

solvonis

THERAPEUTICS

(formally Graft Polymer (UK) plc)

**Annual Report & Financial Statements
for the year ended 31 December 2024**

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SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
COMPANY INFORMATION

DIRECTORS

Anthony Tennyson – CEO & Executive Director (appointed 2 May 2024)

Dennis Purcell – Non Executive Chairman (appointed 26 September 2024)

Nicholas Nelson – Non Executive Director (appointed 15 March 2024)

Dr Renata Crome – Non Executive Director (appointed 11 March 2025)

COMPANY SECRETARY

Orana Corporate LLP

Eccleston Yards

25 Eccleston Place

London, SW1W 9NF

REGISTERED OFFICE

Eccleston Yards

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London, SW1W 9NF

REGISTERED NUMBER

10776788

BROKERS

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INDEPENDENT AUDITOR

Kreston Reeves LLP

2nd Floor, 168 Shoreditch High Street

London, E1 6RA

SOLICITORS

Hill Dickinson LLP

Floor 7, The Broadgate Tower

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EC2A 2EW

BANKERS

HSBC Bank Plc

153 North Street

Brighton, BN1 1SW

SHARE REGISTRARS

Share Registrars

The Courtyard

17 West Street

Farnham, GU7 7

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
CHAIRMAN'S STATEMENT

I am pleased to present the annual financial report and financial statements for Solvonis Therapeutics Plc (the "Company" or "Solvonis") formerly Graft Polymer (UK) Plc, for the year ended 31 December 2024.

This past year has been a transformative year for our company—one defined by strategic reorientation, decisive leadership changes, and a sharpened focus on becoming a leading player in the mental health therapeutics space.

The most visible reflection of this transformation is our rebranding to Solvonis Therapeutics plc, which received shareholder approval in January 2025. This name change signals our evolution from a polymer-focused business into a purpose-driven biotech company targeting urgent, unmet needs in mental health and addiction treatment.

During the year, we made the strategic decision to divest our non-core assets, notably the sale of our Slovenian polymer facility. This allowed us to realign resources toward high-impact therapeutic R&D and forge commercial and clinical partnerships that lay the groundwork for long-term value creation.

One of the most defining moments of the year was our agreement to acquire Awakn Life Sciences Corp., a clinical-stage biotechnology company specialising in therapies for addiction and mental health disorders. We believe this acquisition, expected to complete in 2025, positions Solvonis at the forefront of innovation in this critical field.

On governance, we welcomed Anthony Tennyson as our new CEO in May. Anthony brings deep sectoral expertise and a compelling strategic vision that has already begun to take shape in our repositioning and execution priorities.

We are proud of the resilience, agility, and dedication shown by our teams throughout this period of change. The Board extends its gratitude to all our employees, partners, and shareholders who have supported this journey. As we move into 2025, we are more focused than ever on building a therapeutics company capable of making a tangible difference in the lives of patients.



Dennis Purcell
Non-Executive Chairman

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
CHIEF EXECUTIVE OFFICER'S STATEMENT

2024 was a year of reinvention, redefinition, and execution. Solvonis Therapeutics Plc emerged from its legacy roots as Graft Polymer (UK) plc with a singular mission: to develop transformative therapies for mental health and addiction.

Our year began with a strategic review, followed swiftly by the divestment of our Slovenian polymer manufacturing facility. This pivotal decision was not made lightly but was necessary to unlock capital and bandwidth for our new direction in biotherapeutics.

In May, I joined as CEO and, with the support of our reinvigorated board, we set out an ambitious plan to reposition the Company around mental health innovation. Our collaboration with Awakn Life Sciences, initiated mid-year, quickly matured into a definitive agreement to acquire the company. The strategic and cultural alignment between the two organisations is clear, and the integration of Awakn's proprietary therapies and clinical pipeline will significantly accelerate our roadmap.

Among the many operational highlights this year:

- We entered a three-way research agreement with Awakn and the University of Nottingham to explore aminoindane-based compounds for PTSD and trauma-related conditions. Early data is promising, and the potential for novel treatment modalities in this area is significant.
- We expanded and realigned our leadership team and board, including the addition of key scientific and industry experts.
- We pursued multiple patent filings, specifically focused on addiction and mental health.

From a financial standpoint, we remain mindful of capital discipline and cost efficiency.

Looking forward, our focus in 2025 will be on:

- Finalising the Awakn acquisition and completing integration
- Advancing our clinical programs into later-stage trials
- Seeking commercial out licensing opportunities for our later clinical stage assets
- Building on our platform through strategic partnerships, academic collaborations, and innovation-led IP development

Solvonis stands at the threshold of a bold new future—one built on science, patient need, and the belief that better mental health care is possible. I want to thank our shareholders, partners, and the Solvonis team for believing in this vision and helping us build it.

Anthony Tennyson

Anthony Tennyson
Chief Executive Officer

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
BOARD AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Anthony Tennyson – Chief Executive Officer (Appointed – 2 May 2024)

Anthony Tennyson is a co-founder and current CEO of Awakn Life Sciences (2020 to date), a clinical stage biotechnology company developing therapeutics targeting addiction, which is a public company. Anthony is an experienced financial services industry executive with 10 years in international strategy, commercial leadership roles with Aon plc, and 5 years with Merrill Lynch and Bank of Ireland. Anthony holds an MBA in Strategy and Finance and an MSc in Technology both from University College Dublin, Ireland's top ranked business school.

Dennis Purcell – Non-executive Chairman (Appointed – 26 September 2024)

Dennis is the founder of Aisling Capital LLC, a major life sciences venture capital firm based in New York City. He has invested in, raised capital for, and advised hundreds of life sciences companies. Dennis currently serves on the board of directors of Real Endpoints, Ichnos Pharmaceuticals, Summus Global, Shorla Oncology and Embera Pharma. He is also an advisor to Better Health, Cellevolve and xCellerate.

Nicholas Nelson – Non-executive Director (Appointed – 15 March 2024)

Nicholas entered the City in 1985 as an apprentice market-maker and moved from there into stockbroking in 1986. What followed was a 13 year career in investment management and small-cap company research. In 1998, he moved into the Financial PR industry for a further 13 years advising smaller quoted companies on their corporate communications strategies. This included advising on 100 plus IPOs. His objective: to develop recognition for his clients as great investment opportunities. Overlapping the above, from 2002, Nicholas has taken his skills in-house by joining the boards of, so far, 8 AIM and AQSE companies during their transitional or flotation phase.

Dr Renata Crome – Non-executive Director (Appointed – 11 March 2025)

Dr Crome is a pharmaceutical industry veteran with 40 years of experience in scientific and clinical development, regulatory approval, and commercialisation of breakthrough medicines. A recognised leader in CNS, oncology, and infectious diseases, she has guided over 100 novel therapies from research to first-in-human trials.

After a 30-year tenure at Roche, Dr. Crome became Deputy Head of Early Development & Global Head of Development Operations, managing a team of 250+ professionals and 100+ early-stage programs. She played a key role in the commercialisation of blockbuster drugs like Avastin® and Tamiflu®, driving US\$7 billion and US\$3 billion in peak sales, respectively. Dr. Crome currently consults for Novo Nordisk and led the UK Government's UKRI-sponsored COVID-19 treatments program. She also served as a Non-Executive Director at Camcon Robotics and is involved with the PTEN Research Foundation, Success Charity, and Isabel Hospice.

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DIRECTORS' REPORT
FOR YEAR ENDED 31 DECEMBER 2024

The Directors present their report with the audited financial statements of Solvonis Therapeutics Plc (“the Company”) and its subsidiaries together “the Group” for the year ended 31 December 2024. A commentary on the business for the period is included in the Chairman’s Statement. A review of the business is also included in the Strategic Report.

Directors

The following directors have held office during the period and to the date of these financial statements:

| | |
|------------------|--------------------------------|
| Nicholas Nelson | appointed on 15 March 2024 |
| Anthony Tennyson | appointed on 2 May 2024 |
| Dennis Purcell | appointed on 26 September 2024 |
| Dr Renata Crome | appointed on 11 March 2025 |
| Roby Zomer | resigned on 15 March 2024 |
| Yifat Steuer | resigned on 12 August 2024 |
| Victor Bolduev | resigned on 31 July 2024 |
| Pavel Kobzev | resigned on 15 July 2024 |
| Alex Brooks | resigned on 15 March 2024 |

Directors

The Directors of the Company during the period and their beneficial interest in the ordinary shares of the Company as at 31 December 2024 were as follows:

| Director | Position | Appointed | Ordinary shares | Options | Warrants |
|-----------------|------------------------|-----------|-----------------|------------|-------------|
| Nicholas Nelson | Non-Executive Director | 15-Mar-24 | 142,500,000 | - | 142,500,000 |
| Dennis Purcell | Non-Executive Chairman | 26-Sep-24 | - | 45,000,000 | - |

31 December 2023

| Director | Position | Appointed | Ordinary shares | Options |
|-------------------------|------------------------|-----------|-----------------|-----------|
| Roby Zomer ¹ | Non-Executive Chair | 18-May-17 | 5,451,337 | 1,700,000 |
| Victor Bolduev | CEO / CTO | 18-Sep-17 | 30,454,613 | 2,200,000 |
| Pavel Kobzev | CMO | 25-May-19 | 1,356,886 | 1,600,000 |
| Yifat Steuer | CFO | 21-Dec-21 | 189,761 | 1,500,000 |
| Alex Brooks | Non-Executive Director | 21-Dec-21 | 475,004 | 1,000,000 |

Substantial shareholders

As at 31 December 2024, the total number of issued Ordinary Shares with voting rights in the Company was 2,295,930,633 and 2,295,930,633 as at the date of this report, being 28 March 2025. Details of the Company’s capital structure and voting rights are set out in note 21 to the financial statements.

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The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report, noting total shares on issue as at the date of approval of this report being 28 March 2025:

| | Number of Ordinary | % of |
|--|---------------------------|-------------|
| Barnard Nominees Ltd | 337,756,400 | 14.71 |
| Barnard Nominees Ltd | 167,500,000 | 7.30 |
| Barnard Nominees Ltd | 165,188,635 | 7.19 |
| The Bank of New York (Nominees) Limited | 149,700,928 | 6.52 |
| Barnard Nominees Ltd | 146,618,601 | 6.39 |
| JIM Nominees Limited | 145,370,825 | 6.33 |
| Spreadex Limited | 137,500,000 | 5.99 |
| Hargreaves Lansdown (Nominees) Limited | 107,721,469 | 4.69 |
| Redmayne (Nominees) Limited | 105,754,501 | 4.61 |
| Global Investment Strategy UK Limited | 102,013,637 | 4.44 |
| Hargreaves Lansdown (Nominees) Limited | 71,662,058 | 3.12 |
| Interactive Investor Services Nominees Limited | 69,368,496 | 3.02 |

Remuneration Report

The Remuneration Committee will be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive and the Senior Manager as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

During the 2024 financial year both members of the Remuneration Committee, Roby Zomer and Alex Brooks, resigned from the Board and since that time the Board has considered remuneration matters as a whole. As a result there was no sole Remuneration Committee meetings during the period. The Board is aware of the important role that a formal Remuneration Committee plays within a Company and will be looking to re-implement a formal Remuneration Committee in the 2025 calendar year.

