IXICO plc
("IXICO", the "Company" or the "Group")

Half Yearly Report to 31 March 2016

Continued expansion of digital technologies and therapeutic areas focused on brain health

Delivering on new contracts including Parkinson's disease and multiple sclerosis

07 June 2016, IXICO plc (AIM: IXI), the brain health company, announces its unaudited interim results for the six months ended 31 March 2016.

Period Highlights

- Assessa® partnership deal with a leading pharmaceutical company to improve the risk profile of a globally marketed multiple sclerosis drug
- Four new contracts in Alzheimer's disease clinical trials with a combined value of over £3.0m
- Acquisition of Optimal Medicine Limited and associated equity fundraising of £2.7m (gross)
    - mehealth® technology deployed in the American Academy of Pediatrics 2016 Quality Improvement Program
    - Integration of the Optimal Medicine business and products progressing well
- Financial performance reflects start-up of a major new clinical trial and digital healthcare contracts
    - Total income (revenue plus other income) of £2.0m (2015: £2.0m)
    - Operating loss of £1.1m (2015: £0.8m) including investment in digital technology platform and pharma digital health relationships
    - Loss per share 4.6p (2015: 4.1p)
    - Strengthened balance sheet with cash of £3.2m (2015: £1.9m)

Post-Period Highlights

- First contract in Parkinson's disease with Oxford Biomedica
- Joined seven global pharmaceutical companies in the Critical Path for Parkinson's consortium
- Deployment of mehealth® technology in Cygnus project, part of the Dementia Platform UK consortium

Derek Hill, Chief Executive Officer of IXICO, said:
"We continue to demonstrate our deep expertise in brain health and the value of IXICO's technology platform through winning four new contracts in Alzheimer's disease while further expanding our brain health focus into new therapeutic areas with contract wins for multiple sclerosis and Parkinson's disease. Through investment in our digital platforms including the recently acquired Optimal Medicine products, we are able to maximise synergies between our clinical trials and digital companion contracts. We look forward to building on this to take IXICO into the next phase of its corporate development and continue to explore opportunities to build critical mass."

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Notes to Editors

About IXICO

IXICO's innovative and proprietary digital healthcare technologies help those involved in researching and treating serious diseases to capture and analyse clinical data to make rapid, informed decisions. In clinical research this includes the phenotyping of patients, quantification of disease pathology and measurement of patient outcomes. In clinical practice the mobile health and digital decision support technologies aid diagnosis, patient engagement and monitoring. IXICO is also collaborating with partners to develop companion digital health products targeted at improving patient outcomes.

The Company's brain health focus includes Alzheimer's disease, Huntington's disease, multiple sclerosis, Parkinson's disease, behavioural health, child and adolescent mental health.

More information is available on www.ixico.com

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

We are pleased to present the results for the six months ended 31 March 2016, a period in which we continued to broaden our brain health franchise and our digital technologies. The acquisition of Optimal Medicine on 8 December 2015, together with the associated equity fundraising, furthered our strategy to expand our products and expertise into a broader range of digital technologies and a wider range of brain diseases. We also continue to invest in product development, business development and IT infrastructure to support the deployment of our international projects and platforms to grow their commercial value to our customers in the pharmaceutical industry.

Clinical Trial Services

Award of new contracts

In August 2015 we announced our largest ever clinical trial contract in a Phase II/III Alzheimer's disease trial. Winning this contract was an important milestone for the Company due to its size, scope and duration. During this financial year we are investing in our clinical trial technology infrastructure and systems to ensure scalable and efficient delivery of this seven year project. We believe this investment will also provide improved efficiency in other current and future clinical trial projects.

We continue to build our clinical trials revenue based on our long standing expertise in Alzheimer's disease and in the period were awarded four new contracts worth over £3m, which are expected to run for the next two to four years. This expertise and experience provides a foundation upon which we are expanding our therapeutic focus into other brain diseases. We were pleased to announce recently a contract with Oxford BioMedica, a new customer, in a clinical trial of a novel experimental drug for Parkinson's disease. This contract, together with existing contracts in Huntington's disease announced in 2015, demonstrates our progress in supporting an increasingly diversified range of clinical trials focused on developing treatments for diseases of the central nervous system (CNS).

