	-	-
Catherine Coste[4]	-	-	-	-	-	-	-	-	-

1. Chirag Parikh resigned from the board in December 2023.
2. Daniel Levangie resigned from the Board in October 2024.
3. Timothy Scannell resigned from the board in October 2023.
4. Catherine Coste joined the board in June 2023 therefore she did not receive remuneration for the 2023 financial year (or any prior year).

Relative Importance Of Spend On Pay

Total revenue and administrative expenditures have been selected as comparators for the employee costs as no dividends have been paid and these two financial measures are strong indicators of the activity within the Company and of its performance.

	2024	2023	Change ($000's)	Change (%)
Total employee remuneration ($000s)	12,077	20,887	(8,810)	-42%
Average number of employees	60	82	(22)	-27%
Revenue ($000s)	2,289	3,403	(1,114)	-33%
Administrative expenditures ($000s)	30,733	43,056	(12,323)	-29%
No dividends distributions or share buyback transactions occurred in either 2024 or 2023	—	—	—	

Statement Of Implementation Of Policy In 2024/25

Base salary: For the 2023/2024 financial year, there was a reduction to James McCullough's and Fergus Fleming's base salary as part of the Company's cost cutting measures. The 2024/2025 salary increases have not been determined but are expected to be effective 1 January 2025 and are expected to be in line with market rates for all of eligible employees, being those that had joined the business prior to 1 July 2024.

Pension and benefits: In 2024/2025, Executive Directors are eligible for the same benefits as provided to all senior employees. The Executive Directors are each entitled to the maximum employer pension contribution of 6% of their respective base salary which is paid into a defined contribution pension scheme / paid in cash in lieu of pension contributions.

Annual performance bonus: For 2024/2025, the Executive Directors' annual cash bonus target payouts are still being determined by the Committee and will be disclosed in next year's report. The Committee considers overall corporate performance and individual performance when determining the final bonus amount to be awarded to an Executive Director. Performance will be tested against targets set by the Committee at the start of the year and will comprise a combination of corporate goals and individual goals for James McCullough and Fergus Fleming.

Specific targets are commercially sensitive and therefore are not disclosed in advance. However, full details of the targets and performance against them will be disclosed when they are no longer considered commercially sensitive.

The Chairman and non-executive directors will continue to be paid their current level of fees.

Payments For Loss Of Office (Audited Information)

There were no loss of office payments in 2023/2024.

Payments To Past Directors (Audited Information)

The Company made payments of $14,000 and $11,000 to Timothy Scannell and Chirah Parikh, respectively, for their service as directors for the financial year ended 30 June 2024. Timothy Scanell resigned from the board in October 2023 and Chirag Parikh resigned from the board in December 2023.

Clawback

The Committee has adopted a Nasdaq-compliant Incentive Compensation Recoupment Policy.

Shareholder Voting On Remuneration Matters At AGM

The table below sets out the previous votes cast at our AGM in 2023 in respect of the previous Directors' Remuneration Report and the votes cast at our AGM in 2021 in respect of the Remuneration Policy.

	Votes For		Votes Against		Votes Withheld
	%	Number	%	Number	Number
Directors' Remuneration Report	99.44%	39,959,034	0.56%	226,856	24,973
Directors' Remuneration Policy	70.34%	25,272,488	29.66%	10,658,539	26,932

Catherine Coste
Chair of the Remuneration Committee

20 November 2024

Audit Committee Report

RENALYTIX PLC

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Audit Committee reports to the Board on matters concerning the Group's internal financial controls, financial reporting and risk management systems, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

Composition of the Audit Committee

The Audit Committee is appointed by the Board compromised Catherine Coste (Committee Chair) Dan Levangie and Erik Lium. Catherine Coste has experience of chairing and holding non-executive position with number of Boards and is a Certified Public Accountant in the U.S. Whilst no other non-executive member of the Board held an accounting qualification during the 2024 financial year, Dan Levangie and Erik Lium were both deemed competent by virtue of their relevant experience to the sector in which the Company operates.

Role of the Audit Committee

The Audit Committee operates within defined terms of reference and its main functions are:

- to monitor the internal financial control and risk management systems on which the Group is reliant;
- to consider whether there is a need for the Group to have its own internal audit function;
- to monitor the integrity of the Group's financial statements and formal announcements relating to the Group's financial performance, reviewing significant financial reporting judgements contained in them;
- to review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matter;
- to meet the independent Auditor of the Group to review their proposed audit programme of work and the subsequent Audit Report and to assess the effectiveness of the audit process and the levels of fees paid in respect of both audit and non-audit work;
- to make recommendations to the Board in relation to the appointment, re-appointment or removal of the Auditor, and to negotiate their remuneration and terms of engagement on audit and non-audit work; and
- to monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualification.

External audit

The Group's external auditors are PKF Littlejohn LLP and CohnReznick LLP.

The effectiveness and independence of the external audits and auditors are reviewed annually by reference to the auditor's attendance at Committee meetings, their audit plan, audit fieldwork, post-audit management letter and the judgment of the Committee having discussed the matter with the finance director.

The Board has reviewed its safeguards and policies in place for non-audit services and is satisfied that these are sufficiently robust to ensure that both auditors maintain their audit objectivity and independence. PKF Littlejohn LLP report to the Board annually on their independence from the Company. Non-audit services are provided only if such services do not conflict with their statutory responsibilities and ethical guidance.

Taking all of the above into consideration, the Committee concluded the auditors were both effective and independent during the year.

Review of financial statements and risks identified Financial statements issued by the Company need to be fair, balanced, and understandable. The Audit Committee reviews the Annual Report as a whole and makes

recommendations to the Board. The Audit Committee has advised the Board that, in its opinion, the Annual Report and Financial Statements are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Company's unaudited interim results are also reviewed by the Audit Committee prior to their publication.

Key risk areas, and audit and accounting matters considered by the Committee

Generally, there is a close relationship between the Company's income statement and its cash flows, with few significant judgmental items or longer-term unsettled items remaining on the balance sheet.

The main accounting and audit risks identified during the year, including as also described in the auditor's report, were:

- capitalisation of intangible costs and impairment review;
- recoverability of amounts due from subsidiary;
- funding and going concern risk assessments; and
- revenue recognition.

No significant adjustments or matters of concern were identified by the external audit.

Internal control and consideration of the need for the internal audit

The Board believes that due to the size of the business there is currently no requirement for an internal audit function. This matter is reviewed annually.

The finance function for the Group is managed by the Interim Chief Financial Officer with use of an internal team of accountants. Reliance with regard to internal control effectiveness is placed on the close involvement of the executive officers and the Company Secretary in the day to day management and control of the business, with the Audit Committee retaining oversight of financial information provided to the Board and the Group's accounting and internal control policies and procedures.

Recommendations for amendments or improvements are made as needed.

In connection with the preparation of our consolidated U.S. financial statements for the year ended June 30, 2024, we concluded that there was a material weakness in the design of our internal control over financial reporting impacting accounting for the mark-to-market adjustment for our convertible debt that had been elected under the fair value option, which resulted in insufficient expense recognition. The deficiency arose due to the high complexity and technical nature of the convertible debt instrument and due to the lack of internal technical expertise. This material weakness resulted in adjustments to expense and equity which were recorded prior to the issuance of the consolidated financial statements as of June 30, 2024.

During the three months ended September 30, 2024, we executed our remediation plan by engaging a third-party advisory firm to help substantiate the complexity of the convertible debt. We have also implemented controls to include senior management review of the transactions. These efforts ensure that our financial records are managed appropriately but also help ensure that the appropriate level of review is performed. We have concluded that the applicable remediated controls are designed, implemented and operating effectively. As a result of these remediation activities we concluded the previously reported material weakness has been remediated as of September 30, 2024.

During the year there were no other significant matters raised by the external auditors, nor any significant matters of concern identified with regard to internal control elsewhere that required action by the Committee.

Therefore, it is judged that the current size, financial position, complexity and risk profile of the Group does not justify the cost of an internal audit function. This will be kept under annual review.