Remuneration Policy

The remuneration policy of the Company is that each director enters into a service agreement with the Group on a salary per annum. It is the responsibility of the remuneration committee to assess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy will assist to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders however there is no formal requirements for share ownership by Directors.

Directors' emoluments and compensation (audited)

Particulars of directors' remuneration, including directors' shares which, under the Companies Act 2006 are required to be audited, are given in Note 5. Remuneration detailed below relates to payments that

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were made to Directors whilst they were engaged as Directors. Any payments made outside of this time frame are detailed in "Payments to past directors" and/or the related parties note (Note 29).

Remuneration paid to the Directors for the year ended 31 December 2024 was:

| Director | Base salary £'000 | Pension £'000 | Service fees £'000 | Shares £'000 | Total £'000 |
|------------------|------------------------------|--------------------------|-------------------------------|-------------------------|------------------------|
| Anthony Tennyson | 24 | - | 30 | - | 54 |
| Nicholas Nelson | 18 | - | - | 11 | 29 |
| Dennis Purcell | 13 | - | - | - | 13 |
| Roby Zomer | - | - | - | 67 | 67 |
| Victor Bolduev | 4 | - | 5 | 135 | 144 |
| Pavel Kobzev | 4 | - | - | 62 | 66 |
| Alex Brooks | - | - | - | 17 | 17 |
| Yifat Steuer | 48 | - | - | 80 | 128 |
| | 111 | - | 35 | 372 | 518 |

Remuneration paid to the Directors' during the year ended 31 December 2023 was:

| Director | Base salary £'000 | Pension £'000 | Service fees £'000 | Options £'000 | Total £'000 |
|-----------------|------------------------------|--------------------------|-------------------------------|--------------------------|------------------------|
| Roby Zomer | 28 | - | 81 | 57 | 166 |
| Victor Bolduev | 48 | - | 103 | 74 | 224 |
| Pavel Kobzev | 48 | - | 49 | 54 | 150 |
| Alex Brooks | 25 | - | - | 33 | 58 |
| Yifat Steuer | 103 | 1 | - | 50 | 154 |
| | 252 | 1 | 233 | 268 | 754 |

Payments to past directors

Post resignation, the Company engaged the consultancy services of Roby Zomer in relation to business development for the Group. During the period from his resignation on 15 March 2024 to year end, Mr Zomer accrued £59,000 of fees of £20,000 which were outstanding at year end.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. As per the 2023 financial year the Group continued to record losses in 2024 and hence do not consider that including the graph will be meaningful. Due to the disposal of the Slovenian subsidiary and a major capital re-structure in the 2024 year the Group has not been able to establish a steady trading rhythm and therefore the Directors believe that graphical depiction would not represent an accurate depiction of the Group's activities.

UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table. Considering that the Group has undergone significant change in the year as well as a change of CEO they do not believe that this information will assist readers of these financial statements to assess the performance of the Chief Executive. The Directors will review the inclusion of this table for future reports.

Percentage change in remuneration of director undertaking the role of chief executive officer

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As per above the former CEO, Victor Bolduev was replaced by Anthony Tennyson in May 2025. Due to the significantly different responsibilities encompassed within the roles post divestment of the Slovenian operating subsidiary the Directors do not believe it is meaningful to present a percentage change figure in this report. The absolute remuneration figures can be evidence in the tables above.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting policies and note 24 of the financial statements.

Greenhouse Gas (GHG) Emissions

In May 2025, the Group disposed of its Slovenian subsidiary which accounted for the majority of the Group's energy consumption due to the manufacture of polymer products. As a result the Group has significantly reduced its energy consumption on the whole. The Company is exempt from the Streamlined Energy & Carbon Reporting (SECR) requirements since energy consumption has been less than 40,000 kWh of energy in the UK in the current and prior reporting years.

Dividends

The Directors do not propose a dividend in respect of the period ended 31 December 2024.

Diversity and inclusion disclosure

The Group is aware of its obligations in regards to diversity and inclusions targets listed below and has disclosed whether they have each target:

- (i) at least 40% of the individuals on its board of directors are women; - No
- (ii) at least one of the following senior positions on its board of directors is held by a woman: - No
 - (A) the chair;
 - (B) the chief executive;
 - (C) the senior independent director; or
 - (D) the chief financial officer; and -
- (iii) at least one individual on its board of directors is from a minority ethnic background: - No

The Board have been focused on the re-structuring of the Group in the financial year and have implemented human resources on an immediate needs basis. Whilst this is the most appropriate strategy in the short term they are aware that as the Group expands it will be required to disclose and execute on its diversity targets. The Group's relatively small size also makes it harder for it to meet diversity targets but will look to review annually and take all reasonable steps to meet the targets.

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Corporate Governance

A detailed assessment of the Corporate Governance of the Group can be viewed in the Governance Report.

Going Concern

The Directors, having made due and careful enquiry, are of the opinion that the Company and the Group will have access to adequate working capital to execute its operations over the next 12 months.

The Directors meet monthly to discuss all matters of the Group including the liquidity of the Group and its status as a going concern. The Directors review cashflow forecasts in conjunction with considering other key factors such as current cash resources, cash burn rate, access to capital and sensitivity of key inputs when assessing the financial health of the Group.

Post period end the Group announced that it had entered into an arrangement agreement with Awakn Life Sciences Corp. ("Awakn") setting out the basis on which the parties will cooperate to execute a transaction whereby Solvonis will acquire all issued and outstanding common shares in the capital of Awakn, all outstanding restricted share units in the capital of Awakn and all outstanding deferred share units in the capital of Awakn by way of a Court approved plan of arrangement under the British Columbia Business Corporations Act. Although the transaction will not require a cash outlay from Solvonis the Directors plan to complete a fundraise alongside the acquisition to assist with the financing of various clinical trials the Group plans to complete.

Currently the Group has a relatively low cash burn rate and has direct oversight over all expenses. In its current form the Group has limited committed liabilities however should the acquisition of Awakn complete the Board are aware that they will require additional funding to complete the desired trials. As a result the auditors have included a material uncertainty relating to going concern within their audit report as is common amongst "pre-revenue" companies. Although the Board is advanced in talks with various brokers to facilitate funding they acknowledge that due to the uncertainty of timing and quantum that a material uncertainty is appropriate in this instance.

After due consideration of all the factors, the Directors consider that the Group will have adequate financial resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date of this report) and, for this reason, the financial statements have been prepared on a going concern basis.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards for the group and as regards to the Parent Company Financial Statements, as applied in accordance with the Companies Act 2006. 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 of the group and company and the profit and loss of the group for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;

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- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements comply with UK-adopted international accounting standards, 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 group and company will continue in business.

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

The financial statements are published on the Company's website www.solvonis.com. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 21 and 22 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 9. The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Auditor Information

Kreston Reeves LLP were appointed auditors to the Group in December 2024 and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process, the auditor does not undertake any non-audit services for the Company. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Group and its external auditor.

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As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Events after the reporting period

Other than those events disclosed in Note 30, there were no events subsequent to year end requiring disclosure.

Directors' Indemnity Provisions

The Company has implemented Directors and Officers Liability Indemnity insurance.

Political Donations

The Group has not made any political donations during the period.

This directors' report was approved by the Board of Directors on 15 April 2025 and is signed on its behalf by:

Anthony Tennyson

Anthony Tennyson
Chief Executive Officer

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
STRATEGIC REPORT

The Directors present the Strategic Report of the Company and the Group for the period ended 31 December 2024.

Key financial highlights of the Group are below:

- Cash and cash equivalents at year end were £0.757 million (2023: £0.155 million)
- Loss before taxation for the year was £1.45 million (2023: £3.120 million)
- Net cash inflow for the year was £0.616 million (2023: £1.470 million outflow)
- The Group held net assets at year-end of £3.084 million (2023: £2.026 million)

The key non-financial highlights are outlined in the Chief Executive Officers Statement

Future developments

Future developments relating to the Group can be referenced in the Chief Executive Officers Statement.

Principal Risks and Uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

Risks associated with the financial condition of the enlarged group

Both the Company and Awakn have been historically loss making, and it is anticipated that the Group will continue to incur losses for the foreseeable future

Both the Company and Awakn have each accumulated significant losses since their inception. The Group will focus on funding its clinical and pre-clinical stage research projects and the Group will have no immediate sources of revenue. Shareholders should therefore be aware that the ongoing activities of the Group are being supported by the equity fundraising, existing cash resources and funds received from existing debt facilities entered into by Awakn. As an early-stage biotechnology company engaged in clinical and pre-clinical trials, the capital resources of the Group will be used to develop these programmes.

There is no guarantee that any of the product candidates of the Group will reach a point of being successfully commercialised. There is therefore a high risk that the Group will continue to remain loss making for the foreseeable future.

The combined losses of the Company and Awakn and anticipated future losses of the Group could have an adverse impact on the market price of its ordinary shares, its ability to raise capital and continued operations.

Risks associated with the business of the Group

Some of the Group's research programmes are at a very early stage of progression and there is a greater risk of those projects not being commercialised or abandoned

The Group will continue with research projects that are at a pre-clinical phase, including its aminoindane new chemical entity ("NCE") research programme. This focuses on developing serotonin, dopamine,

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noradrenalin targeted small molecule therapeutics for trauma related mental health disorders, such as PTSD.

On 10 December 2024, the Company announced initial findings from a study undertaken by the University of Nottingham in relation to a NCE being developed in collaboration with Awakn. Initial study indicated that these NCEs could be used to treat PTSD and other trauma related conditions by improving pro-social behaviours.

Investors should be aware that such studies remain in their infancy and much more rigorous work will be required to demonstrate the safety and efficacy of such compounds to assess their potential to treat PTSD and other trauma related conditions. Pre-clinical and clinical data is often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials nonetheless failed to obtain regulatory approval or reach a stage of being commercially viable.

Uncertainty relating to the success of Argent Biopharma and consequently the revenue generating potential of royalty agreements

Despite Argent Biopharma indicating that they are making positive strides towards the commercial production of their product range in particular Cannepil there is still an inherent degree of uncertainty on whether the drug will reach its commercial potential. In addition timings related to the product line are also uncertain and pharmaceutical production has the potential to be impacted by a large number of factors.

Risks associated with companies operating in the biotechnology and pharmaceutical sector

Difficulty enrolling patients in clinical trials may result in the completion of the trials being delayed or cancelled

As the Company's product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Company will need to enrol an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Company may be unable to enrol the patients the Company needs to complete clinical trials on a timely basis or at all. The factors that affect the Company's ability to enrol patients is largely uncontrollable.

Any delays or failures in patient enrolment could significantly impact the progress of the Company's clinical trials, leading to increased costs, extended development timelines, or the inability to obtain regulatory approvals. This, in turn, could materially and adversely affect the Company's business, financial condition, results of operations, and future prospects.

General delays in clinical tests could result in delay in commercialising product candidates

It is intended that the Group will continue to progress AWKN-001 towards the completion of a Phase 3 trial and it will continue work towards undertaking a Phase 2 trial in relation to AWKN-002. The Group cannot predict whether any clinical trials will begin as planned, if they will need to be restructured, or will be completed on schedule, or at all. The Group's product development costs will increase if the Group experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which

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the Group may have the exclusive right to commercialise its product candidates or allow the Group's competitors to bring products to market before it is able to, which would impair the Group's ability to successfully commercialise its product candidates and may harm the Group's financial condition, results of operations and prospects.