Alliance with VirtualScopics

In the period, our commercial and operational partnership with VirtualScopics, Inc. (VSCP) involved both supporting their use of TrialTracker™ as core image management platform (on commercial terms) and joint delivery of clinical trials contracts in both oncology and Alzheimer's disease. The deployment and support of TrialTracker™ in VSCP's business systems is part of our plans to establish a technical support infrastructure focused on external, third party users of our platform.

Following the acquisition of VSCP on 11 May 2016 we are positive about continuing the commercial partnership with both VSCP and BioTelemetry Research Acquisition Corporation Inc.

Digital Healthcare

Companion Products

Pharmaceutical companies are becoming increasingly active in the integration of digital healthcare technologies as part of their overall product offerings. Digital technologies that are linked to therapies can be described as "Digital Healthcare Companion Products". We believe that the pharmaceutical industry's digital strategies provide us with a commercial opportunity that is well aligned with our core capabilities and our strategic investment in digital products. We continue to build upon our longstanding relationships with the pharmaceutical industry both as customers in our clinical trials business and partners or collaborators in international consortia, grant funded projects and clinical pilots. This is an important part of building commercial traction for our technologies as digital healthcare companion products.

Our announcement on 9 October 2015 of a contract to deploy our Assessa® platform to improve the risk profile of a globally marketed multiple sclerosis drug was an important milestone in our strategic goal of becoming the leading provider of digital healthcare companion products for Brain Health. This collaboration with a pharmaceutical company and independent expert clinical centres is designed to improve the detection and management of patients with multiple sclerosis at risk of Progressive Multifocal Leukoencephalopathy (PML), a potentially fatal viral disease characterized by progressive damage or inflammation of the brain. This contract validates our digital healthcare strategy and we are, as planned, investing a proportion of the proceeds of the £2.7m placing completed in December 2016 to enhance our commercial and delivery capabilities.

On 3 March 2016 we announced that the mehealth® technology had been deployed by the American Academy of Pediatrics ("AAP") as part of its Chapter Quality Network improvement program to improve pediatric ADHD care and patient outcomes. As part of this twelve month programme mehealth® for ADHD, is being deployed to support paediatricians from six State Chapters in the diagnosis, evaluation, routine assessment and treatment of children with ADHD.

On 30 March 2016, we announced the award of a contract by SBRI Healthcare for the further development and integration of MyBrainBook®, IXICO's digital platform designed to support people with dementia, with NHS urgent and emergency care service providers, including 111 and GP out-of-hours services. IXICO is working with the Healthy London Partnership in the six month project.

These new contracts are different in scope and scale involving three of our digital healthcare products. They are central to differentiating our position in digital healthcare and will all contribute to revenue in the second half of the financial year.

Product Development Programmes
Grant funding of projects and pilots remain an effective way to supplement our continued investment in new technologies and, importantly, to gather real patient data. In the period we announced our participation in SENSE-COG, a European consortium to define and develop new tools to address the impact of dementia, hearing and visual impairment in the elderly. At the end of the period we have five active projects which together represent current, committed grant funding of £2.0m.

Cygnus real world data collection platform
In April 2015, we announced the launch of project Cygnus, a real world data collection study involving people with cognitive impairment and dementia. IXICO is the lead partner and Sponsor of the project, working together with the Northern Health Science Alliance Network, several NHS Trusts in the North of England and MRC Technology. Funding is provided by Innovate UK.

We have recently announced the completion of key Cygnus milestones including:

- becoming a cohort within the high profile Dementias Platform UK consortium
- the initiation of the memory assessment services at four NHS Trusts participating in the project
- mehealth® digital technology platform being deployed for data collection and management
- enrolment of the first subject

By joining Dementias Platform UK, Cygnus is participating in a high profile collaborative project which includes leading academic centres and pharmaceutical companies GlaxoSmithKline, AstraZeneca and Johnson & Johnson. The mehealth® digital technology platform is being used to collect and manage data from the participating patients and their caregivers.

