



HALF YEAR REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2016

CRONIN GROUP PLC
DIRECTORS, OFFICERS AND ADVISERS

Directors

James Ede-Golightly
Lee Cronin
Michael Bretherton
Mark Warne

Chairman
Founding Scientific Director
Non-Executive Director
Non-Executive Director

Company Secretary

Michael Bretherton

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Broker and Nominated Advisor

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Auditor

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Portwall Place
Portwall Lane
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Registrar

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Company Number

05845469 (England and Wales)

CRONIN GROUP PLC
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CRONIN GROUP PLC
CHAIRMAN'S STATEMENT

During the six months to 30 June 2016 (the Reporting Period) and in the current half year to date, the Cronin Group Plc and its subsidiary Cronin3D Limited ("the Group") has made substantive progress in further developing the Company's strategic roadmap to digitize chemistry. During the past six months the Company has strengthened its fundamental research and technical proof of concept work with evaluation of complementary commercial and partnering opportunities addressable within the medium term.

The Group's ultimate vision is to commercialise the Chemputer™, an autonomous universal digital synthesis engine, which intends to open up chemistry to a wider user-base via digitization. This will allow chemical synthesis to be flexible and widely accessible irrespective of access to physical infrastructure and chemical knowledge. By way of its Research Agreement with the Glasgow University research team ("the Research Group") led by Professor Lee Cronin, the Group has continued to progress development of a number of Chemputer™ prototype systems and exemplify the applicability of digitizing chemistry, for example by successfully manufacturing small molecules using a digital code that could allow reproducible processes not achievable easily by other means.

In consultation with Professor Cronin and the Group's Advisory Board, which as reported previously was constituted in March 2016 to review, evaluate and advise on the commercial and technical activities of the Group, the Company is currently progressing product specifications that will build on the principles of chemistry, automation and intelligence engendered in the Chemputer™ prototype systems produced by the Research Group. Underpinned by the premise of the digitization of chemistry, the Company is implementing a software and hardware framework that will ensure we secure a leadership position in chemistry big data which we believe will have significant value.

Over and above near term applications envisaged by the Group, further, longer term commercial applications enabled by the Chemputer™ have been covered in the media during the Reporting Period. For example, ahead of this year's Farnborough International Airshow, Professor Cronin, as Regius Professor of Chemistry at the University of Glasgow and Founding Scientific Director at Cronin Group PLC, was reported to be exploring with engineers and scientists at BAE Systems how development of the Chemputer™ will eventually lead to the digital programming of complex chemical and material systems. On the basis of engagement like this initiated by Professor Cronin, the Group is involved in a number of discussions with other blue chip companies which would envisage access to the Group's products and IP.

During the Reporting Period Steve Coles joined the Company from main list Mears Group plc as Chief Technology Officer. Steve is leading development of the Group's commercial grade products, including integrated precursors to the Chemputer™ system. He has over 20 years of technical development experience, where he has been central to the development and commercialisation of integrated software and hardware in the chemistry and biology arenas. Steve is an expert in developing high performance, integrated, multi-tier, data environments.

Financial Review

The Group incurred a loss after tax of £0.31 million for the half year ended 30 June 2016 (2015 first half: loss of £0.43 million including loss from discontinued operations of £0.38 million), which mainly reflects our continued research and development expenditure in this period.

Net cash outflows of £0.33 million during this first six months reduced cash balances to £5.10 million at 30 June 2016 compared with cash balances at 31 December 2015 of £5.42 million.

Outlook

The concept of the Chemputer™ exemplifies a new approach to chemistry that combines software, hardware that will drive the digitization of chemistry allowing the digitally-driven manufacturing of chemicals and algorithm-driven discovery of new targets, leading to a step change in reproducibility and digital collaboration.

We continue to build on the principles of the Chemputer™ prototypes developed by the Research Group and are progressing first opportunities to commercialise products facilitated by the digitization of

CRONIN GROUP PLC
CHAIRMAN'S STATEMENT (CONTINUED)

chemistry, confident that this will present a multiple range of opportunities to commercialise and add value for shareholders in the medium term.