The commencement and completion of clinical trials for the Group's products may be delayed for several reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enrol or remain in the Group's trials at the rate the Group expects;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of the Group's contract manufacturers to comply with requirements;
- delays or failure to obtain clinical supply from contract manufacturers of the Group's products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which the Enlarged Group is developing any of its product candidates or participating in competing clinical trials;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians;

The Group's product development costs will increase if the Group experiences delays in testing or approval or if the Group needs to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and the Group may need to amend study protocols to reflect these changes. Amendments may require the Group to resubmit its study protocols to regulatory authorities, review boards or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Enlarged Group's business, financial condition and prospects.

Risk related to reliance on key personnel in particular key technical staff

The business of the Group is that of a biotechnology company requiring specific technical and scientific skills required to undertake the R&D activities currently being planned by the Enlarged Group. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them.

The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent us from executing on its business plan and strategy, and it may be unable to find adequate replacements on a timely basis, or at all. The Group particularly relies upon its key technical staff to complete important research and development on behalf of the Group, and the loss of such individuals could result in interruptions and delays to ongoing work, which may, in turn, have a material adverse effect on the progress and success of the Enlarged Group's R&D activities.

Section 172(1) Statement – Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

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The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made in the year and post year end are set out below:

| Significant events / decisions | Key s172 matter(s) affected |
|---|---|
| Appointment of new Chief Executive Officer – Anthony Tennyson | Business strategy and execution |
| Completion of re-capitalisation and fundraise | Group liquidity and shareholder base |
| Divestment of Slovenian manufacturing facility | Future operations and business strategy |
| Arrangement agreement with Awakn Life Sciences | Future operations and business strategy |

Consider the likely consequences of any decision in the long term

The Board takes due care in the decision making process regardless of what business unit it may relate to. When assessing the likely consequences of a decision the Directors weigh up both the costs and benefits of any decision as well as the potential impact in the different time horizons with the ultimate goal of maximising shareholder value in the long run.

Act fairly as between members of the Company

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity proactively to engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

Maintain a reputation for high standards of business conduct

The Governance Report sets out the Board and Committee structures and Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Company's policies and procedures.

Consider the interest of the Company's employees

The Board strives to create an enjoyable and rewarding environment for all employees. The Board aims to create a workplace where employees can be proactive and look to add value to the Company by going over and above their specific roles. Ideally creating a bond between employees and the Company that leads to loyalty and productivity for all stakeholders.

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Foster the Company's relationship with suppliers, customers and others

The Board acts in good faith with all suppliers and customers with the aim of developing strong working relationships that will be beneficial to all parties. The strategy involves regular communication with business partners that will hopefully lead to strong working relationships and recurring business.

Consider the impact of the Company's operations on the community and the environment

With the divestment of the Slovenian production facility the Group strategy has pivoted away from manufacturing towards clinical trials. The inherent differences in these two processes has related in a reduction in the Group's overall environmental footprint. A dramatic decrease in emissions and energy consumption will result in a net positive impact on the environment.

With the Group's overall business strategy pivoting towards the development of pharmaceuticals to assist mainly with trauma related conditions the Directors are confident that should the Group be successful in executing their business strategy the community will greatly benefit also.

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Approved by the Board of Directors on 15 April 2025 and is signed on its behalf by:

Anthony Tennyson

Anthony Tennyson
Chief Executive Officer

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Compliance with the QCA Code

As a Group listed on the standard segment of the official list, the Group is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Group's current stage of development, the size and composition of the board of directors and available resources. The Board will aim to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines"). The Board has reviewed the recent changes to the code and has assessed their potential impact on the management of the Group.

The QCA Code has ten principles of corporate governance that the Group applies to establish the governance foundations of the business. These principles are:

1. Establish a purpose, strategy and business model which promote long term value for shareholders;
2. Promote a corporate culture that is based on ethical values and behaviours;
3. Seek to understand and meet shareholder needs and expectations;
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success;
5. Embed effective risk management, considering both internal controls and assurance activities, considering both opportunities and threats, throughout the organisation;
6. Establish and maintain the board as a well-functioning balanced team led by the Chair;
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities;
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose strategy and culture; and
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

Here follows a short explanation of how the Group applies each of the principles, including where applicable an explanation of why there is a deviation from those principles.

Principle One*Business Model and Strategy*

During the year the Group completed the disposal of its Slovenian subsidiary further progressing its transition away from the pursuit of production of proprietary technology. The Directors have assessed the performance of the Group over the recent year and decided on a strategic pivot to harness the value within the IP and Bio division.

The Group's, Bio Division researches and develops novel bio-polymer drug delivery systems which seek to address some of the challenges regarding pharmacokinetics, bioavailability, and the stability of existing drug delivery systems. The Bio Division's core asset and offering to healthcare industry companies is its proprietary patented bioabsorbable self-nano emulsifying drug delivery system ("SNEDDS") platform which contains active pharmaceutical ingredients ("APIs") as a lipophilic core of a micelle and the emulsifiers/co-solvents and stabilizer excipients as a micelle shell below 50 nm in size,

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improving pharmacokinetics, bioavailability, and stability. The Bio Division's drug delivery system also has the potential for delivery of active ingredients (as opposed to active pharmaceutical ingredients for SNEDDS platforms), which could be of potential interest to the veterinary and wellness segments of the healthcare industry.

Due to the potential of these new technologies particularly in the US market the Directors are confident that this model will be the most beneficial in terms of delivering value back to the various stakeholders.

Principle Two*Corporate Culture*

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that consultants or other representatives behave.

The corporate governance arrangements that the Board have adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives.

The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through everything that the Group does. The Directors are focused on ensuring that the Group maintains an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on this main market and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016. Issues of bribery and corruption are taken seriously.

The Group has a zero-tolerance approach to bribery and corruption and has recently put an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with.

Principle Three*Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. They will be encouraged to attend the AGM and website and investor relations communications are constantly monitored to see where they can be improved. The Board utilises the LSE RNS service as well as RNS Reach to keep the market informed about the activities of the Group outside of the regular reporting events.

Principle Four*Considering wider stakeholder and social responsibilities*

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers,

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regulators and other stakeholders. The Group has pivoted its business strategy in the recent year and some of the close relationships that it had developed in the past will fade away. The new members of the Board bring with them new experiences and networks and will be looking to harness them to create value for the Group going forward. Regardless of its new strategy the Board is committed to delivering lasting benefit to our shareholders, employees and contractors.

Principle Five*Risk Management*

The Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. With the turnover in the Board in the current year they will look to review and assess the appropriateness of the framework of internal financial controls in place.

This process will look to address both financial risk and non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors. The principal risks and uncertainties are as set out in the Strategic Report.

Principle Six*A Well Functioning Board of Directors*

The Board will maintain a balance of executives and non-executive directors. Currently there is 1 executive and 3 non-executives. There are no mandatory hours for directors to be available but all directors are expected to make themselves available for any Group business when it may arise.

Further information about the directors can be found in the Board and Senior Management report as well as the company website at <https://solvonis.com/>. The Directors met 6 times throughout the year to discuss key issues and to monitor the overall performance of the Company. All Directors attended all meetings during the year.

Principle Seven*Appropriate governance structures*

The Group's governance structures are appropriate for a Group of its size. The Board also meets regularly and the Directors continuously maintain an informal dialogue between themselves. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while the execution of the Group's investment strategy is a matter reserved for the Chief Executive Officer. The current Governance structure is outlined below:

Audit and Risk Committee

During the year the Companies audit committee comprised two members, being, Roby Zomer and Alex Brooks which will have primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Group's accounting and internal controls.

During the 2024 financial year both members of the Remuneration Committee, Roby Zomer and Alex Brooks, resigned from the Board and since that time the Board has considered remuneration matters as a whole. In the interim the Group's Non-Board Finance Director, Ryan Neates has assisted to manage the transition period. Mr Neates is a member of the Chartered Accountants of Australia & New Zealand and has significant experience in this area to help guide the Board.

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With the assistance of Mr Neates, the Board makes decisions on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. As a result of the factors listed above there has not been any formal Audit Committee meetings with all relevant items being considered by the Board as a whole during board meetings.

Remuneration Committee

During the year the Companies remuneration committee comprised two directors, Roby Zomer and Alex Brooks who are responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive and the Senior Manager as it is designated to consider.

During the 2024 financial year both members of the Remuneration Committee, Roby Zomer and Alex Brooks, resigned from the Board and since that time the Board has considered remuneration matters as a whole. As a result there were no formal Remuneration Committee meetings during the period but matters pertaining to remuneration were discussed at board meetings. The Board is aware of the important role that a formal Remuneration Committee plays within a Company and will be looking to re-implement a formal Remuneration Committee in the 2025 calendar year.

Nominations Committee

No nominations committee has been established will all matters to be considered by the Board as a whole.

Principle Eight*Evaluation of Board Performance*

Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. Due to the turnover of the Board in the year no formal evaluations have taken place. As the Board settles and the Group is able to maintain more of a regular operating pattern the Remuneration Committee will look to implement formal review processes against determined key performance metrics.

Principle Nine*Remuneration policies*

The Board is committed to ensuring that the creation of value for shareholders aligns with the interests of executives and employees of the Group. As per principle 8 once the Board is able to maintain a more regular operating pattern the Remuneration Committee will look to implement a more formal remuneration strategy.

Principle Ten*Shareholder Communication*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE's Standard List. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors. Investors also have access to current information on the Group through its website, (<https://solvonis.com/>).

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The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity proactively to engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

External Auditor

Kreston Reeves LLP were appointed auditors to the Company in the year and have expressed their willingness to remain in office. Once established the Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The executive management team has met with the its Auditors in relation to the 2024 audit and will present its findings to the entire Board prior to sign off of the annual report.

The Board considers auditor independence and objectivity and the effectiveness of the audit process to be of significant importance.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. In the 2024 year the Board conducted a tender process which resulted in the Group establishing a new relationship with Kreston Reeves LLP.

There are no contractual obligations restricting the Board's choice of external auditor. The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. No such non-audit services were provided in the year.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

Approved on behalf of the Board of Directors by:

Anthony Tennyson

Anthony Tennyson
Chief Executive Officer

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Opinion

We have audited the financial statements of Solvonis Therapeutics PLC (the 'Parent Company') and its subsidiaries (the "Group"), for the year ended 31 December 2024 which comprise the consolidated statement of comprehensive income, the consolidated and company statements' of financial position, the consolidated and company statements' of changes in equity, the consolidated and company statements' of cashflows and notes to the financial statements, including a summary of significant accounting policies..