The mehealth® platform was part of the Optimal Health acquisition and the Cygnus project is an opportunity to use this platform to demonstrate mehealth®'s value to the pharmaceutical industry combined with its potential to support clinical development and management as a digital healthcare companion product.

Conclusion and Outlook
Our digital healthcare strategy is generating high value commercial opportunities with existing and new customers as we expand our brain health franchise. We are continuing to win and deliver new clinical trials business which is an important foundation of our relationships with pharmaceutical customers. The integration of Optimal Medicine has made good progress and the use of the mehealth® technology in both the AAP 2016 Quality program and project Cygnus represent opportunities to showcase these newly acquired products. Momentum is increasing as we start to generate revenue from contracts won in the period and at the end of the last financial year. We are also gaining traction with pharmaceutical companies for our digital healthcare products.

Our focus for the second half of the year is on the delivery and potential expanded scope of these contracts and relationships.

We thank all our customers, partners and staff for their continued support and enthusiasm.

FINANCIAL REVIEW

The financial performance for the six month period to 31 March 2016 reflects the acquisition of Optimal Medicine Limited and an equity fundraising of £2.7million which closed on 8 December 2015. Integration of the Optimal Medicine products and technologies was ongoing at the period end and it is expected that full integration will be achieved in the second half of the financial year.

Revenue

Revenue of £1.5million (H1 2015: £1.6million) was broadly in line with the prior period. The revenue performance reflected nine new clinical trials in the start-up stage including five new contracts secured in the period and four secured in the prior year. The timing of start-up and enrolment impacts the phasing of the contracted revenue recognised over the term of each individual contract. Based on past experience, revenue from these recent wins is expected to increase over the term of the contract as the scope expands.

Revenue in the period also included preliminary revenues arising from the development of the digital healthcare platform for the detection and management of PML, together with ADHD license revenue from the AAP program.

Other income

Other income of £0.4million (H1 2015: £0.4million) was in line with the prior period. Two grants ended in the period and one new award was made, which resulted in five active grant projects at the end of the period. Further committed grant funding is expected to be received in the second half of the financial year.

Operating expenditure and loss after tax

Operating expenditure reflected increased investment in research and development expenditure of £0.8million (H1 2015: £0.6million) as the Group executed on its strategy of investing in product development, business development and IT infrastructure. The Group's loss after tax for the six months of £1.0million (H1 2015: £0.6million) reflected the acquisition of Optimal Medicine Limited and associated non-recurring administrative expenditure.

Current assets

Trade and other receivables increased to £1.8million (H1 2015: £1.6million). The balances are in line with agreed payment terms and are not impaired.

The tax asset of £0.4million (H1 2015: £0.5million) includes an R&D tax credit claim of £0.3million for the year ended 30 September 2015 which is expected to be a cash receipt in the second half of the year.

During the six months there was a net cash inflow of £1.3million resulting in a cash position of £3.2million at 31 March 2016 (H1 2015: £1.9million).

Current liabilities

Trade and other payables of £1.3million were in line with the prior period (H1 2015: £1.3million). The deferred consideration of £0.2million refers to the acquisition of Optimal Medicine Limited which falls due no later than 31 December 2016.