Catherine Coste
Chair of the Audit Committee

20 November 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENALYTIX PLC

Opinion

We have audited the financial statements of Renalytix Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company's Statements of Financial Position, the Consolidated and Company's Statements of Cash Flows, the Consolidated and Company's Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that the group has incurred a net loss of $45.5m during the year ended 30 June 2024. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's base and worst-case forecasts for the period up to 31 December 2025 and testing the mathematical accuracy of both forecasts, challenge management assumptions and inputs for the going concern period which cover a period of 12 months from the date of approving the financial statement by the board;
- reviewing management's assessment of going concern, which included validating the receipt of the funding raised post year end, the likelihood of achieving the required growth in revenue, and the ability to implement additional cost reduction strategies; and
- critically assessing the disclosures made within the financial statements for consistency with management's assessment of going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit.

Materiality for the group financial statements as a whole was $454,000 (2023: $423,000) with performance materiality set at $272,000 (2023: $253,000), being 60% (2023: 60%) of group materiality. Materiality for the financial statements as a whole was based upon 1.5% of the adjusted group's loss before tax (before adjusting for the impairment charges) (2023: 1% of group's gross assets).

In determining materiality, we considered loss before tax a key benchmark for the group as there has been a change in strategy in the year. We consider loss before tax to be a key metric used by shareholders owing to a change from the historic investment in the product technology to the drive from management reducing investment in assets and focusing on cost cutting measures. We have also set a separate, lower materiality, for revenue to reflect the early stages of revenue generation which would not be captured sufficiently using group materiality. We have determined materiality for revenue as $92,000 (2023: $70,000) and performance materiality as $55,200 (2023: $42,000), calculated at 4% (2023: 2%) of revenue.

The percentages applied to these benchmarks have been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the reported result were appropriately considered.

In determining performance materiality, significant judgements made were in respect to our experience with auditing the financial statements of the group in previous year, based on the number and quantum of identified misstatements in prior period audits.

We agreed with the audit committee that we would report all individual audit differences identified for the group during the course of our audit in excess of $22,000 (2023: $21,000) together with any other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

Materiality applied to the parent company financial statements was $251,000 (2023: $235,000) with performance materiality set at $150,000 (2022: $170,000), being 60% of the parent company materiality.

The benchmark for materiality of the parent company was a straight-line proportional allocation of group loss before tax (2023: 0.25% of gross assets). The percentage applied to this benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the reported profit or loss were appropriately considered.

In determining performance materiality, significant judgements made were in respect our experience with auditing the financial statements of the parent company in previous years.

We agreed with the audit committee that we would report all individual audit differences identified for the parent company during the course of our audit in excess of $12,000 (2023: $15,000) together with any other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors such as the recoverability of intangible fixed assets, as outlined in the Key Audit Matter section below, and considered events that are inherently uncertain.

We also addressed the risk of management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. All significant and/or material subsidiary undertakings were audited directly by PKF Littlejohn LLP and subject to full scope audits.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Recoverability of intangible fixed assets (refer notes 6 and 19) - group	

Intangible assets have a carrying value of 2024: $ nil (2023: £12,511,000) and comprise the following categories:
 	
• Trademarks, trade names, and licenses;
• Trade secrets; and,
• Product development costs
 	
Intangible assets that are measured at cost less accumulated amortisation and impairment are assessed at the end of each reporting period for indicators of impairment. The group has incurred recurring losses and negative cash flows from operations since inception.
 	
Where indicators of impairment under IAS 36 *Impairment of Assets* are present, management estimates the recoverable amounts using value in use calculations. These involve significant estimation and judgement from management due to the inherent uncertainty and subjectivity over forecasting and discounting future cash flows. Additionally, significant judgement is required when estimating the useful economic lives of intangible assets.
 	
Given the judgements and estimates involved, this was a key focus for our audit.
	Our work on this matter included:
	
	• Confirming the group held good title to the intangible assets;
	• Assessing whether any indicators of impairment under IAS 36 (including regulatory issues, progress on obtaining milestones towards commercialisation, development of competing technology and products entering the market) existed at the reporting date which required an impairment charge to be recognised in the Income Statement.
	• Testing the forecasts and value in use calculations which included:
	  ○ Evaluating and challenging the key assumptions and inputs used by management;
	  ○ Performing a sensitivity analysis on the headroom to assess the impact of potential changes in key assumptions and inputs;
	  ○ Checking the mathematical accuracy of the financial model; and,
	  ○ Comparing the accuracy of previous forecasts against actual results.
	• Performing an independent assessment of impairment.
	
	Based on the audit procedures performed, we have not identified any indicators suggesting that the recoverable value was inappropriately written off.

Carrying value of investments in subsidiaries and recoverability of intercompany receivable (refer note 20)	

Investments in subsidiaries have a carrying value of 2024: $ nil (2023: $118,487,000) and are carried at cost less impairment.
 	
The recoverability of the carrying value is ultimately dependent on the trading performance of the subsidiary undertakings. The subsidiaries have incurred recurring losses and negative cash flows, therefore there is a risk that the carrying value is impaired.
 	
The assessment of recoverability utilises the same value in use calculations as those used for the impairment assessment of intangible assets described above.
 	
Given the judgements and estimates involved, this was a key focus for our audit.
	Our work on this matter included:
	
	• Testing the forecasts and value in use calculations which included:
	  ○ Evaluating and challenging the key assumptions and inputs used by management;
	  ○ Performing a sensitivity analysis on the headroom to assess the impact of potential changes in key assumptions and inputs;
	  ○ Checking the mathematical accuracy of the financial model; and,
	  ○ Assessing the accuracy of previous forecasts to actual results.
	• Reviewing management's impairment paper and assessment of recoverability, providing appropriate challenge and corroborating key assumptions.
	• Comparing the carrying value of the subsidiaries to the market value of the group.

	Based on the audit procedures performed, we have not identified any indicators suggesting that the carrying value of the investments in subsidiaries was inappropriately written off.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, and experience of the AI diagnostics sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - Companies Act 2006
    - AIM listing rules
    - General Data Protection Regulation
    - Quoted Companies Alliance Corporate Governance Code
    - Food and Drug Administration Agency
    - Local laws and regulations in United Kingdom and the United States of America where the group operates; and
    - Local tax and employment law where each member of the group operates
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management
    - Reviewing Board minutes
    - Reviewing legal expenses
    - Reviewing Regulatory News Services announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the recoverability of intangible fixed assets and the recoverability of investments in subsidiaries. As noted in the key audit matters section, we addressed this by challenging the assumptions and judgements made by management when auditing those significant accounting estimates.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wendy Liang

Wendy Liang (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
20 November 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024	2023
		$'000	$'000
Continuing Operations			
Revenue	8	2,289	3,403
Cost of Sales		(2,076)	(2,702)
Gross profit		**213**	**701**
Administrative expenses	9	(30,733)	(43,056)
Operating loss		**(30,520)**	**(42,355)**
Share of Net loss in Associate accounted for using the equity method		-	(9)
Impairment of Intangibles	19	(10,472)	-
Gain (loss) on financial assets at fair value through profit or loss	22	(505)	(1,273)
Fair value adjustment of convertible debt	29	(3,750)	(3,093)
Finance (expenses) / income - net	14	(223)	509
Loss before tax		**(45,470)**	**(46,221)**
Taxation	15	-	(2)
Loss for the Year		**(45,470)**	**(46,223)**
Earnings per Ordinary share			
Basic	16	$ (0.42)	$ (0.56)
Diluted	16	$ (0.42)	$ (0.56)

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	$'000	$'000
Loss for the year	(45,470)	(46,223)
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Changes in the fair value of the convertible notes	306	719
Currency translation differences	(270)	(337)
Other comprehensive income for the year	**36**	**382**
Total comprehensive loss for the year	**(45,434)**	**(45,841)**

Items stated above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 15.