In our opinion:

- the financial statements of Solvonis Therapeutics PLC give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended and of the Group's cashflows position as at 31 December 2024;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the Group and Parent Company 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the Group audit were based both on financial information and risk. In total we have identified a single distinct component within the group financial statements.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. Based on our professional judgement, we determined materiality and performance materiality for the financial statements of the Group and of the Parent Company as follows:

| | Group financial statements | Parent company financial statements |
|--|---|--|
| Materiality | £96,000 (2023: £73,000) | £86,400 (2023: £63,300) |
| Basis for determining materiality | 3% of gross assets | 3% of Company gross assets (capped below group materiality) |
| Rationale for benchmark applied | <p>The group no longer had a trade at the period end and as such an asset-focused benchmark is considered appropriate. Particularly given the main value in the business at present is its intangible asset holdings as well as cash on hand for future investment and trading opportunities.</p> <p>This aligns with the disclosed key performance indicators, which in turn reflect the focus areas of users of the financial statements.</p> | <p>The company operates as a holding company for the group and has historically had no material income. As such an asset-focused benchmark is considered appropriate. Particularly given the main value in the business at present is its intangible asset holdings as well as cash on hand for future investment and trading opportunities.</p> <p>This aligns with the disclosed key performance indicators, which in turn reflect the focus areas of users of the financial statements.</p> |
| Performance materiality | £72,000 (2023: £54,000) | £64,800 (2023: £47,475) |
| Basis for determining performance materiality | 75% of materiality | 75% of company materiality |
| Reporting threshold | £4,800 (2023: £3,650) | £4,320 (2023: £3,165) |
| Basis for determining reporting threshold | 5% of materiality | 5% of materiality |

We reported all audit differences found in excess of our reporting threshold to the audit committee.

For each Group component within the scope of our Group audit, we determined a materiality that is less than our overall Group materiality.

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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, including our discussion of going concern, 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. This is not a complete list of all risks identified by our audit.

| Valuation & impairment of intangible assets: £2,088,000 (2023: £2,068,000) | |
|--|---|
| Significance and nature of the key audit matter | How our audit addressed the key audit matter |
| <p>The group and parent company’s overall net asset position is driven by this intangible asset value. As such any misstatement over this balance may have a material impact on the true and fair position of the financial statements as a whole.</p> <p>This balance primarily relates to the issue of shares in 2018 to a founding director on the acquisition of their ‘know how’ and patents transferred.</p> <p>As required under IAS 36 the Directors undertake an annual assessment of these intangible assets to discern whether there are any impairment indicators that result in a impairment charge being required.</p> <p>As balance is highly material in the financial statements and subject to significant management judgement with respect to the presence and quantum of impairment we deem there to be a key audit risk in place over its valuation.</p> | <p>We recalculated the expected value of the founder shares and other capitalised patent costs based on the underlying agreements and other audit evidence to ensure the accuracy of capitalised amounts.</p> <p>We considered the specific nature of the original transaction to ensure that the requirements of IAS 38 were met for the recognition of intangible assets with respect to these costs.</p> <p>We considered impairment indicators by first confirming that the group maintain the rights and obligations with respect to the patents developed using the former director’s ‘know-how’. We considered the technical ability of existing employees of the company to utilise this know-how. We considered the lifespan of patents in place. We then considered current commercial contracts in place in order to monetise these patents. We considered the value of expected sales by third parties under contract and calculated expected returns to the company from these sales in the form of royalties based on the terms within the contract.</p> <p>We considered the headroom within the model of discounted royalties’ inflows (an established proxy for value in use) and compared this to the carrying value to ascertain that this headroom was substantial.</p> |

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Key observations

There is inherent uncertainty over the value of the intangible assets as there is inherent uncertainty over actualisation of future royalties' inflows. As the current contract in place is with an operation in the development phase the ultimate commercial success of this is currently unknown. Should they move into a commercially viable phase the value of related sales is also currently unknown. This makes it difficult to fully substantiate the value of this intangible asset as at the date of the approval of the financial statements.

However, our audit report is not qualified in this area on the basis that:

- Audit evidence obtained did not suggest any significant issues with the project plan which would lead to increased doubt over the eventual success of the project
- There is substantial headroom in the sales modelling with respect to this contract, should the ultimate commercial success of the project be less than anticipated
- The contract in place is not exclusive, therefore there will be other potential revenue generating partnerships that the company can enter into

Material uncertainty relating to going concern

We draw attention to Note 2.2 in the financial statements, which indicates that there is some uncertainty over the going concern status of the Group. This is due to the business currently being in the research and development phase where it is reliant on fundraising for its continued development of therapeutic products to eventually progress to the stage of commercial viability. As the ultimate success of future fundraising is an inherent uncertainty for businesses generally this in turn creates an inherent uncertainty over the going concern of the company.

However, our opinion is not modified in respect of this matter. This is based on the outcome of the following audit procedures where we:

- Considered the adequacy of systems and controls in place for management to prepare reliable forecasting and to manage the on-going working capital requirements of the business; and
- Assessed the financial position of the group and parent company as at the year end date to confirm the financial resources available; and
- obtained and scrutinised the forecasts for the parent company's overhead requirements for the period to December 2026, gaining assurance that the assumptions involved were reasonable; and
- obtained and scrutinised the forecasts of the new therapeutics project being developed for the period to December 2026, gaining assurance that the assumptions involved were reasonable; and
- calculated the net funding requirement, taking into account current financial resources and current secured funding; and
- considered available evidence of the ability of the business to generate debt and equity funding; and
- considered other factors potentially relevant to going concern including potential litigation and other legal matters, potential additional revenue streams, including from royalties generated via the patents currently owned by the business.

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We were able to gain sufficient audit evidence to confirm that going concern remains the most appropriate basis for preparing the financial statements, however, an inherent uncertainty remains in place leading to a material uncertainty relating to going concern.

Due to the above material uncertainty over going concern there is additional uncertainty surrounding the valuation of the intangible assets of £2,088,000 (2023: £2,068,000) which may generate future revenue via an arrangement with an external party. However, this would not be for several years and due to the inherent nature of development projects, such as the one entered into, it is not possible to value the intangible asset without uncertainty. Please see narrative in the key risk section of this audit report for further detail.

We have not modified our audit report in respect to these matters.

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

Our consideration of climate change related risks

The financial impacts on the Group of climate change and the transition to a low-carbon economy (climate change) were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements.

The Group continues to develop its assessment of the potential impacts of climate change. Climate risks have the potential to materially impact the key judgements and estimates within the financial report. Our audit considered those risks that could be material to the key judgements and estimates in the assessment of the carrying value of non-current assets and closure and rehabilitation provisions.

The key judgements and estimates included in the financial statements incorporate actions and strategies, to the extent they have been approved and can be reliably estimated in accordance with the Group's accounting policies. Accordingly, our key audit matters address how we have assessed the Group's climate-related assumptions to the extent they impact each key audit matter.

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. Our opinion on the 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.

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Our opinion on the Remuneration report

Kreston Reeves has audited the Remuneration report set out on pages 8 to 9 of the Annual Report for the financial year. The Directors of the Company are responsible for the preparation and presentation of the Remuneration report in accordance with the Companies Act 2006. Kreston Reeves' responsibility is to express an opinion on the Remuneration report, based on our audit conducted in accordance with International Accounting Standards. In Kreston Reeves' opinion, the Remuneration report of the Group for the period complies with the requirements of the Companies Act 2006.

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 our knowledge and understanding of the Group and Parent Company and its 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement (set out on pages 11 to 12), 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's and Parent 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 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLVONIS THERAPEUTICS PLC

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.

Capability of the audit in detecting irregularities, including fraud

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Testing of internal controls procedures relating to key business cycles more susceptible to fraud and other irregularities including cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular with respect to impairment indicators with respect to intangible assets; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, with the use of data analytics, in order to identify journals carrying a higher fraud risk profile and substantiating these to appropriate audit evidence.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF SOLVONIS THERAPEUTICS PLC

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s or the parent company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters which we are required to address

We were appointed by the Audit Committee in December 2024 to audit the financial statements. Our total uninterrupted period of engagement is one period, covering the financial year ended 31 December 2024.

Non-audit services prohibited by the Financial Reporting Council’s Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLVONIS THERAPEUTICS PLC

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 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.

Kreston Reeves LLP

Anne Dywer BSc(Hons) FCA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

London

Date: 15 April 2025

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | Year ended 31 Dec 2024 £'000 | Year ended 31 Dec 2023 £'000 |
|---|------|------------------------------------|------------------------------------|
| Continuing operations | | | |
| Revenue | 4 | - | 587 |
| Cost of sales | | - | (329) |
| Gross profit | | - | 258 |
| Operational costs | 5 | (41) | (213) |
| Depreciation and amortisation | 5 | - | (179) |
| Administrative expenses | 5 | (1,467) | (2,145) |
| Gain on deconsolidation | 23 | 125 | - |
| Impairment | 12 | - | (838) |
| Operating loss | | (1,383) | (3,117) |
| Finance costs | 7 | (64) | (3) |
| Loss before taxation | | (1,447) | (3,120) |
| Income tax | 8 | - | - |
| Loss for the year from continuing operations | | (1,447) | (3,120) |
| Loss from discontinuing operations | 23 | (143) | - |
| Loss for the year attributable to equity holders of the parent | | (1,590) | (3,120) |
| Other comprehensive (loss)/income | | | |
| Foreign currency translation | | 62 | 48 |
| Derecognition of foreign exchange reserve | 23 | (109) | - |
| Other comprehensive (loss)/income | | (47) | 48 |
| Total comprehensive loss for the year attributable to equity holders of the parent | | (1,637) | (3,072) |
| Earnings per share (basic and diluted) - pence | 9 | (0.125) | (3.00) |

The accompanying notes form an integral part of the consolidated financial statements

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

| | Note | As at 31 Dec 2024 £'000 | As at 31 Dec 2023 £'000 |
|--------------------------------------|------|----------------------------|----------------------------|
| Non-current assets | | | |
| Right of use assets | 12 | - | 39 |
| Intangible assets | 10 | 2,088 | 2,068 |
| Other non-current assets | 11 | 300 | 13 |
| Total non-current assets | | 2,388 | 2,120 |
| Current assets | | | |
| Cash and cash equivalents | 17 | 757 | 155 |
| Trade and other receivables | 16 | 58 | 108 |
| Inventory | 14 | - | 51 |
| Total current assets | | 815 | 314 |
| TOTAL ASSETS | | 3,203 | 2,434 |
| Non-Current liabilities | | | |
| Lease liability | 12 | - | 22 |
| Total non-current liabilities | | - | 22 |
| Current liabilities | | | |
| Trade and other payables | 18 | 119 | 249 |
| Deferred income | | - | 93 |
| Provisions | 20 | - | 32 |
| Lease liability | 12 | - | 12 |
| Total current liabilities | | 119 | 386 |
| Total liabilities | | 119 | 408 |
| NET ASSETS | | 3,084 | 2,026 |
| Equity | | | |
| Issued share capital | 21 | 2,233 | 41 |
| Share premium | 21 | 7,362 | 7,001 |
| Share capital to issue | 21 | - | 175 |
| Capital reduction reserve | | 2,500 | 2,500 |
| Foreign exchange reserve | | - | 47 |
| Share based payments reserve | 22 | 1,544 | 1,227 |
| Retained earnings | | (10,555) | (8,965) |
| TOTAL EQUITY | | 3,084 | 2,026 |

The financial statements were approved by the board on 15 April 2025:

Anthony Tennyson

Chief Executive Officer – Anthony Tennyson

The accompanying notes form an integral part of the consolidated financial statements

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

| | Note | As at 31 Dec 2024 £'000 | As at 31 Dec 2023 £'000 |
|----------------------------------|------|-------------------------------|-------------------------------|
| Non-current assets | | | |
| Intangible assets | 10 | 2,088 | 2,068 |
| Other non-current assets | 11 | 300 | - |
| Total non-current assets | | 2,388 | 2,068 |
| Current assets | | | |
| Cash and cash equivalents | 17 | 757 | 12 |
| Trade and other receivables | 16 | 58 | 31 |
| Total current assets | | 815 | 43 |
| TOTAL ASSETS | | 3,203 | 2,111 |
| Current liabilities | | | |
| Provisions | 20 | - | 33 |
| Trade and other payables | 18 | 119 | 117 |
| Total current liabilities | | 119 | 150 |
| Total liabilities | | 119 | 150 |
| NET ASSETS | | 3,084 | 1,961 |
| Equity | | | |
| Issued share capital | 21 | 2,233 | 41 |
| Share premium | 21 | 7,362 | 7,001 |
| Share capital to issue | 21 | - | 175 |
| Capital reduction reserve | | 2,500 | 2,500 |
| Share based payments reserve | 22 | 1,544 | 1,227 |
| Retained earnings | | (10,555) | (8,983) |
| TOTAL EQUITY | | 3,084 | 1,961 |

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Company loss for the year was £1,571,634 (2023: loss of £5,085,548).