Consolidated Statement of Comprehensive Income
for the six months ended 31 March 2016 - unaudited

	Note	**Six months ended 31 March 2016 £'000 unaudited**	Six months ended 31 March 2015 £'000 unaudited	Year ended 30 September 2015 £'000 audited
Revenue		**1,536**	1,602	3,115
Cost of sales		**(789)**	(731)	(1,323)
Gross profit		**747**	871	1,792
Other income		**446**	418	1,067
Operating expenses				
Research and development expenses		**(776)**	(634)	(1,234)
Sales and marketing expenses		**(400)**	(316)	(584)
General and administrative expenses		**(1,086)**	(1,112)	(2,188)
Non-recurring administrative expenses	4	**(40)**	—	(247)
Total operating expenses		**(2,302)**	(2,062)	(4,253)
Operating loss		**(1,109)**	(773)	(1,394)
Finance income		**—**	1	1
Loss on ordinary activities before taxation		**(1,109)**	(772)	(1,393)
Taxation		**82**	147	199
Loss attributable to equity holders for the period		**(1,027)**	(625)	(1,194)
Other comprehensive expense:				
Foreign exchange translation differences		**(16)**	—	—
Total other comprehensive expense		**(16)**	—	—
Total comprehensive expense attributable to equity holders for the period		**(1,043)**	(625)	(1,194)
Loss earnings per share (pence)	5			
Basic loss per share		**(4.6)**	(4.1)	(7.9)
Diluted loss per share		**(4.6)**	(4.1)	(7.9)

Consolidated Statement of Financial Position
as at 31 March 2016 - unaudited

	As at 31 March 2016 £'000 unaudited	As at 31 March 2015 £'000 unaudited	As at 30 September 2015 £'000 audited
ASSETS			
Non-current assets			
Property, plant and equipment	**113**	103	116
Intangible assets	**1,346**	455	300
Total non-current assets	**1,459**	558	416
Current assets			
Trade and other receivables	**1,808**	1,594	1,603
Current tax receivable	**409**	511	286
Cash and cash equivalents	**3,181**	1,950	1,934
Total current assets	**5,398**	4,055	3,823
Total assets	**6,857**	4,613	4,239
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	**1,285**	1,282	1,470
Deferred consideration	**174**	—	—
Total current liabilities	**1,459**	1,282	1,470
Non-current liabilities			
Deferred tax liabilities	**269**	91	60
Total non-current liabilities	**269**	91	60
Equity			
Ordinary shares	**7,720**	7,529	7,529
Share premium	**79,391**	76,804	76,804
Merger relief reserve	**1,312**	641	641
Reverse acquisition reserve	**(75,277)**	(75,229)	(75,229)
Translation reserve	**(16)**	—	—
Accumulated losses	**(8,001)**	(6,505)	(7,036)
Total equity	**5,129**	3,240	2,709
Total liabilities and equity	**6,857**	4,613	4,239

Consolidated Statement of Changes in Equity
for the six months ended 31 March 2016 - unaudited

	Ordinary shares £'000 unaudited	Share premium £'000 unaudited	Merger relief reserve £'000 unaudited	Reverse acquisition reserve £'000 unaudited	Foreign exchange translation reserve £'000 unaudited	Accumulated losses £'000 unaudited	Total £'000 unaudited
Balance at 1 October 2015	**7,529**	**76,804**	**641**	**(75,229)**	—	**(7,036)**	**2,709**
Total comprehensive expense							
Loss for the period	—	—	—	—	—	(1,027)	(1,027)
Other comprehensive expense:							
Foreign exchange translation differences	—	—	—	—	(16)	—	(16)
Total comprehensive expense	**—**	**—**	**—**	**—**	**(16)**	**(1,027)**	**(1,043)**
Transactions with owners							
Charge in respect of share options	—	—	—	—	—	28	28
Exercise of share options	78	(30)	—	(48)	—	—	—
Proceeds from shares issued	89	2,617	—	—	—	—	2,706
Cost of acquisition	24	—	671	—	—	34	729
Total transactions with owners	**191**	**2,587**	**671**	**(48)**	**—**	**62**	**3,463**
Balance at 31 March 2016	**7,720**	**79,391**	**1,312**	**(75,277)**	**(16)**	**(8,001)**	**5,129**

	Ordinary shares £'000 unaudited	Share premium £'000 unaudited	Merger relief reserve £'000 unaudited	Reverse acquisition reserve £'000 unaudited	Accumulated losses £'000 unaudited	Total £'000 unaudited
Balance at 1 October 2014	**7,529**	**76,804**	**641**	**(75,229)**	**(5,933)**	**3,812**
Total comprehensive expense	—	—	—	—	(625)	(625)
Transactions with owners						
Charge in respect of share options	—	—	—	—	53	53
Total transactions with owners	**—**	**—**	**—**	**—**	**53**	**53**