Consolidated and Company's Statements of Financial Position

AS AT 30 JUNE 2024

	Notes	Group 2024	Group 2023	Company 2024	Company 2023
		$'000	$'000	$'000	$'000
Assets					
Non-current assets:					
Property, plant and equipment	17	213	1,027	-	-
Right of use asset	18	-	194	-	-
Intangible assets	19	-	12,511	-	12,180
Investment in subsidiaries	20	-	-	-	118,487
Other long term assets		71	51	-	1
Total non-current assets		**284**	**13,783**	**-**	**130,668**
Current Assets					
Inventory	21	271	718	-	-
Security Deposits	22	77	132	-	-
Financial asset at fair value through profit or loss	22	698	1,460	698	1,460
Trade and other receivables	23	722	776	-	-
Due from subsidiaries		-	-	-	4,156
Prepaid and other current assets	24	364	566	137	184
Cash and cash equivalents	25	4,680	24,682	2,149	8,574
Total current assets		**6,812**	**28,334**	**2,984**	**14,374**
Total assets		**7,096**	**42,117**	**2,984**	**145,042**
Equity attributable to owners of the parent					
Share capital	26	491	299	491	299
Share premium	26	121,813	104,953	121,813	104,953
Share-based payment reserve	27	14,452	13,513	14,224	13,299
Accumulated other comprehensive income		(1,086)	(1,127)	-	(380)
Retained (deficit) / earnings		(144,654)	(99,184)	(145,452)	9,373
Total equity		**(8,984)**	**18,454**	**(8,924)**	**127,544**
Liabilities					
Current liabilities:					
Trade and other payables	28	7,544	11,513	2,633	1,466
Current lease liabilities	18	46	156	-	-
Note payable current	29	4,159	4,463	4,159	4,463
Current due to affiliated company		-	-	785	4,084
Total current liabilities		**11,749**	**16,132**	**7,577**	**10,013**
Non-current liabilities					
Note payable non-current	29	4,331	7,485	4,331	7,485
Non-current lease liabilities	18	-	46	-	-
Total non-current liabilities		**4,331**	**7,531**	**4,331**	**7,485**
Total liabilities		**16,080**	**23,663**	**11,908**	**17,498**
Total equity and liabilities		**7,096**	**42,117**	**2,984**	**145,042**

The notes on pages 60 to 81 are an integral part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company income statement. The loss for the Parent Company for the year was ($154,825,000). (Year ended 30 June 2023: loss of $14,389,000).

The financial statements were approved and authorized for issue by the Board on 20 November 2024 and signed on its behalf by:

James R. McCullough

Chief Executive Officer

Company number: 11257655

Consolidated and Company's Statements of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Group 2024	Group 2023	Company 2024	Company 2023
		$'000	$'000	$'000	$'000
Cash flows from operating activities:					
Loss before income tax		(45,470)	(46,221)	(154,825)	(14,389)
Adjustments for					
Depreciation	17	184	341	-	-
Amortisation	18, 19	2,255	2,151	1,978	1,906
Impairment of assets	19	10,472	-	140,606	-
Impairment of property and equipment	17	631	-	-	-
Share-based payments	27	1,083	1,560	25	49
Share of net loss of associate		-	9	-	-
Reversal of Kantaro Liability		-	(55)	-	-
Unrealized loss on financial asset at fair value through profit or loss		505	1,273	505	1,273
Realized loss on sale of ordinary shares in VericiDx		136	-	136	-
Fair value adjustment of convertible debt	29	3,750	3,093	3,750	3,093
Foreign Exchange gain		(165)	(1,008)	(22)	-
Changes in working capital					
Trade and other receivables	23	54	125	5,592	2,699
Prepaid assets and other current assets	24	202	1,298	47	121
Related party receivable		-	75	-	-
Inventory	21	447	442	-	-
Security Deposits		55	141	-	-
Trade and other payables	28	(3,969)	4,148	543	312
Deferred Revenue		-	(46)	-	-
Net cash used in operating activities		**(29,830)**	**(32,674)**	**(1,665)**	**(4,936)**
Cash flows from investing activities:					
Proceeds from sale of investments		117	-	117	-
Investment in Renalytix Inc		-	-	(14,694)	(31,008)
Net cash generated by/(used in) investing activities		**117**	**-**	**(14,577)**	**(31,008)**
Cash flows from financing activities					
Repayment of convertible notes	29	(1,660)	(4,288)	(1,660)	(4,288)
Issue of shares (net of issue costs)	26	11,817	19,306	11,817	19,306
Proceeds from the issuance of ordinary shares under employee share purchase plan	26	93	261	93	261
Lease payments	18	(156)	(160)	-	-
Net cash generated from financing activities		**10,094**	**15,119**	**10,250**	**15,279**
Net decrease in cash and cash equivalents		**(19,619)**	**(17,555)**	**(5,992)**	**(20,665)**
Cash and cash equivalents at beginning of period		24,682	41,333	8,574	28,313
Effect of exchange rate changes on cash		(383)	904	(433)	926
Cash and cash equivalents at end of period	25	**4,680**	**24,682**	**2,149**	**8,574**

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Share Capital	Share Premium	Share-based payment reserve	Accumulated other comprehensive income	Retained deficit	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
At 30 June 2022	**241**	**85,444**	**11,954**	**(1,509)**	**(52,961)**	**43,169**
Comprehensive income						
Loss for the year	-	-	-	-	(46,223)	(46,223)
Other comprehensive income						
Changes in fair value of convertible notes	-	-	-	719	-	719
Currency translation differences	-	-	-	(337)	-	(337)
Total comprehensive income	**-**	**-**	**-**	**382**	**(46,223)**	**(45,841)**
Transactions with Owners						
Share-based payments	-	-	1,559	-	-	1,559
Shares issues under ESPP	1	260	-	-	-	261
Shares issued under Securities Purchase Agreement	57	20,240	-	-	-	20,297
Less issue costs	-	(991)	-	-	-	(991)
Total transactions with owners of the parent, recognized directly in equity	**58**	**19,509**	**1,559**	**-**	**-**	**21,126**
At 30 June 2023	**299**	**104,953**	**13,513**	**(1,127)**	**(99,184)**	**18,454**
Comprehensive income						
Loss for the year	-	-	-	-	(45,470)	(45,470)
Other comprehensive income						
Changes in fair value of convertible notes	-	-	-	306	-	306
Currency translation differences	-	(5)	-	(265)	-	(270)
Total comprehensive income	**-**	**(5)**	**-**	**41**	**(45,470)**	**(45,434)**
Transactions with Owners						
Share-based payments	-	-	1,083	-	-	1,083
Shares issues under ESPP	-	93	-	-	-	93
Shares issued for repayment of convertible bond	30	4,978	-	-	-	5,008
Vesting of RSUs	1	138	(144)			(5)
Shares issued under Securities Purchase Agreement	161	13,372	-	-	-	13,533
Less issue costs		(1,716)	-	-	-	(1,716)
Total transactions with owners of the parent, recognized directly in equity	**192**	**16,865**	**939**	**-**	**-**	**17,996**
At 30 June 2024	**491**	**121,813**	**14,452**	**(1,086)**	**(144,654)**	**(8,984)**

Company's Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Share Capital	Share Premium	Share-based payment reserve	Accumulated other comprehensive income	Retained earnings / (loss)	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
At 30 June and 1 July 2022	241	85,444	11,840	(5,119)	23,763	116,169
Comprehensive income						
Loss for the year	-	-	-	-	(14,390)	(14,390)
Other comprehensive income						
Changes in fair value of convertible notes	-	-	-	(337)	-	(337)
Currency translation differences	-	-	-	5,076	-	5,076
Total comprehensive income	**-**	**-**	**-**	**4,739**	**(14,390)**	**(9,651)**
Transactions with Owners						
Share-based payments	-	-	1,459	-	-	1,459
Shares issued under Securities Purchase Agreement	57	20,240	-	-	-	20,297
Less issue costs	-	(991)	-	-	-	(991)
Shares issued under the ESPP	1	260	-	-	-	261
Total transactions with owners of the parent, recognized directly in equity	**58**	**19,509**	**1,459**	**-**	**-**	**21,026**
At 30 June and 1 July 2023	**299**	**104,953**	**13,299**	**(380)**	**9,373**	**127,544**
Comprehensive income						
Loss for the year	-	-	-	-	(154,825)	(154,825)
Other comprehensive income						
Changes in fair value of convertible notes	-	-	-	306	-	306
Currency translation differences	-	(5)	-	74	-	69
Total comprehensive income	**-**	**(5)**	**-**	**380**	**(154,825)**	**(154,450)**
Transactions with Owners						
Share-based payments	-	-	1,069	-	-	1,069
Shares issued for repayment of convertible bond	30	4,978				5,008
Vesting of RSUs	1	138	(144)			(5)
Shares issued under Securities Purchase Agreement	161	13,372	-	-	-	13,533
Less issue costs	-	(1,716)	-	-	-	(1,716)
Shares issued under the ESPP	-	93	-	-	-	93
Total transactions with owners of the parent, recognized directly in equity	**192**	**16,865**	**925**	**-**	**-**	**17,982**
At 30 June 2024	**491**	**121,813**	**14,224**	**-**	**(145,452)**	**(8,924)**

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 2 Leman Street, London, United Kingdom, E1W 9US. 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 and Company's financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment 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.