The financial statements were approved by the board on 15 April 2025:

Anthony Tennyson

Chief Executive Officer – Anthony Tennyson

The accompanying notes form an integral part of the consolidated financial statements

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

| | Share capital £'000 | Shares to be issued £'000 | Share premium £'000 | Capital reduction reserve £'000 | Share based payment reserve £'000 | Foreign exchange Reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|------------------------|---------------------------------|---------------------------|--|---|---|-------------------------------|--------------------------|
| Balance at 31 December 2022 | 41 | - | 7,001 | 2,500 | 858 | (1) | (5,845) | 4,554 |
| Loss for period | - | - | - | - | - | - | (3,120) | (3,120) |
| Other comprehensive income | - | - | - | - | - | 48 | - | 48 |
| Total comprehensive income for year | - | - | - | - | - | 48 | (3,120) | (3,072) |
| Transactions with owners in own capacity | | | | | | | | |
| Waiver of Director and advisor fees | - | 175 | - | - | - | - | - | 175 |
| Employee options | - | - | - | - | 369 | - | - | 369 |
| Transactions with owners in own capacity | - | 175 | - | - | 369 | - | - | 544 |
| Balance at 31 December 2023 | 41 | 175 | 7,001 | 2,500 | 1,227 | 47 | (8,965) | 2,026 |
| Loss for period | - | - | - | - | - | - | (1,590) | (1,590) |
| Other comprehensive income | - | - | - | - | - | 62 | - | 62 |
| Total comprehensive income for year | - | - | - | - | - | 62 | (1,590) | (1,528) |
| Transactions with owners in own capacity | | | | | | | | |
| Waiver of Director and advisor fees | 60 | - | 339 | - | - | - | - | 399 |
| Shares issued during the year | 2,132 | (175) | 63 | - | - | - | - | 2,020 |
| Disposal of subsidiary | - | - | - | - | - | (109) | - | (109) |
| Employee options | - | - | - | - | 317 | - | - | 317 |
| Share issue costs | - | - | (41) | - | - | - | - | (41) |
| Transactions with owners in own capacity | 2,192 | (175) | 361 | - | 317 | (109) | - | 2,586 |
| Balance at 31 December 2024 | 2,233 | - | 7,362 | 2,500 | 1,544 | - | (10,555) | 3,084 |

The accompanying notes form an integral part of the consolidated financial statements

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

| | Share capital £'000 | Shares to be issued £'000 | Share premium £'000 | Capital reduction reserve £'000 | Share based payment reserve £'000 | Foreign exchange Reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|------------------------|---------------------------------|---------------------------|--|--|---|-------------------------------|-----------------------|
| Balance at 31 December 2022 | 41 | - | 7,001 | 2,500 | 858 | - | (3,898) | 6,502 |
| Loss for period | - | - | - | - | - | - | (5,085) | (5,085) |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive income for year | - | - | - | - | - | - | (5,085) | (5,085) |
| Transactions with owners in own capacity | | | | | | | | |
| Waiver of Director and advisor fees | - | 175 | - | - | - | - | - | 175 |
| Employee options | - | - | - | - | 369 | - | - | 369 |
| Transactions with owners in own capacity | - | 175 | - | - | 369 | - | - | 544 |
| Balance at 31 December 2023 | 41 | 175 | 7,001 | 2,500 | 1,227 | - | (8,983) | 1,961 |
| Loss for period | - | - | - | - | - | - | (1,572) | (1,572) |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive income for year | - | - | - | - | - | - | (1,572) | (1,572) |
| Transactions with owners in own capacity | | | | | | | | |
| Waiver of Director and advisor fees | 60 | - | 339 | - | - | - | - | 399 |
| Shares issued during the year | 2,132 | (175) | 63 | - | - | - | - | 2,020 |
| Employee options | - | - | - | - | 317 | - | - | 317 |
| Share issue costs | - | - | (41) | - | - | - | - | (41) |
| Transactions with owners in own capacity | 2,192 | (175) | 361 | - | 317 | - | - | 2,695 |
| Balance at 31 December 2024 | 2,233 | - | 7,362 | 2,500 | 1,544 | - | (10,555) | 3,084 |

The accompanying notes form an integral part of the consolidated financial statements

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|------|--|--|
| Cash flow from operating activities | | | |
| Loss for the financial year | | (1,590) | (3,120) |
| <i>Adjustments for:</i> | | | |
| Share based payments | | 317 | 369 |
| Settlement of fees through issue of equity | | 231 | - |
| Depreciation on fixed assets | | - | 165 |
| Impairment of fixed assets | | - | 736 |
| Impairment of inventory | 14 | - | 117 |
| Gain on deconsolidation | 23 | (125) | - |
| Finance expenses | 7 | 64 | 3 |
| Amortization on right-of-use assets | | - | 12 |
| Foreign exchange movements | | - | 67 |
| <i>Changes in working capital:</i> | | | |
| Decrease in trade and other receivables | | 31 | 6 |
| Increase / (decrease) in trade and other payables | | (58) | 393 |
| (Increase) / decrease in inventory | | - | 14 |
| Net cash outflow from operating activities | | (1,130) | (1,238) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 13 | - | (216) |
| Investment in non-current asset | | (320) | - |
| Repayments on right-of-use assets | | (4) | (16) |
| Disposal of subsidiary, net of cash disposed | | (13) | - |
| Net cash flow from investing activities | | (337) | (232) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 1,924 | - |
| Share Issue Costs | | (41) | - |
| Proceeds from issue of convertible notes | | 200 | - |
| Net cash flow from financing activities | | 2,083 | - |
| Net increase in cash and cash equivalents | | 616 | (1,470) |
| Cash and cash equivalents at beginning of the period | | 155 | 1,640 |
| Foreign exchange effect on cash balance | | (14) | (15) |
| Cash and cash equivalents at end of the period | 17 | 757 | 155 |

The accompanying notes form an integral part of the consolidated financial statements

Net debt disclosure has not been included as the Group does not have any debt at year end

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

| | | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|------|-----------------------------------|-----------------------------------|
| | Note | £'000 | £'000 |
| Cash flow from operating activities | | | |
| Loss for the financial year | | (1,572) | (5,085) |
| <i>Adjustments for:</i> | | | |
| Share based payments | | 317 | 369 |
| Settlement of fees through issue of equity | | 231 | - |
| Impairment charge on investment in subsidiaries | | - | 1,304 |
| Impairment charge on intercompany receivable | | - | 2,044 |
| Finance expenses | 7 | 64 | - |
| Foreign exchange movements | | - | 68 |
| <i>Changes in working capital:</i> | | | |
| Decrease in trade and other receivables | | (1) | 3 |
| Increase / (decrease) in trade and other payables | | (57) | 159 |
| Net cash outflow from operating activities | | (1,018) | (1,138) |
| Cash flows from investing activities | | | |
| Loans to subsidiary | | - | (398) |
| Investment in non-current asset | | (320) | - |
| Net cash flow from investing activities | | (320) | (398) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 1,924 | - |
| Share Issue Costs | | (41) | - |
| Proceeds from issue of convertible note | | 200 | - |
| Net cash flow from financing activities | | 2,083 | - |
| Net increase in cash and cash equivalents | | 745 | (1,536) |
| Cash and cash equivalents at beginning of the period | | 12 | 1,548 |
| Foreign exchange effect on cash balance | | - | - |
| Cash and cash equivalents at end of the period | 17 | 757 | 12 |

The accompanying notes form an integral part of the consolidated financial statements

Net debt disclosure has not been included as the Company does not have any debt at year end

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

Solvonis Therapeutics Plc (“the Company” or “Solvonis”) was incorporated in England and Wales as a limited company on 18 May 2017 as Graft Polymer (UK) Limited and was re-registered as a public limited company, Graft Polymer (UK) Plc, on 1 July 2021. On 6 January 2025 the company changed its name to Solvonis Therapeutics Plc. The Company is domiciled in England and Wales with its registered office at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF. The Company’s registered number is 10776788.

The principal activities of the Company and all of its subsidiaries collectively referred to as “the Group” are the development of intellectual property related to the treatment of mental health and substance use disorders, and co-developing therapeutics for mental health disorders.

The consolidated financial statements (“financial statements”) were approved for issue by the Board of Directors on 15 April 2025.

2 ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the Companies Act 2006.

The financial statement have been prepared under the historical cost convention unless stated otherwise. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these financial statements. The financial statements have been prepared in £GBP and presented to the nearest £’000.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company is Pounds Sterling (£) as this is the currency that finance was raised in.

The functional currency of the operating subsidiary in Slovenia was the Euro (€) and was the currency that mainly influences labour, material and other costs of providing services. The presentational currency of the Group is Pounds Sterling (£). Foreign operations were translated in accordance with the policies set out further below in the notes at note 2.4.

The Group presents its financial statements for the year ended 31 December 2024 and presents comparatives for the year ending 31 December 2023.

2.2 Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Company and the Group will have access to adequate working capital to execute its operations over the next 12 months.

The Directors meet monthly to discuss all matters of the Group including the liquidity of the Group and its status as a going concern. The Directors review cashflow forecasts in conjunction with considering

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

other key factors such as current cash resources, cash burn rate, access to capital and sensitivity of key inputs when assessing the financial health of the Group.

Post period end the Group announced that it had entered into an arrangement agreement with Awakn Life Sciences Corp. setting out the basis on which the parties will cooperate to execute a transaction whereby Solvonis will acquire all issued and outstanding common shares in the capital of Awakn, all outstanding restricted share units in the capital of Awakn and all outstanding deferred share units in the capital of Awakn by way of a Court approved plan of arrangement under the British Columbia Business Corporations Act. Although the transaction will not require a cash outlay from Solvonis the Directors plan to complete a fundraise alongside the acquisition to assist with the financing of various clinical trials the Group plans to complete.