James Ede-Golightly
Non-executive Chairman
15 September 2016

CRONIN GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 JUNE 2016

	6 months ended 30 June 2016 (Unaudited) £'000	6 months ended 30 June 2015 (Unaudited) £'000	Year ended 31 December 2015 (Audited) £'000
Continuing operations			
Revenue	-	-	-
Research and development costs	(277)	-	(112)
Administrative costs	(81)	(55)	(279)
Operating loss	(358)	(55)	(391)
Finance income	15	2	2
Loss before tax	(343)	(53)	(389)
Income tax credit	33	-	-
Loss from continuing operations	(310)	(53)	(389)
Discontinued operations			
Loss from discontinued operations	-	(375)	(772)
Loss and total comprehensive loss for the period	(310)	(428)	(1,161)
Loss and total comprehensive loss for the period attributable to:			
The Company's equity shareholders	(310)	(344)	(1,032)
Non-controlling interest	-	(84)	(129)
	(310)	(428)	(1,161)
Loss per share attributable to the equity holders of the Company:			
Basic and diluted (pence) on continuing operations (note 4)	(0.06)	(0.03)	(0.13)
Basic and diluted (pence) on total operations (note 4)	(0.06)	(0.22)	(0.39)

The six months ended 30 June 2015 figures have been re-presented to reflect the income and expenses of discontinued operations as a separate single line item.

CRONIN GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share equity £'000	Share premium £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Share based payment reserve £'000	Non- controlling interests £'000	Total £'000
Balance at 31 December 2014	1,977	10,603	6,369	(6,831)	(9,738)	319	253	2,952
Total comprehensive loss for the six months to 30 June 2015	-	-	-	-	(344)	-	(84)	(428)
<i>Transactions with owners:</i>								
Share based payments	-	-	-	-	-	4	-	4
Balance at 30 June 2015	1,977	10,603	6,369	(6,831)	(10,082)	323	169	2,528
Total comprehensive loss for the six months to 31 December 2015	-	-	-	-	(688)	-	(45)	(733)
<i>Transactions with owners:</i>								
Share capital reduction	(1,957)	(10,603)	-	-	12,560	-	-	-
Issue of shares for cash	13	3,287	-	-	-	-	-	3,300
Issue of shares on acquisition of subsidiary	20	-	4,880	-	-	-	-	4,900
Distribution of shares in demerged subsidiary	-	-	-	-	(222)	-	-	(222)
Reversal of reserves and interest on demerger of subsidiary	-	-	(6,369)	6,831	(462)	-	(124)	(124)
Share based payments	-	-	-	-	304	(323)	-	(19)
Balance at 31 December 2015	53	3,287	4,880	-	1,410	-	-	9,630
Total comprehensive loss for the six months to 30 June 2016	-	-	-	-	(310)	-	-	(310)
Balance at 30 June 2016	53	3,287	4,880	-	1,100	-	-	9,320

CRONIN GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As at 30 June 2016 (Unaudited) £'000	As at 30 June 2015 (Unaudited) £'000	As at 31 December 2015 (Audited) £'000
Assets			
Non-current assets			
Intangible assets and goodwill	4,218	315	4,221
Investments	3	-	3
Plant and equipment	-	57	-
	4,221	372	4,224
Current assets			
Trade and other receivables	53	106	35
Corporation tax recoverable	-	65	-
Cash and cash equivalents	5,096	2,139	5,424
	5,149	2,310	5,459
Liabilities			
Current liabilities			
Trade and other payables	(50)	(141)	(53)
Net current assets	5,099	2,169	5,406
Non-current liabilities			
Provisions	-	(13)	-
Total net assets	9,320	2,528	9,630
Equity and liabilities			
Shareholders' equity			
Called up share capital	53	1,977	53
Share premium	3,287	10,603	3,287
Merger reserve	4,880	6,369	4,880
Reverse acquisition reserve	-	(6,831)	-
Retained earnings	1,100	(10,082)	1,410
Share based payment reserve	-	323	-
Total equity	9,320	2,359	9,630
Non-controlling interests	-	169	-
Total equity attributable to shareholders of the Company	9,320	2,528	9,630

The condensed financial statements were approved by the Board of Directors and authorised for issue on 15 September 2016 and were signed on its behalf by:

Michael Bretherton
Director

Company number: 05845469

CRONIN GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	6 months ended 30 June 2016 (Unaudited) £'000	6 months ended 30 June 2015 (Unaudited) £'000	Year ended 31 December 2015 (Audited) £'000
Cash flows from operating activities			
Operating loss from continuing operations	(358)	(55)	(391)
Loss from discontinued operations	-	(375)	(772)
Adjustments for:			
Tax credit included in loss from discontinued operations	-	(18)	(47)
Loss on demerger of subsidiary included in loss from discontinued operations	-	-	199
Depreciation and amortisation charges	3	42	65
Profit / (loss) on disposal of plant and equipment	-	1	(6)
Share based payments charge / (credit)	-	4	(15)
Operating cash outflows before movement in working capital	(355)	(401)	(967)
(Increase)/decrease in trade and other receivables	(18)	(44)	26
(Decrease)/increase in trade and other payables	(3)	28	-
Cash used in operations	(376)	(417)	(941)
Interest received	15	3	2
Taxation received	33	-	47
Net cash used in operating activities	(328)	(414)	(892)
Cash flows from investing activities			
Purchase of intangible assets	-	(9)	(16)
Purchase of property, plant and equipment	-	(1)	-
Proceeds from sale of plant and equipment	-	-	6
Cash and bank in subsidiary at acquisition	-	-	725
Cash and bank in demerged subsidiary	-	-	(262)
Net cash (used) / generated from investing activities	-	(10)	453
Cash flows from financing activities			
Proceeds from issue of share capital	-	-	3,300
Cash generated from financing activities	-	-	3,300
Net (decrease) / increase in cash and cash equivalents	(328)	(424)	2,861
Cash and cash equivalents at beginning of period	5,424	2,563	2,563
Cash and cash equivalents at end of period	5,096	2,139	5,424