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

International Accounting Standards (amendments)	*Effective date**
IAS 1 - Amendments regarding the classification of liabilities	1 January 2023
IAS 1, IFRS Practice Statement 2 - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023

*Years beginning on or after

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group or Company in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Going concern

The Group and Company fund their day-to-day working capital needs through existing cash reserves. The Directors have evaluated the use of the going concern basis in preparing these financial statements.

The Group has historically experienced recurring losses and negative cash flows. Despite this, significant strides have been made in the commercialisation of kidneyintelX.dkd, and business objectives have been realigned for sharper focus. For the year ending 30 June 2024, the Group recorded a loss of $45.5 million, with cash reserves of $4.7 million at year-end. Substantial steps have been taken to refine the Company's commercial strategy to achieve consistent, scalable results in the coming periods. Key actions taken include:

- **Cost reductions**: During the year, the Company significantly reduced its cost base, halving employee numbers from over 80 to around 40 post-year-end, and cutting legal, professional, R&D expenses and other expenses which are not necessary at this stage of the business. In Q1 2025 (quarter ending September 2024), operating expenses were 4.2 million, down over 50% from $8.8 million in Q1 2024 (quarter ending September 2023). The Group projects operating expenses for FY 2025 to be significantly lower than FY 2024's total of $30.7 million.

- **Fundraising**: A post-year-end fundraising in November 2024 raised approximately $14.9 million after expenses and substantially restructured the outstanding liabilities on the Statement of Financial Position. Approximately $3.9

million in convertible notes was converted to equity along with a $750K liability converted to a mix of equity and five year long non-amortizing loan. Additionally, the remaining balance of the convertible note was converted to an interest-only non-amortizing loan due July 2029 with interest fixed at 5.5% p.a. if paid in cash or 7.5% p.a. if rolled into the balance of the loan.

- **Commercial Growth**: Recent initiatives to expand kidneyintelX.dkd include the rollout of commercial testing with a new large New York-based physician group practice, with test ordering and processing having commenced in September 2024. Additionally, a significant expansion in patient blood draw options, a simplified test order requisition form to reduce doctor workload, and improvements in customer service and test services billing all offer an improved end-to-end user experience which the Company believes will support continued test volume growth.

Despite these measures, historical losses and ongoing cash needs pose a challenge to the Group's going concern status. The Directors recognize that continued operation may require additional capital to fund operations, support commercial growth, and develop new products. Although there are no immediate plans for further funding via equity or debt, the Group aims to build investor confidence through effective use of the current fundraising and strategic initiatives over the next 12 months.

The Company has incurred recurring losses and negative cash flows from operations since inception and had an accumulated deficit in retained earnings of $145.5 million as of 30 June 2024. The Company anticipates incurring additional losses until such time, if ever, that it can generate significant sales of kidneyintelX.dkd or KidneyIntelX technology services income.

The Company's ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next 24 months to improve the Company's liquidity and profitability, which includes, without limitation:

- The achievement of certain testing volumes in the lab;
- Continued expansion of reimbursement policies and contracts with commercial payers; and
- Continued management of operating and commercial expenses.

As a result of the Company's losses and its projected cash needs, along with the limited recent history of test order volume increases, as defined in the accounting literature, substantial doubt exists about the Company's ability to continue as a going concern. While subsequent to 30 September 2024, the Company has successfully raised approximately $14.9 million in new equity capital and restructured the existing long-term debt recorded on the Statement of the Financial Position, the Company does have a history of operating losses and it has been expensive to deliver all of the milestones to commercialize the kidneyintelX.dkd test. Should the company require additional capital it may not be available 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 future financing may adversely affect the holdings or the rights of the Company's shareholders. Should it be necessary, if the Company is unable to obtain funding it 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 prospects. As such, management has concluded that there is a going concern uncertainty. The consolidated financial statements do not include any adjustments that may result from the outcome of this going concern uncertainty.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

All intra-group balances and transactions, including any unrealized income and expense arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

Foreign currency translation

- ***Functional and presentational currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in United States Dollars, which is the Group's presentational currency. The functional currency of the Parent Company is GB Pounds.

- ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement within 'administrative expenses'.

- ***Group companies***

The results and financial position of all the Group entities that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

  - assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
  - income and expenses for each income statement are translated at average exchange rates; and
  - all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors who make strategic decisions. At present the Directors consider the business to operate in a single segment.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the asset and bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only where it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Fixtures and fittings 20%

The assets' residual values and useful economic lives are reviewed regularly, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on the disposal of assets are determined by comparing the proceeds with the carrying amount and are recognized in administration expenses in the income statement.

Intangible assets

(a) Trademarks, trade names and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over the contractual license period of 10 to 15 years and is charged to administrative expenses in the income statement.

(b) Development costs and trade secrets

Development costs have a finite useful life and are carried at cost less accumulated amortisation.

Expenditure incurred on the development of new or substantially improved products or processes is capitalized, provided that the related project satisfies the criteria for capitalisation, including the project's technical feasibility and likely commercial benefit. All other research and development costs are expensed to profit or loss as incurred.

Development costs are amortised over the estimated useful life of the products with which they are associated. Amortisation commences when a new product is in commercial production. The amortisation is charged to administrative expenses in the income statement. Amortisation is calculated using the straight-line method over 15 years. The estimated remaining useful lives of development costs are reviewed at least on an annual basis.

The carrying value of capitalized development costs is reviewed for potential impairment at least annually and if a product becomes unviable and an impairment is identified the deferred development costs are immediately charged to the income statement.

Trade secrets, including technical know-how, operating procedures, methods and processes, are recognized at fair value at the acquisition date. Trade secrets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over 15 years.

Impairment of non-financial assets

Assets that have an indefinite life or where amortisation has not yet commenced are tested annually for impairment. Assets that are subject to amortisation 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses recognized for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in the prior period. A reversal of an impairment loss is recognized in the income statement immediately. If goodwill is impaired, however, no reversal of the impairment is recognized in the financial statements.

Financial assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables at amortised cost and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired and management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Financial assets are classified as at amortised cost only if both of the following criteria are met: the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

(b) Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss ("FVPL"):

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognize fair value gains and losses through Other Comprehensive Income.

(c) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities that are not held for trading and which the Group has irrevocably elected at initial recognition to recognize in this category. The Group considers this category to be more relevant for assets of this type.

(d) Financial liabilities at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss ("FVPL"):

- Convertible debt recorded at fair value through profit or loss.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short- term deposits with an original maturity of three months or less.

For the purposes of the cash flow statements, cash and cash equivalents consist of cash and short-term deposits as defined above.

Share capital and premium

Ordinary Shares are classified as equity. Proceeds in excess of the nominal value of shares issued are allocated to the share premium account and are also classified as equity. Incremental costs directly attributable to the issue of new Ordinary Shares or options are deducted from the share premium account.

Other reserves - equity

The share-based payment reserve is used to recognize the fair value of equity settled share-based payment transactions.

Foreign currency reserve is used to record the exchange differences on translation of entities in the Group which have a functional currency different to the presentation currency.

Retained earnings includes all current and prior period results as disclosed in the income statement.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

Income tax comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income where the associated tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiary operate and generate taxable income. Management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized, using the liability method, on all temporary differences at the balance sheet date between the tax

bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized in respect of all temporary differences except where the deferred tax liability arises from the initial recognition of goodwill in business combinations.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and tax losses, to the extent that they are regarded as recoverable. They are regarded as recoverable where, on the basis of available evidence, there will be sufficient taxable profits against which the future reversal of the underlying temporary differences can be deducted.

The carrying value of the amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Leases

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

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 within the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow 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.

Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, amounts are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the

underlying asset's useful life.

Revenue recognition

The Group recognizes revenue when a customer obtains control of contracted goods or services. The Group records the amount of revenue that reflects the consideration that it expects to receive in exchange for those goods or services. The revenue recognition will be assessed under IFRS 15 - Revenue from Contracts with Customers, to establish the principal and agent in the relationship between the parties and with the end customer.

The Group 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. The Group 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 Group 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 Group 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 Group 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.

Employee benefits

(a) Pension obligations

The Group makes contributions to defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity with the pension cost charged to the income statement as incurred. The Group has no further obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees and others as consideration for equity instruments of the Group. Equity-settled share-based payments are measured at fair value at the date of grant and are expensed over the vesting period based on the number of instruments that are expected to vest. For plans where vesting conditions are based on share price targets, the fair value at the date of grant reflects these conditions. Where applicable the Group recognizes the impact of revisions to original estimates in the income statement, with a corresponding adjustment to equity for equity-settled schemes. Fair values are measured using appropriate valuation models, taking into account the terms and conditions of the awards.