Balance at 31 March 2015	**7,529**	**76,804**	**641**	**(75,229)**	**6,505**	**3,240**

	Ordinary shares £'000 audited	Share premium £'000 audited	Merger relief reserve £'000 audited	Reverse acquisition reserve £'000 audited	Accumulated losses £'000 audited	Total £'000 audited
Balance at 1 October 2014	**7,529**	**76,804**	**641**	**(75,229)**	**(5,933)**	**3,812**
Total comprehensive expense	—	—	—	—	(1,194)	(1,194)
Transactions with owners						
Charge in respect of share options	—	—	—	—	91	91
Total transactions with owners	**—**	**—**	**—**	**—**	**91**	**91**
Balance at 30 September 2015	**7,529**	**76,804**	**641**	**(75,229)**	**(7,036)**	**2,709**

Consolidated Statement of Cash Flows
for the six months ended 31 March 2016 - unaudited

	Six months ended 31 March 2016 £'000 unaudited	Six months ended 31 March 2015 £'000 unaudited	Year ended 30 September 2015 £'000 audited
Cash flows from operating activities			
Loss for the period	**(1,027)**	(625)	(1,194)
Finance income	**—**	(1)	(1)
Taxation	**(82)**	(147)	(199)
Depreciation	**28**	26	49
Amortisation of acquired intangibles	**108**	65	100
Impairment of acquired intangibles	**—**	—	120
Provision for doubtful debts	**—**	7	—
Research and development expenditure credit	**(66)**	(60)	(131)
Share option charge	**28**	53	91
	(1,011)	(682)	(1,165)
Changes in working capital			
Increase in trade and other receivables	**(178)**	(439)	(442)
Decrease in trade and other payables	**(338)**	(215)	(27)
Cash used in from operations	**(1,527)**	(1,336)	(1,634)
Taxation received	**—**	—	318
Net cash used in operating activities	**(1,527)**	(1,336)	(1,316)
Cash flows from investing activities			
Cash and cash equivalents acquired	**98**	—	—
Purchase of property, plant and equipment	**(18)**	(9)	(45)
Finance income	**—**	1	1
Net cash generated from investing activities	**80**	(8)	(44)
Cash flows from financing activities			
Issue of shares	**2,706**	—	—
Net cash generated from financing activities	**2,706**	—	—
Movements in cash and cash equivalents in the period	**1,259**	(1,344)	(1,360)
Cash and cash equivalents at start of period	**1,934**	3,294	3,294
Effect of exchange rate fluctuations on cash held	**(12)**	—	—
Cash and cash equivalents at end of period	**3,181**	1,950	1,934

1. GENERAL INFORMATION

IXICO plc ('the Company') is a public limited company incorporated in England & Wales and is admitted to trading on the AIM market of the London Stock Exchange under the symbol IXI. The address of its registered office is 4th Floor, Griffin Court, 15 Long Lane, London EC1A 9PN.

The Company is an established provider of clinical trials services to the global pharmaceutical industry. The Company is also providing innovative, proprietary digital healthcare products to help those involved in researching and treating serious diseases to capture and analyse clinical data to make rapid, informed decisions.

The Company's brain health focus includes Alzheimer's disease, Huntington's disease, multiple sclerosis, Parkinson's disease, behavioural health, child and adolescent mental health.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The condensed consolidated interim financial statements were approved by the Board of Directors for issue on 6 June 2016. The condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The condensed consolidated interim financial statements together with the comparative information for the six months ended 31 March 2015 are unaudited.

The statutory accounts of the Company for the period ended 30 September 2015 were approved by the Board of Directors on 18 December 2015 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

It is intended for the period ended 30 September 2016 that the parent entity and subsidiaries take advantage of the new United Kingdom accounting standards regime and adopt FRS 101 "Reduced Disclosure Framework", based on International Financial Reporting Standards as adopted by the European Union.