CRONIN GROUP PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

1) BASIS OF PREPARATION

The condensed interim financial statements of Cronin Group Plc are unaudited condensed consolidated financial statements for the six months ended 30 June 2016. These include unaudited comparatives for the six months ended 30 June 2015 together with audited comparatives for the year ended 31 December 2015.

During the 2015 year the Company changed its name from Oxford Advanced Surfaces Group Plc to OXACO Plc and finally to Cronin Group Plc as part of a Group reorganisation which involved the acquisition of Cronin 3D Limited in September 2015 and the subsequent demerger of Oxford Advanced Surfaces Limited in October 2015.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim Financial Reporting', and should be read in conjunction with the Group's annual financial statements as at 31 December 2015. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

The financial information for the year ended 31 December 2015 does not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006. A copy of the audited financial statements for that year has been delivered to the Registrar of Companies. The Auditors' opinion on those financial statements was unqualified, did not draw attention to any matters by way of an emphasis of matter paragraph, and it contained no statement under section 498(2) or section 498(3) of the Companies Act 2006.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015. As at 1 January 2016 there are no new standards or interpretations that resulted in any impact on the accounting policies, financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

Information on the business environment, financial position and the factors underpinning the Group's future prospects and portfolio are included in the Chairman's Statement. The Directors confirm that they are satisfied that the Group has adequate resources to continue in business for the medium term based on the current liquid resources available. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of the consolidated annual financial statements of Cronin Group Plc for the year ended 31 December 2015.

3) SEGMENTAL REPORTING

Following the demerger of its Oxford Advanced Surfaces Limited ("OASL") subsidiary in October 2015, the Board is of the opinion that the business now operates only one reportable operating segment, being that of the digitization of chemical space and of innovative chemical discovery.

No operating segments have been aggregated to form the above reportable operating segments. Individual projects do not meet the definition of segments, and as such the revenues and costs of individual projects are not formally separated. In addition, due to the research and development nature of the business, many projects are transitory, depending on success, and thus no meaningful data can

CRONIN GROUP PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

be provided through such analysis. The segmental analysis for the demerged OASL operations in the prior financial year all related to and have been classified as discontinued operations.

4) LOSS PER SHARE (BASIC AND DILUTED)

Basic earnings or loss per share is calculated by dividing the gain or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings or loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	6 months ended 30 June 2016 (Unaudited)	6 months ended 30 June 2015 (Unaudited)	Year ended 31 December 2015 (Audited)
Continuing operations			
Loss attributable to equity holders of the Group (£'000)	(310)	(53)	(389)
Weighted average number of shares in issue ('000)	525,740	195,741	293,894
Basic and diluted loss per share (pence)	(0.06)	(0.03)	(0.13)
Total operations			
Loss attributable to equity holders of the Group (£'000)	(310)	(428)	(1,161)
Weighted average number of shares in issue ('000)	525,740	195,741	293,894
Basic and diluted loss per share (pence)	(0.06)	(0.22)	(0.39)

The Group had no dilutive potential ordinary shares in issue during the six months to 30 June 2016 and consequently there was also no dilutive impact for this period.

5) RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2016, Cronin 3D Limited paid to the University of Glasgow, which is a significant shareholder, £192,000 in respect of the recharge of salaries of University employee staff engaged in research & development work for Cronin 3D and for the provision of research laboratory and related services and also paid £13,976 in respect of patent fees paid by the University on behalf of Cronin 3D. In addition, Cronin 3D has paid £3,324 to IP Support Services Limited, which is part of the IP Group and a significant shareholder, in respect of the provision of administrative services. There were no amounts outstanding at the end of the period.

The Group has taken advantage of the exemptions contained within IAS 24 – ‘Related Party Disclosures’ from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

In addition, during the period the Company paid remuneration to the Directors’ in accordance with their service contracts and letters of appointment.

6) HALF YEAR FINANCIAL REPORT

A copy of this half year report, as well as the prior year annual statutory accounts, is available on the Company’s website at www.croningroupplc.com.