When the share-based payment awards are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

National insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted to UK citizens under unapproved share-based payment compensation schemes, provision for any National Insurance Contributions has been based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Exceptional items

These are items of an unusual or non-recurring nature incurred by the Group and include transactional costs and one-off items relating to business combinations, such as acquisition expenses.

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognized for any subsequent write-down of the asset to fair value less costs to sell.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market Risk

Foreign exchange risk

The Group 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 Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

(c) Liquidity Risk

The Group'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 Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders. The Group'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 Group 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 (note 19);
- Impairment of investment of subsidiary and inter-company recoverability (note 20);
- Share based payments (note 27).
- Convertible debt recorded at fair value through profit or loss (note 29).

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 year ended 30 June 2024, the Group recognized $2.15 million of testing services revenue. Sales tax and other similar taxes are excluded from revenues. There was $3.12 million of testing services revenue recognized in the 2023 accounting period.

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 Group 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 30 June 2024, the Group recognized $0.14 million of pharmaceutical services revenue. There was $0.28 million of pharmaceutical services revenue recognized in the 2023 accounting period

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:

	2024	2023
	$'000	**$'000**
Balance, beginning of period	-	45
Deferral of revenue	-	-
Revenue recognized	-	(45)
Balance, end of period	**-**	**-**

9. EXPENSES – ANALYSIS BY NATURE

	2024	2023
	$'000	**$'000**
Employee benefit expense	12,077	20,887
Contract labour	2,418	2,772
Depreciation and amortisation	2,030	2,061
Professional fees	9,104	10,176
Laboratory supplies	401	621
Other expenses	4,703	6,539
Total administration expenses	**30,733**	**43,056**

10. AUDITOR'S REMUNERATION

	2024	2023
	$'000	**$'000**
Fees payable to the Company's auditor for the audit of the parent Company and consolidated financial statements	75	71
Total administration expenses	**75**	**71**

11. DIRECTORS' REMUNERATION

Retirement benefits are accruing to two current executive directors under a defined contribution scheme. See further disclosures within the Remuneration Report on page 30. The highest paid director received aggregate emoluments, excluding the effect of the share based payments charge, totaling $580,000 (2023: $1,057,000).

	2024	2023
	$'000	$'000
Aggregate emoluments	979	1,638
Share based payments	330	-
Contribution to defined contribution pension scheme	103	83
Total	**1,412**	**1,721**

12. EMPLOYEE BENEFIT EXPENSE

	2024	2023
	$'000	$'000
Wages, salaries and Bonus	7,731	14,529
Social security costs and Benefits	3,262	4,798
Share based payment expenses	1,084	1,560
Total	**12,077**	**20,887**

13. MONTHLY AVERAGE NUMBER OF PEOPLE EMPLOYED

The monthly average number of people (including Executive Directors) employed was:

	2024	2023
	$'000	$'000
Administration	37	52
Research and development	17	23
COGS	6	7
Total	**60**	**82**

The total number of employees (FTEs) in the Group at 30 June 2024 was 45 (2023: 80).

14. FINANCE INCOME AND COSTS

	2024	2023
	$'000	$'000
Finance costs:		
Interest expense	(1)	(3)
Finance income:		
Interest income	186	118
Gain / (Loss) on Foreign Exchange	163	(144)
Other Income (loss)	(571)	538
Net finance (loss) / income	**(223)**	**509**

15. INCOME TAX

	2024	2023
Group	$'000	$'000
Deferred tax	-	(2)
Total deferred tax	-	-
Income tax (charge)/credit	-	(2)

No deferred asset is calculated on losses in FY24 as the probability of future utilization is considered too remote.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK is 25%.

	2024	2023
	$'000	$'000
Loss before tax	45,470	46,221
Tax Calculated at domestic tax rates applicable to the UK Standard of tax at 25% (2023: 25%)	11,368	11,555
Tax effects of:		
Expenses not deductible for tax purposes	(363)	(872)
Losses on which no deferred tax asset is recognized	(94)	(85)
Tax credit for the year	10,911	10,598
Current Year Valuation Allowance	(10,911)	(10,598)
Prior year deferred tax asset	-	-
Reversal of tax asset at 30 June	-	-
Tax expense	-	(2)
Total Income Tax (Expense)/Credit	-	(2)

Net losses can be carried forward indefinitely to offset future taxable profits however management has concluded that the realization of deferred tax assets to be less than probable and recorded a full valuation allowance. No deferred asset is calculated on losses in the UK totaling $154,825,000 where the probability of future utilization is considered too remote.

16. EARNINGS PER 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 30 June 2024 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.

The following is a reconciliation of basic net loss per share to diluted net loss per share for the financial years ended 30 June 2024 and 2023.

		2024		2023
Basic earnings per share	$	(0.42)	$	(0.56)
Average shares outstanding - basic		108,179,366		82,210,050
Convertible debt shares		-		-
Adjusted average shares outstanding - diluted		108,179,366		82,210,050
Diluted earnings per share	$	(0.42)	$	(0.56)

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares of ordinary shares outstanding as they would be anti-dilutive:

	2024	2023
Stock options to purchase ordinary shares	7,473,866	4,968,576
Restricted stock units	7,930	40,340
Conversion of convertible note	3,264,719	5,441,199
	10,746,515	10,450,115

17. PROPERTY, PLANT AND EQUIPMENT

Group	Fixtures and fittings
	$'000
Cost	
At 1 July 2022	1,877
Additions	-
At 30 June 2023	**1,877**
Depreciation	
At 1 July 2022	509
Charge for the year	341
At 30 June 2023	**850**
Net book value at 30 June 2023	**1,027**
Cost	
At 1 July 2023	1,877
Additions	-
Impairment	(1,364)
Foreign Translation	1
At 30 June 2024	**514**
Depreciation	
At 1 July 2023	850
Charge for the year	184
Impairment	(733)
At 30 June 2024	**301**
Net book value at 30 June 2024	**213**

The depreciation charge of $184,000 related to Property, Plant and Equipment has been charged to administration expenses ($132,000) and cost of goods sold ($52,000).

18. LEASES

(i) Amounts recognized in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Right-of-use assets				
Properties	-	194	-	-
Total right-of-use assets	**-**	**194**	**-**	**-**
Lease liabilities				
Current	46	156	-	-
Non-current	-	46	-	-
Total lease liabilities	**46**	**202**	**-**	**-**

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:

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Amortisation charge - Right-of-use assets				
Properties	194	160	-	-
Total right-of-use assets	**194**	**160**	**-**	**-**
Interest expense (included in finance cost)	1	3	-	-

The total cash outflow for leases in the year to 30 June 2024 was $156,000 (2023: $160,000) for the Group and $nil (2023: $nil) for the Company.

(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.

19. INTANGIBLE FIXED ASSETS

Group	Trademarks, Trade Names & Licenses	Trade Secrets	Development Costs	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 July 2022	9,279	6,275	4,055	19,609
Additions	-	-	-	-
Foreign translation	381	258	144	783
At 30 June 2023	**9,660**	**6,533**	**4,199**	**20,392**
Amortisation				
At 1 July 2022	3,789	1,098	702	5,589
Charge for the year	922	624	432	1,978
Foreign Translation	199	75	40	314
At 30 June 2023	**4,910**	**1,797**	**1,174**	**7,881**
Net book value				
At 30 June 2023	**4,750**	**4,736**	**3,025**	**12,511**
Cost				
At 1 July 2023	9,660	6,533	4,199	20,392
Additions	-	-	-	-
Impairment	(9,687)	(6,551)	(4,209)	(20,447)
Foreign translation	27	18	10	55
At 30 June 2024	**-**	**-**	**-**	**-**
Amortisation				
At 1 July 2023	4,910	1,797	1,174	7,881
Charge for the year	963	651	447	2,061
Impairment	(5,892)	(2,457)	(1,626)	(9,975)
Foreign Translation	19	9	5	33
At 30 June 2024	**-**	**-**	**-**	**-**
Net book value				
At 30 June 2024	**-**	**-**	**-**	**-**

Amortisation expense of $1,936,167 has been charged to administration costs and $124,992 has been charged to cost of goods sold. Amortisation expense of $1,978,473 was charged in the prior year ended 30 June 2023.