Going concern

At the time of approving the condensed consolidated interim financial statements, and based on a review of the group's forecasts and business plan, the directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

Accounting policies

The accounting policies used in the condensed consolidated interim financial statements are consistent with those used in the consolidated financial statements for the period ended 30 September 2015 and are in accordance with International Financial Reporting Standards as adopted by the European Union.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the condensed consolidated interim financial statements, the Directors make a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the condensed consolidated interim financial statements

Revenue recognition

The Group recognises revenue in respect of amounts chargeable to customers, based upon the service activity or achievement of a milestone defined in each contract. The recognition reflects the timing of the performance of the service activity or milestone. It requires significant judgment to determine actual work performed and the estimated costs to complete each activity or milestone. Assessing whether the Group is acting as agent also requires judgement including a clear definition of the relative responsibilities for the delivery of the service activity or milestone.

Recovery of deferred tax assets
Deferred tax assets have not been recognised for deductible temporary differences and tax losses as the Directors consider that there is not sufficient certainty that future taxable profits will be available to utilise such temporary differences and tax losses.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Business combination and acquired intangible assets
The key judgements involved were the identification and valuation of intangible assets which required the estimation of future cash flows and the selection of a suitable discount rate and the determination that the difference between the fair value of the consideration effectively given and the aggregate of the fair values of the separable net assets acquired effectively represents goodwill arising from the business combination.

Share-based payments
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

3. BUSINESS COMBINATION

On 8 December 2015 the Company acquired the entire issued share capital of Optimal Medicine Limited. The aggregate consideration for the acquisition was £1,500,000 in consideration shares at a consideration share price of 49 pence comprising;

- the initial issue of 2,355,295 new ordinary shares upon completion of the acquisition,
- the issue of 590,093 deferred consideration shares on 31 December 2016, subject to the satisfaction of any claims made against warranties given by the sellers,
- the issue of a further 113,668 new ordinary shares, if options granted under the Optimal Medicine Limited share option scheme are exercised.

In accordance with the Acquisition Agreement, the Company issued replacement share option awards to satisfy outstanding share options under the Optimal Medicine Limited share option scheme. These share options are exit-only options and were exercisable on completion of the acquisition. The exercise date has been extended to either 12 months or 18 months.

The warranty period expires on 31 December 2016 and the deferred consideration shares rank pari passu in all respects with the ordinary shares of the Company.

In accordance with IAS 27 the Company has valued the investment in Optimal Medicine Limited at cost and the share price of 29.5 pence on 8 December 2015 has been applied to determine the fair value as follows:

- 2,355,295 new ordinary shares issued at completion representing a value of £694,812
- 590,093 deferred consideration shares representing a value of £174,077
- 113,668 shares under option grants representing a value of £33,532

The fair value of the assets and liabilities arising from the acquisition of £902,421 has been provisionally determined as follows:

	£'000
Property, plant and equipment	3
Cash and cash equivalents	98
Trade and other receivables	37

Intangible assets	1,153
Trade and other payables	(158)
Deferred tax liability	(231)
Total identifiable net assets	**902**

Total aggregate consideration (3,059,056 shares at 49 pence)	**1,500**
Difference between consideration share price and fair value (3,059,056 shares at 19.5 pence)	(598)
Total consideration (3,059,056 shares at 29.5 pence)	**902**

4. EXCEPTIONAL EXPENSES

The non-recurring administrative expenses relate to costs of restructuring incurred by the Group post the acquisition of Optimal Medicine Limited.

5. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period after the deduction of the weighted average number of the ordinary shares held by the employee benefit trust during the period.

For diluted loss per share, the loss for the period attributable to equity holders and the weighted average number of ordinary shares outstanding during the period is adjusted to assume conversion of all dilutive potential ordinary shares. As the effect of the share options would be to reduce the loss per share, the diluted loss per share is the same as the basic loss per share.

