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13 September 2024

Graft Polymer (UK) PLC

Unaudited interim results for the six months to 30 June 2024

Graft Polymer (UK) Plc (the “Company” or “Graft Polymer”), an innovative biotechnology company focused on co-developing therapeutics for mental health disorders, announces its unaudited interim results for the six months to 30 June 2024.

Highlights

- Board changes undertaken, including appointment of Anthony Tennyson as Chief Executive Officer.
- Completion of an operational review, leading to a strategic focus on the healthcare industry, specifically developing intellectual property (“IP”) relating to the treatment of mental health and substance use disorders, and the co-development of therapeutics for mental health disorders.
- Disposal of non-core, underperforming industrial polymer division to streamline operations and focus on higher-growth sectors.
- Successful £1.8 million fundraising, post period end, through the publication of a prospectus (the “Prospectus”) and placement of new shares.
- Entered a commercial collaboration agreement with Awakn Life Sciences Corp. to co-develop a new class of therapeutics targeting trauma related mental health disorders such as Post-Traumatic Stress Disorder (“PTSD”).
- Strengthening of the intellectual property portfolio with four new patent applications related to mental health and substance use disorders.

Anthony Tennyson, CEO, said: “I am confident that the strategic steps taken since my appointment positions Graft Polymer as an innovative biotechnology company focused on developing IP relating to the treatment of mental health and substance use disorders, and the co-development of therapeutics for mental health disorders. We are committed to delivering value to our shareholders as we continue this journey and I look forward to providing further updates on our progress.”

Chairman’s Statement

The interim financial results cover the six-month period from the 1 January 2024 to 30 June 2024. A more detailed narrative on the Company's recent activities was provided in the Prospectus, published on 3 July 2024.

I joined Graft Polymer as Chairman in March 2024, during a period of financial distress for the Company. Upon my appointment, an injection of capital was urgently needed, which led to the initiation of a comprehensive operational review to chart a sustainable path forward.

In May 2024, Anthony Tennyson joined as CEO, bringing a mandate to reduce overheads, streamline operations, and build out our IP portfolio to capitalise on the growing potential of our Graft Bio division.

The operational review is now complete, and we are repositioned as a biotechnology company with a specific focus on mental health and substance use disorders. Through various announcements, we have communicated our strategy clearly, and I am grateful for the strong support from our shareholders since the July 2024 capital raise. Our commitment to developing breakthrough therapeutics for under-addressed markets, including mental health and substance use disorders, offers a credible and significant growth opportunity.

CEO's report

Since my appointment as CEO in May 2024, Graft Polymer has achieved important milestones that underscore our evolution into a biotechnology company focused on mental health and substance use disorders. Our initial target is trauma-related mental health conditions, including PTSD, which impacts approximately 13 million adults in the U.S. and 20 million in the US, UK, and key EU markets.

On 3 May 2024, we announced the disposal of Graft Polymer Slovenia D.O.O., a non-core, underperforming industrial plastics subsidiary. This divestment was essential in refocusing the Company on our core strengths in biotechnology.

Following this, we took several crucial steps to strengthen the Company's financial and strategic position:

- 3 July 2024: The Company successfully raised £1.8 million, providing the resources needed to fuel future growth.
- 18 July 2024: The Company entered into a commercial collaboration with Awakn Life Sciences Corp. to co-develop new therapeutics targeting trauma-related mental health disorders, including PTSD.
- 30 July 2024: The Company appointed Professor David Nutt as Senior Scientific Advisor, adding world-class expertise to our development programme.
- 28 August 2024: The Company and Awakn Life Sciences Corp. selected the co-lead series for our collaboration and engaged Charnwood Discovery as the synthesis partner to advance the programme.

With these steps, we are confident in our trajectory as a key player in the development of innovative treatments for mental health and substance use disorders. We look forward to keeping our shareholders updated as we continue to execute our strategy.