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 amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Following preparation of the latest three-year forecast, the Directors have fully impaired the intangible assets in the parent company resulting in a $10.2m loss. Despite that the financial forecast model showed a steady growth in

revenue over the next three years, and the achievement of breakeven operations after 24 months, the directors adopted a conservative approach in recognizing the impairment of the intangible assets. The adjustment is a technical accounting adjustment with no effect on the cashflow or cash balance of the Group. Additionally, the company has announced the successful commitment of a substantial fundraise which is believed to support the company to cashflow positive operations, that is now subject to shareholder approval.

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 $278,168 and net value of $72,397. These projects were placed into service in FY21.

20. INVESTMENTS IN SUBSIDIARIES - PARENT

	2024	2023
Company	**$'000**	**$'000**
At beginning of Period	118,487	89,112
Capital Contribution relating to share based payment	1,060	1,511
Capital Contribution to Subsidiary	10,490	27,864
Impairment of Investment of subsidiary	(130,037)	-
At end of Period	**-**	**118,487**

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid, less any impairment. Following preparation of the latest three-year forecast, the Directors have fully impaired the investment in subsidiaries. Despite that the financial forecast model showed a steady growth in revenue over the next three years, and the achievement of breakeven operations after 24 months, the directors adopted a conservative approach in recognizing the impairment of the investments in the Company. The adjustment is a technical accounting adjustment with no effect on the cashflow or cash balance of the Group. Additionally, the company has announced the successful commitment of a substantial fundraise which is believed to support the company to cashflow positive operations, that is now subject to shareholder approval.

The Company had the following subsidiaries as of 30 September 2024.

Name of Company	Proportion held	Class of shareholding	Nature of business
Renalytix AI, Inc.[1]	100%	Ordinary	Developer of artificial intelligence-enabled clinical diagnostic solutions for kidney disease
Renalytix AI Limited [2]	100%	Ordinary	Developer of artificial intelligence-enabled clinical diagnostic solutions for kidney disease

1. Renalytix AI Inc. is incorporated in the United States of America and has their principal place of business at 1460 Broadway, New York, New York 10036. Renalytix AI Inc. is included in the consolidation. The proportions of voting shares held by the parent company do not differ from the proportion of Ordinary Shares held.
2. Renalytix AI Limited is incorporated in the Republic of Ireland and has their principal place of business at 29 Lower Patrick Street, Kilkenny, Ireland. Renalytix AI Ltd. is included in the consolidation. The proportions of voting shares held by the parent company do not differ from the proportion of Ordinary Shares held.

21. INVENTORY

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	**$'000**	**$'000**	**$'000**
Finished Goods	271	718	-	-

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 $Nil (30 June 2023: $Nil).

The cost of inventories recognized as expense and included in 'cost of sales' amounted to $275,000 (Year to 30 June 2023: $313,000). The Company held no inventories at 30 June 2024 and 30 June 2023.

22. FINANCIAL INSTRUMENTS

(a) Assets at amortised cost

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Assets as per balance sheet				
Security deposits	77	132	-	-
Cash and cash equivalents	4,680	24,682	2,149	8,574
Total	**4,757**	**24,814**	**2,149**	**8,574**

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

(b) Assets at fair value

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Assets as per balance sheet				
Investment in Verici Dx	698	1,460	698	1,460
Total	**698**	**1,460**	**698**	**1,460**

Fair value for the investment in Verici Dx was determined by reference to their published price quotation in an active market (classified as level 1 in the fair value hierarchy).

(c) Liabilities at amortised cost

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Liabilities as per balance sheet				
Accounts payable	2,608	2,935	640	504
Accrued expenses	4,744	8,450	1,981	954
Lease Liabilities	46	202	-	-
Total	**7,398**	**11,587**	**2,621**	**1,458**

(d) Liabilities at fair value

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Liabilities as per balance sheet				
Note payable	8,490	11,948	8,490	11,948
Total	**8,490**	**11,948**	**8,490**	**11,948**

The note payable relates to our convertible debt instrument and is classified as Level 3 in the fair value hierarchy.

(e) Credit quality of financial assets

The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and 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 30 June 2024, in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the accompanying balance sheets.

Trade Receivables

The credit quality of trade receivables that are neither past due nor impaired have been assessed based on historical information 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:

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
AA+	4,680	24,682	2,149	8,574
Total	**4,680**	**24,682**	**2,149**	**8,574**

23. TRADE AND OTHER RECEIVABLES

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Trade Receivables	722	776	-	-
Total	**722**	**776**	**-**	**-**

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

24. PREPAIDS AND OTHER CURRENT ASSETS

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Prepaids	314	538	131	170
Other Current Assets	50	28	6	14
Prepaids and Other Current Assets	**364**	**566**	**137**	**184**

25. CASH AND CASH EQUIVALENTS

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Cash at Bank	4,680	24,682	2,149	8,574
Cash and cash equivalents	**4,680**	**24,682**	**2,149**	**8,574**

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

26. SHARE CAPITAL

Group and Company		Movement	Total Number of Shares	Ordinary Shares $'000	Share Premium $'000	Total $'000
15-Mar-18	Formation	50,000	50,000	66	-	66
4-May-18	100:1 subdivision	-	5,000,000	-	-	-
24-Oct-18	4:1 subdivision	-	20,000,000	-	-	-
24-Oct-18	Biomarker business acquisition	15,427,704	35,427,704	49	6,547	6,596
6-Nov-18	Placing & offer (listing on AIM)	18,388,430	53,816,134	60	27,485	27,545
At 30 June 2019			**53,816,134**	**175**	**34,032**	**34,207**
29-Jul-19	Placing & Secondary Offering (AIM)	5,600,000	59,416,134	17	16,597	16,614
15-May-20	Cancellation of Share premium	-	59,419,134	-	(50,629)	(50,629)
At 30 June 2020			**59,416,134**	**192**	**-**	**192**
17-Jul-20	Placing & Offering (Nasdaq)	12,613,500	72,029,634	40	76,094	76,134
4-Mar-21	Shares issued under the ESPP	17,652	72,047,286	-	111	111
25-Jun-21	Exercise of Stock Options	150,000	72,197,286	1	252	253
At 30 June 2021			**72,197,286**	**233**	**76,457**	**76,690**
7-Jul-21	Exercise of Stock Options	27,500	72,224,786	-	46	46
17-Jul-21	Exercise of Stock Options	5,000	72,229,786	-	40	40
31-Aug-21	Shares issued under the ESPP	10,920	72,240,706	-	121	121
1-Nov-21	Exercise of Stock Options	68,224	72,308,930	-	112	112
31-Mar-22	Shares issued under the ESPP	22,814	72,380,014	-	90	90
6-Apr-22	Private Placement	2,428,688	74,760,432	8	8,578	8,586
At 30 June 2022			**74,760,432**	**241**	**85,444**	**85,685**
12-Sep-22	Shares issues under ESPP	131,412	74,891,844	-	116	116
8-Feb-23	Private Placement	18,722,960	93,614,804	57	19,249	19,306
7-Mar-23	Shares issues under ESPP	166,674	93,781,478	1	144	145
At 30 June 2023			**93,781,478**	**299**	**104,953**	**105,252**
17-Jul-23	Shares issued for repayment of convertible bond	1,052,422	94,833,900	3	1,673	1,676
4-Aug-23	Vesting of RSUs	185,540	95,019,440	1	138	139
6-Oct-23	Shares issues under ESPP	75,328	95,094,768	-	93	93
19-Oct-23	Shares issued for repayment of convertible bond	2,335,388	97,430,156	7	1,338	1,345
15-Dec-23	Shares issued for repayment of convertible bond	2,500,000	99,930,156	8	523	531
14-Mar-24	Shares issued under the Securities Purchase Agreement	19,986,031	119,916,187	63	3,963	4,026
10-Apr-24	Shares issued for repayment of convertible bond	3,636,162	123,552,349	13	1,442	1,455
16-Apr-24	Shares issued under the Securities Purchase Agreement	2,666,667	126,219,016	8	989	997
22-Apr-24	Shares issued under the Securities Purchase Agreement	1,333,334	127,552,350	4	498	502
24-Apr-24	Shares issued under the Securities Purchase Agreement	26,815,841	154,368,191	85	6,203	6,288
At 30 June 2024			**154,368,191**	**491**	**121,813**	**122,304**

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

On 15 July 2024 the company issued 11,557,322 new ordinary shares in lieu of repayment of $1.06 million of the principal amount of the Company's convertible bond and the interest for the period. On 30 September 2024 the company announced and it successfully issued after shareholders' approval total of 165,280,499 new ordinary shares at 9 pence per share to raise new funds and convert the debts.