Currently the Group has a relatively low cash burn rate and has direct oversight over all expenses. In its current form the Group has limited committed liabilities however should the acquisition of Awakn complete the Board are aware that they will require additional funding to complete the desired trials. As a result the auditors have included a material uncertainty relating to going concern within their audit report as is common amongst “pre-revenue” companies. Although the Board is advanced in talks with various brokers to facilitate funding they acknowledge that due to the uncertainty of timing and quantum that a material uncertainty is appropriate in this instance.

After due consideration of all the factors, the Directors consider that the Group will have adequate financial resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date of this report) and, for this reason, the financial statements have been prepared on a going concern basis.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2.4 Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements for 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 is presented in £ Sterling, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation is recognised in other comprehensive income (loss).

ii. Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at balance date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

iii. Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold,

SOLVONIS THERAPEUTICS PLC – COMPANY NUMBER 10776788
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors. As the Group disposed of its Slovenian subsidiary during the year the Directors have concluded that the Group now operates solely in the singular jurisdiction of the United Kingdom. As a result the Company has removed the segment reporting presented in previous financial statements.

2.6 Impairment of non-financial assets

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on forecasted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or 'CGUs').

2.7 Inventory

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

2.9 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets 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

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- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

d) Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 Leases

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 Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee 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. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

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

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

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss.

2.11 Equity

Share capital is determined using the nominal value of shares that have been issued.

Share capital to be issued relates to salaries foregone by Directors and other consultants. Upon the issue publication of a prospectus shares will be issued to compensate the necessary parties and will be allocated amongst the share capital and share premium accounts.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

For the purposes of presenting consolidated financial statements, the assets and liabilities of group's foreign operations are translated at the exchange rates prevailing at the balance sheet date and items of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in the Foreign Currency Reserve within equity.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

The foreign exchange reserve policy is set out in note 2.4.

Capital reduction reserve represents funds sent from the parent company to subsidiary that on the approval of Directors was reclassified from a loan in the subsidiary to an investment.

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

2.12 Share based payments

The Group has made awards of warrants and options on its unissued share capital to certain parties in return for services provided to the Group. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model and the Monte Carlo valuation model to derive a value for any share-based payments. These assumptions are described in more detail in note 22.

2.13 Earnings per share

The Group presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

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Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.14 Revenue

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

- Step 1: Identity the contract(s) with a customer;
- Step 2: Identity the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales of goods are recognised when the control of the goods is transferred to the buyer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Control is considered to have transferred generally on despatch as most items are sold on a cost includes freight basis; or on delivery where Delivered Duty Paid (“DDP”) Incoterms are used. The normal credit terms are 30 to 60 days upon delivery. Invoices that are issued before the transfer of control has occurred are allocated as deferred income and then recognised as revenue when the performance obligation has been satisfied.

The Group also derives revenue from the rendering of services, whereby revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In arrangements where fees are invoiced ahead of revenue being recognized, deferred income is recorded.

2.15 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability

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for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

2.16 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Company acquires any plant and equipment it is stated in the accounts at its cost of acquisition less a provision.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives being:

- Plant and equipment: 5 – 7 years
- Buildings and leasehold improvements: 20 years

Estimated useful lives and residual values are reviewed each year and amended as required.

2.17 Intangible assets

Intangible assets acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Intangible asset impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

2.18 Investments in Subsidiaries

Investments in Group undertakings are stated at cost.

2.19 Provisions

Provisions represent liabilities of uncertain timing or amount that are recognized when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.20 Financial liabilities

Other financial liabilities are initially recognised at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

2.21 Critical judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

Patents and related knowledge as an intangible asset (note 10)

The estimates and assumptions in relation to the carrying value of the know-how intangible assets are considered to have the most significant effect on the carrying amounts of the financial statements.

Management have prepared a 5 year financial forecast ending at December 2028 which looks at the revenue generating ability of these intangible assets. They have confidence in various networks and contracts that the know-how will allow the Group to generate royalty and licensing revenue with relatively low associated costs. The Directors have a high level of confidence that these contracts will ultimately prove to be highly lucrative for the Group and support the current carrying value of the intangible assets.

The Directors do recognise that the success of the underlying product ranges related to the royalty agreements is uncertain and hence will continue to monitor the progress of these product lines.

However as there are no current indicators the intangible assets were assessed and concluded that no impairment charge was required.

Share based payments (Note 22)

The Group issues options and warrants to its employees, directors, investors and advisors. These are valued in accordance with IFRS 2 "Share-based payments". In calculating the related charge on issuing shares and warrants the Group will use a variety of estimates and judgements in respect of inputs used including share price volatility, risk free rate, and expected life. Changes to these inputs may impact the related charge. In the period the Group did not perform any new valuations but released expenses to the statement of other comprehensive income from valuations in prior periods.

2.22 New standards and interpretations not yet adopted

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At the date of approval 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 (and in some cases have not yet been adopted by the UK):

| Standard | Impact on initial application | Effective date |
|--|---|--|
| Amendments to IAS 21 – Lack of Exchangeability | The amendments have been made to clarify: When a currency is exchangeable into another currency; and How a company estimates a spot rate when a currency lacks exchangeability. | 1 January 2025 (early adoption permitted) |
| Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments | These amendments: Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). | 1 January 2026 (early adoption permitted) |
| IFRS 18 Presentation and Disclosure in Financial Statements | This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: The structure of the statement of profit or loss; Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. | 1 January 2027 (early adoption permitted) |

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| | | |
|---|--|--|
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | <p>This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.</p> <p>A subsidiary is eligible if: it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</p> | 1 January 2027 (early adoption permitted) |
|---|--|--|

2.23 New standards and interpretations adopted

The standards and interpretations that are relevant to the Group, effective in this financial year are listed below. There has been no impact on the financial statements from the adoption of these standards.

| Standard | Impact on initial application | Effective date |
|---|---|---|
| Amendments to IAS 1 - Classification of Liabilities as current or non-current | Clarifies that the classification of liabilities as current or noncurrent should be based on rights that exist at the end of the reporting period. | Annual periods beginning on or after 1 January 2024 |
| Amendments to IAS 1 – Noncurrent Liabilities with Covenants | Clarifies that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current. | Annual periods beginning on or after 1 January 2024 |
| Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback 4 | Specifies requirements relating to measuring the lease liability in a sale and leaseback transaction after the date of the transaction. | Annual periods beginning on or after 1 January 2024 |
| Amendments to IAS 7 and IFRS 7 –Supplier Finance Arrangements 4 5 | Requires an entity to provide additional disclosures about its supplier finance arrangements. | Annual periods beginning on or after 1 January 2024 |

3. SEGMENT REPORTING

The Chief Operating Decision Makers are the Board of Directors. The Board reviews the Group's internal reporting in order to assess the performance of the Group. Management has determined the operating segments based on the reports reviewed by the Board and post the disposal of the Slovenian subsidiary have determined that the Group now operates solely in the United Kingdom and henceforth have not presented geographical segmental reporting.

Due to the disposal of the Slovenian operations on 2 May 2024, the contributions from the Slovenian operating segment are not reported in the loss from continuing operations in the statement of

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comprehensive income. For details of the contribution of the Slovenian operations during the period up until the point of disposal, refer to Note 23.

4. REVENUE

| | Year ended 31 Dec 2024 £'000 | Year ended 31 Dec 2023 £'000 |
|------------------------|------------------------------------|------------------------------------|
| Product Sales Revenue | | |
| Slovenia | - | 5 |
| Europe | - | 355 |
| Rest of the world | - | 66 |
| | - | 426 |
| Services Sales Revenue | | |
| Slovenia | - | 161 |
| | - | 161 |
| Total Sales Revenue | - | 587 |

For details of the revenue from the Slovenian operations during the period up until the point of disposal, refer to Note 23.

5. OPERATING COSTS AND ADMINISTRATIVE EXPENDITURE

| | Year ended 31 Dec 2024 £'000 | Year ended 31 Dec 2023 £'000 |
|----------------------------------|------------------------------------|------------------------------------|
| Operating costs | | |
| Depreciation | - | (179) |
| Operational costs | (41) | (213) |
| | (41) | (392) |
| Administrative costs | | |
| Directors remuneration | (354) | (754) |
| Salary and wages | - | (276) |
| Professional and consulting fees | (704) | (389) |
| Travel expenses | (12) | (21) |
| Foreign exchange | - | (69) |
| Other expenses | (80) | (267) |
| Share based payments | (317) | (369) |
| | (1,467) | (2,145) |

A reconciliation of the amounts from the statement of profit or loss to the amounts reported in the Directors' Remuneration Report are detailed below:

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| Director | Total – Directors Remuneration Report £'000 | Fees accrued in prior period Settled in shares £'000 | 31 Dec 2024 Statement of Profit or Loss £'000 |
|------------------|--|---|--|
| Anthony Tennyson | 54 | - | 54 |
| Nicholas Nelson | 29 | - | 29 |
| Dennis Purcell | 13 | - | 13 |
| Roby Zomer | 67 | (36) | 31 |
| Victor Bolduev | 144 | (50) | 94 |
| Pavel Kobzev | 66 | (30) | 36 |
| Alex Brooks | 17 | (9) | 8 |
| Yifat Steuer | 128 | (39) | 89 |
| | 518 | (164) | 354 |

On average, excluding directors, the Group employed 3 persons in the 2024 year (31 December 2023: 7)

The highest paid director received remuneration of approximately £144,000 (31 December 2023: £224,000).

6. AUDITORS REMUNERATION

| | Year ended 31 Dec 2024 £'000 | Year ended 31 Dec 2023 £'000 |
|---|---|---|
| Fees payable to the Group's auditor for the audit of parent company and consolidated financial statements | (35) | (50) |
| | (35) | (50) |

7. FINANCE COSTS

| | Year ended 31 Dec 2024 £'000 | Year ended 31 Dec 2023 £'000 |
|---------------------------------|---|---|
| Finance charge on leased assets | - | (3) |
| Interest on convertible loan | (64) | - |
| Finance costs | (64) | (3) |

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8. TAXATION

No liability to income taxes arise in the period.

The current tax for the year differs from the loss before tax at a standard rate of corporation tax in the UK. A reconciliation of the tax charge is detailed below:

| | Year ended 31 Dec 2024 £'000 | Year ended 31 Dec 2023 £'000 |
|--|---|---|
| The charge for year is made up as follows: | | |
| Corporation tax on the results for the year | - | - |
| A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is: | | |
| Loss per the financial statements | (1,447) | (3,120) |
| Tax credit at the weighted average of the standard rate of corporation tax in UK of 25% - (31 Dec 2023: 25%) | (362) | (592) |
| Non-deductible expenses | 79 | 234 |
| Current year losses for which no deferred tax asset is recognised | (283) | (358) |
| Income tax charge for the year | - | - |

Deferred tax assets carried forward have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered. The accumulated tax losses are estimated to amount to approximately £3.086m (31 Dec 2023: £1.958m) and the carried forward deferred tax asset is estimated to amount to approximately £0.770m.