**GRAFT POLYMER (UK) PLC – CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024**

	Note	Unaudited Six months to 30 Jun 2024 £'000	Unaudited Six months to 30 Jun 2023 £'000
Continuing operations			
Revenue	5	-	240
Cost of sales		-	(129)
Gross profit		-	111
Operational costs	6	(18)	(80)
Administrative expenses	6	(526)	(1,060)
Gain on deconsolidation	14	139	-
Operating loss		(405)	(1,029)
Depreciation		-	(94)
Finance costs		(64)	(3)
Loss before taxation		(469)	(1,126)
Income tax		-	-
Loss for the period from continuing operations		(469)	(1,126)
Loss from discontinuing operations	14	(157)	-
Total loss for the period attributable to equity holders of the parent		(626)	(1,126)
Other comprehensive income			
Foreign currency translation		76	38
Derecognition of foreign exchange reserve	14	(123)	-
Other comprehensive income (net of tax) for the year		(673)	38
Total comprehensive loss for the period attributable to equity holders of the parent		(673)	(1,088)
Loss per share (p)	7	(0.38)	(1.08)

The notes from an integral part of the Condensed Consolidated Interim Financial Statements.

**CONSOLIDATED STATEMENT OF FINANNCIAL POSITION
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024**

		Unaudited 30 Jun 2024 £'000	Unaudited 30 Jun 2023 £'000	Audited 31 Dec 2023 £'000
	Note			
Non-current assets				
Property, plant and equipment	8	-	805	-
Intangible assets	9	2,068	2,068	2,068
Other non-current assets		-	13	13
Right of use assets		-	47	39
Total non-current assets		2,068	2,933	2,120
Current assets				
Cash and cash equivalents		27	522	155
Trade and other receivables		44	136	108
Inventory		-	114	51
Total current assets		71	772	314
TOTAL ASSETS		2,139	3,705	2,434
Non-current liabilities				
Lease liability		-	29	22
Total non-current liabilities		-	29	22
Current liabilities				
Trade and other payables		220	197	249
Deferred Income		-	-	93
Lease liability		-	13	12
Loan note	11	264	-	-
Provisions		-	-	32
Total current liabilities		484	210	386
Total liabilities		484	239	408
NET ASSETS		1,655	3,466	2,026
Equity				
Issued share capital	12	62	41	41
Share premium	12	7,093	7,001	7,001
Share capital to issue		358	-	175
Share based payments reserve		1,233	858	1,227
Capital reduction reserve		2,500	2,500	2,500
Foreign exchange reserve		-	37	47
Accumulated losses		(9,591)	(6,971)	(8,965)
TOTAL EQUITY		1,655	3,466	2,026

The notes from an integral part of the Condensed Consolidated Interim Financial Statements.

The Condensed Consolidated Interim Financial Statements were approved and authorised by the Board of Directors on 13 September 2024.

Nicholas Nelson - Chairman

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024**

	Unaudited Six months to 30 Jun 2024 £'000	Unaudited Six months to 30 Jun 2023 £'000
Cash flow from operating activities		
Loss before tax	(626)	(1,126)
<i>Adjustments for:</i>		
Depreciation – property, plant & equipment	57	90
Depreciation – right of use asset	-	4
Finance charge	64	3
Share based payments	7	-
Gain on deconsolidation	(139)	-
Impairment of fixed asset	(57)	-
Foreign exchange movements	75	39
<i>Changes in working capital:</i>		
Decrease in trade and other receivables	34	175
Increase / (decrease) in in trade and other payables	123	(151)
Increase in inventories	39	73
Net cash outflow from operating activities	(423)	(893)
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(237)
Repayments on right of use assets	(4)	-
Disposed subsidiary cash balance	(13)	-
Net cash outflow from investing activities	(17)	(237)
Cash flows from financing activities		
Net proceeds from issue of shares	112	-
Proceeds from issue of convertible note	200	-
Net cash inflow from financing activities	312	-
Net (decrease) in cash and cash equivalents	(128)	(1,130)
Cash and cash equivalents at beginning of period	155	1,640
Foreign exchange impact on cash	-	12
Cash and cash equivalents at the end of the period	27	522

GRAFT POLYMER (UK) PLC – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2024