27. SHARE OPTIONS AND SHARE-BASED PAYMENTS

In November 2018, Group established the Renalytix AI plc Share Option Plan (the "Plan") and a U.S. Sub-Plan and Non-Employee Sub-Plan. In July 2020, the Company's board of directors adopted and the Company's shareholders approved the 2020 Equity Incentive Plan (the "EIP"), which superseded the 2018 Share Option Plan. The equity incentive 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 30 June 2024, there were 17,331,289 shares available for future issuance under the EIP.

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.

With respect to the options granted as of 30 June 2024:

- 5,289,026 options vest equally over 12 quarters following the grant date;
- 773,715 options vest 25% on the one year anniversary of the grant date and the remaining 75% equally over 12 quarters following the one year anniversary of the grant date;
- 490,000 options vest one-third on the one year anniversary of the grant date and the remaining two-thirds equally over eight quarters following the one year anniversary of the grant date;
- 295,000 options vest 25% at the end of the first quarter following Vesting Commencement Date and the remaining shares vest quarterly thereafter;
- 285,000 options vest 12 months after the vesting commencement date;
- 243,875 options vest 25% on the one year anniversary of the grant date, 50% on the two-year anniversary of the grant date, and 25% on the three-year anniversary;
- 60,000 options vest 25% three months following Vesting Commencement Date and the remaining shares vest monthly thereafter;
- 12,500 options vest quarterly over two years following the grant date; and
- 10,000 options vested on the vesting commencement date.

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:

	Number of shares under option plan		Weighted-average exercise price per option	Weighted-average remaining contractual life (in years)
Outstanding at June 30, 2023	4,968,576	$	4.50	6.7
Granted	3,640,296	$	1.04	
Exercised	—	$	-	
Forfeited	(1,133,443)	$	2.83	
Expired	(1,563)	$	6.64	
Outstanding at June 30, 2024	7,473,866	$	3.06	7.0
Exercisable at June 30, 2024	5,249,671	$	3.84	6.1
Vested and expected to vest at June 30, 2024	7,473,866	$	3.06	7.0

The weighted average fair value of each share option granted has been estimated using a Black-Scholes model and is £0.82 ($1.04). The inputs into the model are a weighted average share price of £0.97 ($1.23), exercise price of £0, expected volatility of 75.0%, no expected dividend yield, weighted-average term of 6.3 years and weighted-average risk-free interest rate of 4.3%. None of the granted stock options were exercised in the year ended 30 June 2024.

The aggregate intrinsic value of the outstanding options is $0. The Group recognized total expenses of $1,083,570 ($781,178 within G&A expense, $294,204 within R&D expense and $8,188 within COGS expense) relating to equity-settled share-based payment transactions during the period to 30 June 2024. The weighted average remaining contractual term of the options is 7.0 years.

Activity for restricted stock units for the year ended 30 June 2024 is as follows:	Number of Restricted Stock Units		Weighted-average Grant Date Fair Value
Non-vested balance at June 30, 2023	40,340	$	1.61
Granted	—	$	-
Vested	(21,290)	$	2.24
Forfeited	(11,120)	$	1.69
Non-vested balance at June 30, 2024	7,930	$	1.33

The total fair value of restricted stock units vested during the year ended 30 June 2024 was $0.01 million (2023: $0.1 million). Restricted stock units vest upon the achievement of time-based service requirements.

At 30 June 2024, total unrecognized compensation expense related to non-vested restricted stock units was approximately $0.03 million. Unrecognized compensation expense relating to restricted stock units that are deemed probably of vesting is expected to be recognized over a weighted-average period of approximately 0.23 years.

28. TRADE AND OTHER PAYABLES

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Accounts payable	2,608	2,935	640	504
Due to subsidiaries	-	-	785	4,084
Payroll taxes payable	192	128	12	8
Accrued expenses	4,744	8,450	1,981	954
Total	**7,544**	**11,513**	**3,418**	**5,550**

The carrying amount of the trade and other payables balances denominated in GBP are £506k for the Group and Company (2023 - £399k).

29. CONVERTIBLE DEBT

In April 2022, the Group issued amortizing senior convertible bonds with a principal amount of $21.2 million in amortizing senior convertible bonds due in April 2027 (the "Bonds") to Heights Capital Ireland LLC (the "Convertible Bond Investor"). The Bonds were issued at 85% par value with total net proceeds of $18.0 million and accrue interest at an annual rate of 5.5%, payable quarterly in arrears, in cash or American Depositary Shares ("ADSs") valued at the ADS Settlement Price at the option of the Company. The principal and interest payments are due in equal quarterly installments starting in July 2022. The Bonds contain various conversion and redemption features. The initial conversion price for the Bonds of $8.70 has been set at a 20 percent premium to the Reference ADS Price. The Conversion Price may reset down at 12, 24 and 36 months, depending on share price performance, and the Bonds have a hard floor in the conversion price of $7.25. As a result of the February 2023 private placement and pursuant to conditions of the bond agreement, the conversion price was adjusted to $8.2508 (previously $8.70) and the floor price was adjusted to $6.8757 (previously $7.25). Further, pursuant to conditions of the agreement, effective April 7, 2023, the conversion price was adjusted from $8.2508 to $7.7924. Between amortization dates, the Convertible Bond Investor retains the right to advance future amortization payments, provided that (a) there shall be no amortization advancements during the first 12 months, (b) no more than 2 amortization advancements may occur in any 12 month period, and (c) no more than 1 amortization advancement may occur in any 3 month period. On March 28, 2024, the Company entered into a second amendment and restatement agreement with the Convertible Bond Investor, which amended the terms of the Company's existing bond agreement, dated March 31, 2022. The Bond Agreement Amendment amends the existing bond agreement to, among other things:

- implement a beneficial ownership limitation whereby each bondholder, together with its affiliates, must not at any time own or acquire the beneficial ownership of more than 9.99% of the issued and outstanding ordinary shares of the Company;
- adjust the bondholder's' maximum trading volume by removing a cap on the number of ADS that can be sold each day and reduces the length of certain non-trading periods applicable to the bondholders;
- reduce certain market price observation periods to 5 days and 3 days (rather than 10 days and 5 days);
- grant the holders of more than 50% of the principal amount of the bonds issued thereunder and then-outstanding (the "Majority Bondholders") the right to defer the amortization payment scheduled for 7 April 2024 (the "April 2024 Amortized Payment Amount") in addition to the deferrals already permitted as well as the right to accelerate the April 2024 Amortized Payment Amount if previously deferred in addition to the accelerations already permitted; and
- in addition to the existing right to accelerate the next scheduled amortization payment, provide the Majority Bondholders the ability to accelerate any other future scheduled amortization payment, subject to certain limitations.

The Group performed an analysis and determined that the financial impact was immaterial as the amended and restated agreement was not substantially different than the previous agreement.

The Convertible Bond Investor is also permitted to defer up to two amortization payments to a subsequent amortization date. The Company retains the option to repay any deferred amortization in cash at 100 percent of the nominal amount. In July 2023, the Company made a cash amortization payment of $1.4 million, which consisted of $1.1 million of principal and $0.3 million of interest. Also in July 2023, the Convertible Bond Investor exercised its right to advance an amortization payment and the Company made an accelerated repayment of $1.06 million through the issuance of 526,211 ADSs. In October 2023, the Company made an amortization payment of $1.3 million, which consisted of $1.1 million of principal and $0.2 million of interest, through the issuance of 2,335,388 ordinary shares in the form of 150,000 ordinary shares and 1,092,694 ADSs. In December 2023, the Company made an amortization payment of $1.3 million, which consisted of $1.1 million of principal and $0.2 million of interest, through the issuance of 2,500,000 ordinary shares and a cash payment of $0.6 million. In April 2024, the Company made an amortization payment of $1.3 million, which consisted of $1.1 million of principal and $0.2 million of interest, through the issuance of 3,636,162 ordinary shares. As of 30 June 2024 and 2023, $12.7 million and $18.0 million, respectively, of principal was outstanding.