No deferred tax assets in respect of tax losses have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the period.

| | Year ended 31 Dec 2024 | Year ended 31 Dec 2023 |
|--|-----------------------------------|-----------------------------------|
| Loss for the year/period from continuing operations – £'000 | (1,447) | (3,120) |
| Weighted number of ordinary shares in issue | 1,156,732,090 | 104,057,299 |
| Basic earnings per share from continuing operations – pence | (0.125) | (3.00) |

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There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

10. INTANGIBLE ASSETS

Group and Company

| | £'000 |
|--|--------------|
| Cost and carrying value – 1 January 2023 | 2,068 |
| <i>Additions</i> | - |
| Impairment | - |
| At 31 December 2023 | 2,068 |
| <i>Additions</i> | 20 |
| Impairment | - |
| At 31 December 2024 | 2,088 |

In 2018, 22,500,000 shares were issued to founding director Victor Bolduev as consideration for the ownership rights of multiple patents that were transferred to the Group. Since the acquisition of the patents in 2018 the Group has taken strides towards realising their commercial potential particularly by implementing commercial royalty agreements.

The Group has continued to apply for patents in the 2024 year and has also added key human resources to aid the monetisation of the patents in the Group.

The Directors believe that the combined knowledge embedded in the business surrounding drug delivery systems and small molecule therapeutics for substance use and mental health disorders between the Company and Awakn (Note 11) will enable the development of innovative therapeutics for the large addressable market for trauma related mental health disorders in the US and key international markets. In line with International Accounting Standard 36 (IAS 36), the Directors have undertaken a formal assessment of these intangible assets to discern whether they are impaired.

The Directors have given due consideration to both financial and non-financial indicators and believe that the overall intellectual property of the Group is in a strong position. As a result they do not believe that any indicators of impairment exist and hence have not processed any impairment in the accounts.

11. OTHER NON-CURRENT ASSETS

Group and Company

| | Group | Company |
|--|--------------|----------------|
| | £'000 | £'000 |
| Cost and carrying value – 1 January 2023 | 13 | - |
| <i>Additions</i> | - | - |
| Impairment | - | - |

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| | | |
|----------------------------|------------|------------|
| At 31 December 2023 | 13 | - |
| <i>Additions</i> | 300 | 300 |
| Impairment | (13) | - |
| At 31 December 2024 | 300 | 300 |

In July 2024, the Company entered into partnership with Awakn Life Sciences (“Awakn”), a Canadian clinical stage biotechnology company developing therapeutics for addiction and mental health, to co-develop a new generation of therapeutics for the treatment of trauma related mental health disorders such as Post-Traumatic Stress Disorder (“PTSD”), moving the Company into field of biotechnology research and development of therapeutics for the treatment of mental health conditions. The agreement included a £300,000 payment to Awakn to assist with the continuation of various clinical trials.

12. LEASES

Group

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|----------------------------|----------------------------------|----------------------------------|
| <i>Right-of-use assets</i> | | |
| Motor vehicles | - | 39 |
| | - | 39 |
| <i>Lease liabilities</i> | | |
| Current | - | 12 |
| Non-current | - | 22 |
| | - | 34 |

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|------------------------|----------------------------------|----------------------------------|
| <i>Motor vehicles</i> | | |
| Opening balance | 39 | 27 |
| Additions | - | 24 |
| Amortisation | - | (12) |
| Disposal of subsidiary | (39) | - |
| | - | 39 |

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|--|----------------------------------|----------------------------------|
|--|----------------------------------|----------------------------------|

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| | | |
|------------------------|------|-----------|
| Opening balance | 34 | 22 |
| Additions | - | 25 |
| Finance charge | - | 3 |
| Repayments | - | (16) |
| Disposal of subsidiary | (34) | - |
| | - | 34 |

13. PROPERTY, PLANT AND EQUIPMENT**Group**

| | Leasehold improvements £'000 | Plant & Equipment £'000 | Total £'000 |
|---|------------------------------------|-------------------------------|----------------|
| Cost | | | |
| At 1 January 2023 | 89 | 937 | 1,026 |
| Additions | 15 | 201 | 216 |
| Disposals | - | (27) | (27) |
| Impairment | (107) | (1,117) | (1,224) |
| Exchange impact | 3 | 6 | 9 |
| At 31 December 2023 | - | - | - |
| Additions | - | - | - |
| Disposals | - | - | - |
| Impairment | - | - | - |
| Exchange impact | - | - | - |
| At 31 December 2024 | - | - | - |
| Depreciation | | | |
| At 1 January 2023 | (29) | (323) | (352) |
| Charge for the period | (11) | (143) | (154) |
| Disposals | - | 6 | 6 |
| Impairment | 40 | 463 | 503 |
| Exchange impact | - | (3) | (3) |
| At 31 December 2023 | - | - | - |
| Charge for the year | - | - | - |
| Disposals | - | - | - |
| Impairment | - | - | - |
| Exchange impact | - | - | - |
| At 31 December 2024 | - | - | - |
| Net book value at 31 December 2023 | - | - | - |
| Net book value at 31 December 2024 | - | - | - |

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14. INVENTORY

| Group | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|----------------|----------------------------------|----------------------------------|
| Raw materials | - | 51 |
| Finished goods | - | - |
| | - | 51 |

15. INVESTMENTS

Company

| | £'000 |
|--|--------------|
| Cost and carrying value – 1 January 2023 | 1,304 |
| Additions | - |
| Impairment | (1,304) |
| At 31 December 2023 | - |
| At 31 December 2024 | - |

**Immaterial investment in Graft Polymer IP Limited & GraftBio Limited of £1 each*

Investments in subsidiary with a cost value of £1.304m (2023: £1.304m) and accrued impairments of £1.304m (2023: £1.304m) related to the investment in Graft Polymer D.o.o which was a wholly owned subsidiary operating out of Slovenia. On 2 May 2024, the company disposed of this subsidiary for £1.

Company subsidiary undertakings

At year end the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

| Name | Business Activity | Country of Incorporation | Registered Address | Percentage Holding |
|--------------------------|--|-------------------------------------|---|---------------------------|
| Graft Polymer IP Limited | Intellectual property | England and Wales | Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF | 100% |
| GRAFTBIO Limited | Bio-Polymer development and production | England and Wales | Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF | 100% |

16. TRADE AND OTHER RECEIVABLES

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| GROUP | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---------------------------------|----------------------------------|----------------------------------|
| Trade receivables | - | 65 |
| Other taxes and social security | 30 | 16 |
| Prepayments | 22 | 21 |
| Other receivables | 6 | 6 |
| | 58 | 108 |

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|-----------|----------------------------------|----------------------------------|
| UK Pounds | 57 | 30 |
| Euros | - | 78 |
| | 57 | 108 |

The Expected Credit Loss Model under IFRS 9 has not been applied to receivables due to this being inappropriate for the above receivables.

| COMPANY | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---------------------------------|----------------------------------|----------------------------------|
| Other taxes and social security | 30 | 4 |
| Prepayments | 22 | 21 |
| Other receivables | 5 | 6 |
| | 57 | 31 |

As at 31 December 2024 all trade and other receivables were fully performing and hence no provision has been processed. Trade receivables have the following aging:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|--------------|----------------------------------|----------------------------------|
| Current | 58 | 31 |
| 1 – 3 months | - | - |
| 3 – 6 months | - | - |
| | 58 | 31 |

The Expected Credit Loss Model under IFRS 9 has not been applied to receivables due to this being inappropriate for the above receivables.

17. CASH AND CASH EQUIVALENTS

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Cash and cash equivalents consist of cash on hand and short term deposits held with banks with a A-1+ rating. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

| GROUP | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents | 757 | 155 |
| | 757 | 155 |

| COMPANY | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents | 757 | 12 |
| | 757 | 12 |

18. TRADE AND OTHER PAYABLES

| GROUP | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|----------------|----------------------------------|----------------------------------|
| Trade payables | 83 | 159 |
| Accruals | 36 | 68 |
| VAT payable | - | 22 |
| | 119 | 249 |

| COMPANY | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|----------------|----------------------------------|----------------------------------|
| Trade payables | 83 | 66 |
| Accruals | 36 | 51 |
| | 119 | 117 |

19. LOAN NOTE

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|----------------------|----------------------------------|----------------------------------|
| Opening balance | - | - |
| Principal drawn down | 200 | - |
| Interest charged | 64 | - |
| Principal repaid | (264) | - |

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- -

On 15 March 2024, the Company entered into a £100,000 working capital loan facility, which was subsequently increased by a further £100,000 in April 2024. The facility has been drawn down in full and attracts an interest rate of 10% per month. The loan was repayable on demand, together with accumulated interest which was settled in July 2024.

20. PROVISIONS

| GROUP | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|------------------|----------------------------------|----------------------------------|
| HMRC obligations | - | 32 |
| | - | 32 |

In the 2023 reporting year Directors and other senior management waived fees owed to them with the intention of having shares issued at a later date. Transactions such as these have the potential to attract payroll and other taxes depending on the specific circumstances of the individual to which they apply. Due to the timing and uncertainty the Company provided for them in the 2023 year and have been settled during the current year.

21. SHARE CAPITAL

Change in issued Share Capital and Share Premium:

| | Number of shares | Share capital £'000 | Share premium £'000 | Total £'000 |
|---|-----------------------------|------------------------------------|------------------------------------|------------------------|
| Ordinary shares | | | | |
| Balance at 1 January 2023 | 104,097,299 | 41 | 7,001 | 7,042 |
| | - | - | - | - |
| Balance at 31 December 2023 | 104,097,299 | 41 | 7,001 | 7,042 |
| Share issue at placing price of 0.6 | 20,666,667 | 21 | 103 | 124 |
| Share issue at placing price of 0.1 | 1,800,000,000 | 1,800 | - | 1,800 |
| Share issue on conversion of loan ¹ | 264,000,000 | 264 | - | 264 |
| Share issue to settle outstanding fees ² | 59,666,667 | 60 | 299 | 359 |

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| | | | | |
|---|----------------------|--------------|--------------|--------------|
| Share issue to settle outstanding fees ³ | 47,500,000 | 47 | - | 47 |
| Share issue costs | - | - | (41) | (41) |
| Balance at 31 December 2024 | 2,295,930,633 | 2,233 | 7,362 | 9,595 |

¹ Shares issued as full repayment of working capital loan and accrued interest (refer Note 19).

² Shares issued in satisfaction of fees owed to Directors as at 31 March 24 in connection to the July 2024 transaction.

³ Shares issued to various directors and advisors in lieu of fees owed

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

22. SHARE BASED PAYMENTS RESERVE

| | Company £'000 | Group £'000 |
|-------------------------------|------------------|----------------|
| At 31 December 2022 | 858 | 858 |
| Employee options ¹ | 369 | 369 |
| At 31 December 2023 | 1,227 | 1,227 |
| LTIP options ^{2,3} | 22 | 22 |
| Director warrants issued | 295 | 295 |
| At 31 December 2024 | 1,544 | 1,544 |

¹ On 6 January 2022, 11,173,611 employee options were granted to a number of employees within the Group. These options have different vesting conditions based on performance milestones. The charge that relates to the 2023 year has been brought to account above.

² On 30 July 2024, 10,000,000 LTIP options were granted to Directors. One third of these options vest every year, beginning with one third vesting at grant date.

³ On 26 September 2024, 45,000,000 LTIP options were granted to Directors. One third of these options vest every year, beginning with one third vesting at grant date.