The calculation of the Group's basic and diluted loss per share is based on the following data:

	Six months ended 31 March 2016 £'000 unaudited	Six months ended 31 March 2015 £'000 unaudited	Year ended 30 September 2015 £'000 audited
Loss attributable to equity holders for the period	**(1,027)**	(625)	(1,194)

	As at 31 March 2016 Number unaudited	As at 31 March 2015 Number unaudited	As at 30 September 2015 Number audited
Weighted average number of ordinary shares	**22,246,797**	15,058,982	15,057,242

6. ISSUED CAPITAL

Share capital restructuring

On 8 December 2015 the Company effected a restructuring of the share capital whereby each existing ordinary share was sub-divided and re-designated into one ordinary share of 1 pence and one deferred share of 49 pence. The ordinary shares retain all rights in respect of dividends, voting and any return on capital and therefore, other than a change in the nominal value, are identical to the existing ordinary shares. The deferred shares carry minimal rights. On completion of the share capital restructuring the nominal value of each ordinary share was 1 pence.

Placing

On the 8 December 2015 the Company raised £2,706,100 before expenses, comprising a placing of 8,852,459 ordinary shares and 20,000 ordinary shares pursuant to the exercise of a broker option, at a price of 30.5 pence.

Following the admission to trading of the new ordinary shares as consideration for the acquisition of Optimal Medicine Limited and the placing, the Company had 26,443,418 ordinary shares of 1 pence each in issue. On 21 December 2015 one of the vendors of Optimal Medicine gave up their entitlement to 2,168 consideration shares which were therefore cancelled.

7. SHARE-BASED PAYMENTS

IXICO EMI Share Option Plan 2014
On 29 March 2016, the Group granted 1,778,274 share options to employees of the Group under the IXICO EMI Share Option Plan. The granted share options contain standard and enhanced vesting conditions which are subject to the achievement of individual employee and Group performance criteria as determined by the Board. Of the share options granted:

- 838,274 share options will vest and are exercisable in two equal tranches at the end of years one and two,
- 470,000 share options granted have enhanced vesting conditions which have been assumed to vest at the end of year one, and
- 470,000 share options granted have enhanced vesting conditions which have been assumed to vest at the end of year three.

During the six month period ended 31 March 2016, 577,254 share options granted in October 2014 did not meet the vesting condition, therefore were not exercisable and subsequently lapsed.

IXICO plc replacement share option scheme
On 2 October 2015 and 12 October 2015, 142,581 and 14,101 new ordinary shares were issued and allotted pursuant to the exercise of options under the IXICO plc replacement share option scheme. Under the terms of the scheme the new shares issued and allotted in IXICO Technologies Limited are subject to a put and call arrangement resulting in the new ordinary shares being issued and allotted in IXICO plc.

As at 12 October 2015, the Company was in a close period therefore two directors were unable to exercise their options and purchase the shares as they intended. A deed of variation dated 12 October 2015 extended the exercise date of 186,455 share options held by such directors to 15 April 2016.

The remaining 15,669 share options in respect of the IXICO plc replacement share option scheme were not exercised and subsequently lapsed.

As at the period end, the reconciliation of share option scheme movements is as follows:

	As at 31 March 2016	
	Number	**WAEP**
Outstanding at 1 October 2015	**1,473,159**	**£0.94**
Granted	1,778,274	£0.14
Exercised	(156,682)	£0.00
Lapsed	(592,923)	£0.48
Outstanding at 31 March 2016	**2,501,828**	**£0.54**
Exercisable at 31 March 2016	**186,455**	

During the period ended 31 March 2016 a share based payment of £27,856 was charged to the consolidated statement of comprehensive income. This charge reflected the following assumptions:

- Share price volatility was based on historical performance of the share price using 'Exponentially Weighted Moving Average Model' function;
- The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations;
- Dividend yield was based on the historical dividend yield of 0.0%.
- The Risk free rate was based on United Kingdom gilts over the expected life of the options.