On issuance, the Company elected to account for the Bonds at fair value in accordance with the accounting standard, with qualifying changes in fair value being recognized through the statements of operations until the Bonds are settled. Changes in fair value related to instrument-specific credit risk are recognized through comprehensive loss until the Bonds are settled. The fair value of the bonds is determined using a scenario-based analysis that estimates the fair value based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to the noteholders. Significant assumptions used in the fair value analysis include the volatility rate, risk-free rate, dividend yield and risky yield. The fair value of the Bonds was determined to be $16.9 million on issuance, which is the principal amount of the Bonds. As of 30 June 2024, the fair value of the Bonds was determined to be $8.5 million. During the year ended 30 June 2024, the Company recognized a $0.3 million increase in fair value of the Notes related to the instrument-specific credit risk in comprehensive loss and a decrease in fair value related to non-instrument specific credit risk of $3.8 million as loss in the consolidated statement of operations, respectively. The Company recognized a decrease in fair value of the Notes related to the instrument-specific credit risk of $0.3 million in the comprehensive loss and a decrease in fair value related to non-instrument specific credit risk of $3.1 million as a loss in the consolidated statement of operations during the year ended 30 June 2023.

	2024	2023
	$'000	**$'000**
Beginning of Period	11,948	12,342
Fair value adjustments	3,750	3,093
Change due to settlement of principal and interest	(6,176)	(4,163)
Change in credit risk	(306)	340
FX Impact	(726)	336
End of Period	**8,490**	**11,948**

On 30 September 2024 the company issued 36,541,666 new ordinary shares at 9 pence per share to convert the debts which related to the convertible bond and the accounts payable. The Company successfully negotiated the convertible bond and restructured with approximately £2.97m convertible bond capitalised via issue of new ordinary shares and the balance treated as a new unsecured convertible bonds with interest at rate of 5.5% per annum if paid in cash or 7.5% per annum if rolled into the principal amount, at the discretion of the company. The new convertible bond will have a maturity date of 31 July 2029 and may not be converted before 1 April 2026. The new bonds are redeemable at the Company's election at any time prior to maturity.

30. 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. As of 30 June 2024 and 2023, amounts due to ISMMS totaled $2.3 million and $3.4 million, respectively. During the years ended 30 June 2024 and 2023, the Company incurred expenses of $3.9 million and $3.3 million, respectively.

In June 2020, the Company and Mount Sinai entered into a registration rights agreement pursuant to which the Company has 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 then eligible 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 global offering, 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 marketing and 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 registration rights 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.

On March 12, 2024, the Company entered into the Placing Agreement with Stifel, pursuant to which the Company agreed to allot and issue the Placing Shares to the Placees in the Private Placement, up to an aggregate of 46,801,872 ordinary shares. On March 12, 2024, the Company announced that it successfully placed 46,801,872 ordinary shares with both UK and U.S. institutional investors, at a price of £0.20 per ordinary share, raising aggregate gross proceeds of approximately $12 million for the Company.

ISMMS subscribed for a total 9,360,374 ordinary shares at £0.20 per ordinary share in the Private Placement.

Christopher Mills, Non-Executive Chairman then, and his related parties subscribed for a total of 4,000,000 ordinary shares at £0.20 per ordinary share in the Private Placement.

31. 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. As of 30 June 2024, the Company has accrued $0.1 million of royalties due to Mount Sinai.

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

As of 30 June 2024, the Company has accrued for the $300,000 sales milestone due to Joslin related to achievement of the first sales milestone and accrued $0.4 million of royalties due to Joslin.

32. ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.

33. SUBSEQUENT EVENTS

On July 15, 2024, the Company announced the repayment of $1.06 million of the principal amount of the Company's convertible bond and the interest for the period through the issuance of 2,275,000 Ordinary Shares and 4,641,161 American Depositary Shares ("ADSs"). 11,557,322 new ordinary shares of £0.0025 each in the capital of the Company will be issued to settle including conversion of 4,641,161 ADSs (9,282,322 Ordinary Shares with each ADS representing two Ordinary Shares). After settlement of the repayment, the principal remaining under the convertible bond will be reduced by $1.06 million to $11.66 million.

On 30 September 2024 the company announced that it had received commitments from existing and new investors to raise £11.9m through a subscription of 128,738,833 new ordinary shares at 9 pence per share. The company also issued 36,541,666 new ordinary shares at 9 pence per share to convert part of the existing Convertible Debt to equity and convert part of the accounts payable balance to equity. In respect to the convertible bond the company successfully converted £2.97m of the bond to equity via the issue of 33 million new ordinary shares and the remaining balance treated as new unsecured convertible bonds with interest at a rate of 5.5% per annum if paid in cash, or 7.5% per annum if rolled into the principal amount of the debt, at the discretion of the company. The new convertible bond will be non-amortizing, have a maturity date of 31 July 2029 and may not be converted before 1 April 2026. The bonds are callable at the Company's option at any time prior to maturity. In respect to the accounts payable balance with a professional adviser, $750,000 has been restructured such that $425,000 of the balance has been converted into equity and $325,000 has been restructured as a long term promissory note, bearing paid-in-kind interest at 5% per annum. The new note will be due at the earlier of 5 years from the initiation of the note, or accelerated should the Company be acquired prior to maturity. The Company may prepay the note at any time without penalty. The equity financing commitments closed in two tranches, the first on October 8, 2024 and the second on November 4, 2024 with all net proceeds received by the company on the closing dates. All debt restructurings were effective with the second close of the equity financing.

Additional Financial Information

RECONCILIATION OF IFRS TO US GAAP

Since Renalytix's 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 10-K, which is based on US GAAP, contains differences from its Annual Report, which is based on IFRS.

The Form 10-K and Annual Report are available on the Company's website (www.renalytix.com). In order 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

	GAAP As at 30 June 2024	IFRS As at 30 June 2024	GAAP vs IFRS Difference	
	$'000	$'000	$'000	
Assets				
Cash	4,680	4,680	-	
Accounts receivable	722	722	-	
Prepaid expenses and other current assets	716	712	4	(a)
Property, plant and equipment, net	216	213	3	(a)
Intangibles, net	-	-	-	(b)
Investment in Verici	698	698	-	
Other assets	940	71	869	(c)
Total assets	**7,972**	**7,096**	**876**	
Liabilities and stockholder's equity				
Current Liabilities:				
Note payable – current	4,159	4,159	-	
Accounts payable	2,608	7,544	4,936	(d)
Accrued expenses and other current liabilities	3,354	-	(3,354)	(d)
Accrued expenses – related party	1,329	-	(1,329)	(d)
Current lease liability	45	46	1	(e)
Note payable – non current	4,331	4,331	-	
Noncurrent lease liabilities	-	-	-	
Total Liabilities	**15,826**	**16,080**	**254**	
Stockholders' (deficit) equity:				
Ordinary shares, £0.0025 par value per share: 161,944,807 shares authorized; 154,368,191 and 93,781,478 shares issued and outstanding at June 30, 2024 and June 30, 2023, respectively	478	491	13	(e)
Additional paid in capital	204,893	136,265	(68,628)	(f)
Accumulated other comprehensive (loss) income	(1,443)	(1,086)	357	(g)
Accumulated deficit	(211,782)	(144,654)	67,128	(h)
Total stockholders' (deficit) equity	**(7,854)**	**(8,984)**	**(1,130)**	
Total liabilities and stockholders' (deficit) equity	**7,972**	**7,096**	**(876)**	

a. Represents other immaterial presentation differences between US GAAP & IFRS

b. 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.

c. Difference is attributable to capitalized software costs which are recorded as other assets under U.S. GAAP and Intangibles under IFRS.

d. Accounts payable and other current liabilities are presented in the aggregate within the Annual report while broken out

separately on the US GAAP 10-K. Difference represents other immaterial presentation differences and audit adjustments.

e. Represents other immaterial audit adjustments.

f. 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.

g. Represents the difference in weighted average foreign exchange rates and spot rates used for translation of financial statements under IFRS and U.S. GAAP.

h. 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

	Year ended 30 June 2024	
	$'000	
Net loss in accordance with IFRS	**(45,470)**	
Stock compensation expense	(626)	(i)
Amortisation and impairment of intangibles	12,352	(j)
Other adjustments	288	(k)
Net loss in accordance with US GAAP	**(33,456)**	

i. 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.

j. Amortisation 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. Impairment charge has also been provided against the asset balance.

k. The remaining difference represents the aggregation of post year end audit fee accruals, other immaterial audit adjustments and small accounting standard difference.