Warrants

| | As at 31 December 2024 | |
|-----------------------------------|------------------------------------|--------------------|
| | Weighted average exercise price | Number of warrants |
| Brought forward at 1 January 2024 | 22p | 2,031,008 |
| Granted in period | 1p | 10,333,333 |
| Granted in period | 0.6p | 1,500,000 |
| Granted in period | 0.1p | 294,500,000 |
| Expired during period | 22p | (775,194) |
| Outstanding at 31 December 2024 | 0.2p | 307,589,147 |
| Exercisable at 31 December 2024 | 0.2p | 307,589,147 |

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The weighted average time to expiry of the warrants as at 31 December 2024 is 574 days.

The following table lists the Black Scholes inputs to the model used for valuation of the warrants:

| | 0.1p warrants | 1p warrants | 0.6p warrants |
|-----------------------------|----------------------|--------------------|----------------------|
| Dividend yield (%) | 0% | 0% | 0% |
| Expected volatility (%) | 100.6 – 142.1% | 92.4% | 92.4% |
| Risk-free interest rate (%) | 4.17% | 3.6% | 3.6% |
| Time to maturity | 2 – 3 years | 2 years | 2 years |
| Exercise price (£) | 0.001 | 0.01 | 0.006 |
| Share price at grant date | 0.001 | 0.006 | 0.006 |

Options

| | As at 31 December 2024 | |
|-----------------------------------|--|--------------------------|
| | Weighted average exercise price | Number of options |
| Brought forward at 1 January 2024 | 0.1p | 11,000,000 |
| Granted in period | 0.1p | 55,000,000 |
| Expired in period | 0.1p | (11,000,000) |
| Outstanding at 31 December 2024 | 0.1p | 55,000,000 |
| Exercisable at 31 December 2024 | 0.1p | 18,333,333 |

The weighted average time to expiry of the warrants as at 31 December 2024 is 987 days.

The following table lists the Black Scholes inputs to the model used for valuation of the options:

| | 0.1p options |
|-------------------------------|---------------------|
| Dividend yield (%) | 0% |
| Expected volatility (%) | 100.6% |
| Risk-free interest rate (%) | 4.17% |
| Time to maturity | 2 years |
| Exercise price (£) | 0.001 |
| Share price at grant date (£) | 0.0022 |

23. BUSINESS COMBINATIONS

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or classified as held for

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sale and that represents a separate major line of business or geographical area of operation, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income.

The Board recently undertook a review of its business and operations, pursuant to which it was decided that the Slovenian operation, Graft Polymer D.O.O (principally, an industrial polymer products manufacturer), was considered no longer commercially viable due to forecasted negative cashflow as a result of falling sales and rising costs, with no immediate prospect of becoming profitable in the short to medium term. The Group disposed of Graft Polymer D.O.O on 2 May 2024. A gain on deconsolidation as at date of disposal of £125,000 was recognised and taken to the Statement of Comprehensive Income.

Gain on deconsolidation of Graft Polymer D.O.O**2 May 2024**

| Consideration received | |
|--|------------|
| Cash | - |
| Carrying amount of net liabilities sold | 16 |
| | 16 |
| Reclassification of foreign exchange reserve | 109 |
| Gain on deconsolidation | 125 |

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Financial Performance for Graft Polymer D.O.O

| | Four months to 2 May | 31 December 2023 |
|--|----------------------|------------------|
| Revenue | 221 | 587 |
| Cost of sales | (148) | (329) |
| Gross profit | 73 | 258 |
| Operational costs | (17) | (66) |
| Depreciation | (58) | (179) |
| Administrative expenses | (140) | (518) |
| Asset write down | - | (838) |
| Operating loss | (142) | (1,343) |
| Finance costs | (1) | (3) |
| Loss before taxation | (143) | (1,346) |
| Income tax | - | - |
| Loss for the period from discontinuing operations | (143) | (1,346) |

Assets and liabilities of Graft Polymer D.O.O

| | 2 May 2024 | 31 December 2023 |
|--------------------------------------|-------------|------------------|
| Non-current assets | | |
| Right of use assets | 38 | 39 |
| Other non-current assets | 13 | 13 |
| Total non-current assets | 51 | 52 |
| Current assets | | |
| Cash and cash equivalents | 13 | 143 |
| Trade and other receivables | 44 | 78 |
| Inventory | 11 | 50 |
| Total current assets | 68 | 271 |
| TOTAL ASSETS | 119 | 323 |
| Non-current liabilities | | |
| Lease liability | - | 22 |
| Total non-current liabilities | - | 22 |
| Current liabilities | | |
| Trade and other payables | 71 | 132 |
| Deferred income | 36 | 93 |
| Lease liability | 28 | 12 |
| Total current liabilities | 135 | 237 |
| Total liabilities | 135 | 259 |
| NET ASSETS | (16) | 64 |

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| <i>Cashflow of Graft Polymer D.O.O</i> | 2 May 2024 | 31 December 2023 |
|--|-------------------|-------------------------|
| Cash flow from operating activities | | |
| Loss before tax | (143) | (1,346) |
| <i>Adjustments for:</i> | | |
| Depreciation | 58 | 165 |
| Finance expenses | - | 3 |
| Amortisation of right of use assets | - | 12 |
| Fixed asset write off | (58) | 736 |
| Inventory write off | - | 117 |
| <i>Changes in working capital:</i> | | |
| Decrease/(Increase) in trade and other receivables | 33 | (26) |
| (Decrease)/Increase in trade and other payables | (54) | 234 |
| Movements in inventory | 39 | 14 |
| Net cash outflow from operating activities | (125) | (91) |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | - | (216) |
| Repayment on right of use assets | (4) | (16) |
| Loans to subsidiary | - | 393 |
| Net cash flow from investing activities | (4) | 161 |
| Net increase in cash and cash equivalents | (129) | 70 |
| Cash and cash equivalents at beginning of period | 142 | 89 |
| Foreign exchange effect on cash balance | - | (26) |
| Cash and cash equivalents at end of period | 13 | 133 |

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk while still executing on the Group's overall business strategy.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to risk through its normal operations, the most significant of which are foreign exchange and liquidity risks. Sensitivity analysis has not been performed because the potential impact is not considered material. The management of these risks is vested to the Board of Directors.

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Currency Risk

The Group operates in a global market with cost possibly arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Companies' functional currency. Currency exposures are reviewed regularly.

The Group has exposure to foreign exchange risk through research and development expenditure that is incurred in international markets as well as their foreign currency denominated cash balances.

Accordingly, movements in the Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 31 December 2024. Funds of the parent company are held with HSBC which has the following credit ratings (Fitch: A+, Stable, Moody's A3, Stable, S&P A-, stable)

The table below shows the currency profiles of cash and cash equivalents:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---|----------------------------------|----------------------------------|
| <i>Cash and cash equivalents</i> | | |
| Sterling | 757 | 12 |
| Euro | - | 143 |
| | 757 | 155 |

The table below shows an analysis of the currency of the monetary asset and liabilities in Sterling being the functional currency of the Group:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|--------------------------------------|----------------------------------|----------------------------------|
| <i>Balance denominated in</i> | | |
| Sterling | - | (27) |
| Euro | - | 50 |
| | - | 23 |

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

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The Group had cash and cash equivalents at period end as below:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents | 757 | 155 |
| | 757 | 155 |

The table below sets out the maturity profile of the financial liabilities at 31 December:

| | 31 Dec 2024 £'000 | 31 Dec 2023 £'000 |
|---------------------------------------|----------------------------------|----------------------------------|
| Due in less than one month | (50) | (34) |
| Due between one and three months | (9) | (93) |
| Due between three months and one year | (24) | (32) |
| | (83) | (159) |

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

| GROUP | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|--|---|--|--------------|
| 31 Dec 2024 | | | |
| Financial assets / (liabilities) | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 36 | - | 36 |
| Cash and cash equivalents | 757 | - | 757 |
| Trade and other payables ² | - | (119) | (119) |
| | 792 | (119) | 674 |

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals, taxes and social security

| GROUP | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|--|---|--|--------------|
| 31 Dec 2023 | | | |
| Financial assets / (liabilities) | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 87 | - | 87 |
| Cash and cash equivalents | 155 | - | 155 |
| Trade and other payables ² | - | (181) | (181) |

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| | | | |
|--|------------|--------------|-----------|
| | 242 | (181) | 61 |
|--|------------|--------------|-----------|

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals, taxes and social security

| COMPANY | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|--|---|--|--------------|
| 31 Dec 2024 | | | |
| Financial assets / (liabilities) | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 36 | - | 36 |
| Cash and cash equivalents | 757 | - | 757 |
| Trade and other payables ² | - | (119) | (119) |
| | 792 | (119) | 674 |

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals, taxes and social security

| COMPANY | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|--|---|--|--------------|
| 31 Dec 2023 | | | |
| Financial assets / (liabilities) | £'000 | £'000 | £'000 |
| Trade and other receivables ¹ | 10 | - | 10 |
| Cash and cash equivalents | 12 | - | 12 |
| Trade and other payables ² | - | (66) | (66) |
| | 22 | (66) | (44) |

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals, taxes and social security

26. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2024.

27. CONTINGENT LIABILITIES

Other than above, there were no further contingent liabilities at 31 December 2024.

28. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 31 December 2024.

29. RELATED PARTY TRANSACTIONS

Royalty Agreement with Argent Biopharma

Graft Polymer IP Limited has a royalty agreement in place with Argent Biopharma Ltd (formerly MGC Pharmaceuticals D.o.o) to pay 1 Euro per unit sold of their CimetrA & CannEpil-IL products. Mr Roby Zomer who resigned as a Director from the Company in the year is also a Director of Argent Biopharma Ltd.

Payments to Chitta Lu Limited

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Post resignation, the Company engaged the consultancy services of Chitta Lu Limited of which former Director, Roby Zomer is a Director in relation to business development for the Group. During the period from his resignation on 15 March 2024 to year end, Mr Zomer accrued £59,000 of fees of £20,000 which were outstanding at year end.

Collaboration agreement with Awakn Life Sciences Corp.

On 18 July 2024, the Company announced that it had entered into a collaboration agreement with Awakn Life Sciences Corp (“Awakn”). The Company's CEO, Mr. Anthony Tennyson, also serves as CEO of Awakn. To mitigate any potential conflict of interest, Mr. Tennyson recused himself from the Company's final selection process and negotiation of the Collaboration Agreement, which was led by Nicholas Nelson.

Details of directors' emoluments are set out in the Directors Remuneration Report

30. EVENTS SUBSEQUENT TO PERIOD END

General meeting and change of name

On 6 January 2025, the Company held a general meeting where it proposed and subsequently approved a change of name from Graft Polymer (UK) Plc to Solvonis Therapeutics Plc.

Entry into Arrangement Agreement

On 24 February 2025, entered into an arrangement agreement with Awakn Life Sciences Corp. setting out the basis on which the parties will cooperate to execute a transaction whereby Solvonis will acquire all issued and outstanding common shares in the capital of Awakn all outstanding restricted share units in the capital of Awakn and all outstanding deferred share units in the capital of Awakn by way of a Court approved plan of arrangement under the British Columbia Business Corporations Act.

Appointment of Non-Executive Director

On 11 March 2025, the Company appointed Dr Renata Crome to the Board of Directors.

31. CONTROL

In the opinion of the Directors as at the year end and the date of these financial statements there is no single ultimate controlling party.