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Capital Reduction reserve £'000	SBP 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	-	-	-	-	-	-	(1,126)	(1,126)
Other comprehensive income	-	-	-	-	-	38	-	38
Total comprehensive loss for year	-	-	-	-	-	38	(1,126)	(1,088)
Transactions with owners in own capacity								
Transactions with owners in own capacity	-	-	-	-	-	-	-	-
Balance at 30 June 2023	41	-	7,001	2,500	858	37	(6,971)	3,466
Loss for period	-	-	-	-	-	-	(1,994)	(1,994)
Other comprehensive income	-	-	-	-	-	10	-	10
Total comprehensive loss for year	-	-	-	-	-	10	(1,994)	(1,984)
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	-	-	-	-	-	-	(626)	(626)
Other comprehensive income	-	-	-	-	-	76	-	76
Total comprehensive loss for year	-	-	-	-	-	76	(626)	(551)
Transactions with owners in own capacity								
Shares issued during the year	21	183	92	-	-	-	-	296
Disposal of subsidiary	-	-	-	-	-	(123)	-	(123)
Employee options	-	-	-	-	6	-	-	6
Transactions with owners in own capacity	21	183	92	-	6	(123)	-	179
Balance at 30 June 2024	62	358	7,093	2,500	1,233	-	(9,591)	1,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024

1. GENERAL INFORMATION

Graft Polymer (UK) Plc (“the Company” or “Graft”) 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 on 1 July 2021. 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.

At the beginning of the period the principal activities of the Company and all of its subsidiaries (collectively referred to as “the Group”) were the research and development of polymer modification technologies and polymer modification techniques. However towards the end of the period the board of directors undertook a review of its business and operations, pursuant to which it was decided that Graft Polymer Slovenia (“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 and as a result the decision was made to dispose of Graft Polymer D.O.O on 2 May 2024.

Post the divestment the Company will focus its attention and resources on its Graft Bio division, which represents strong prospectivity through its intellectual property (IP), licensing agreements, and sales contracts.

The condensed consolidated interim financial statements (“interim financial statements”) were approved for issue by the Board of Directors on 13 September 2024.

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.

3. BASIS OF PREPARATION

The interim financial statements of Graft Polymer (UK) Plc for the six-month period ended 30 June 2024 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023, which was prepared in accordance with UK adopted International Accounting Standards (IFRS) and the Companies Act 2006, and any public announcements made by Graft Polymer (UK) plc during the interim reporting period and since.

These interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group’s statutory financial statements for the year ended 31 December 2023 prepared under IFRS have been filed with the Registrar of Companies. The auditor’s report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

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’s subsidiary (which was disposed of on 2 May 2024) was the Euro. The presentational currency of the Group is Pounds Sterling as this is the functional currency of the parent entity and also the currency in which equity fundraising has been facilitated. Amounts have been rounded to the nearest £’000.

The interim financial statements have not been audited.

The business is not considered to be seasonal in nature.

3.1 GOING CONCERN

These interim financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the interim financial statements, the consolidated entity incurred a net loss before taxation for the period ended 30 June 2024 from continuing operations of approximately £469,000 (30 June 2023: approximately £1,126,000) and had net cash outflows of approximately £128,000 (30 June 2023: approximately £1,130,000) for the period ended 30 June 2024. As at period end, the consolidated entity had net current liabilities of approximately £413,000 (30 June 2023: net current assets of approximately £562,000) and had cash and cash equivalents equal to approximately £27,000 (30 June 2023: approximately £522,000).

In the Group's last annual report the Group's auditors noted that there was a material uncertainty relating to going concern due to an uncertainty over a potential fundraise. Since period end, the Group has successfully raised £1.8m (before expenses) via a placing of new ordinary shares which has boosted the liquidity of the Group.

As a result, the Directors have assessed that the Group now has sufficient working capital to execute its operations over the next 12 months. Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the interim financial statements.

3.2 PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties of the Group have changed materially since the publication of the Group's last annual report. A new risk assessment was performed alongside the prospectus that was published on 3 July 2024 and the key risks are highlighted below:

- The Group is currently loss making, recording a financial loss of approximately £469,000 (30 June 2023: approx. £1,126,000) for the period and the Group has no clear source of revenue.
- The existing license of the Group's drug delivery systems may ultimately fail to deliver revenues through royalty and distribution payments in accordance with management's expectations or at all; and
- A core asset of the Group is the intellectual property rights in its drug delivery system. A failure to protect those intellectual property rights and its portfolio of intellectual property rights, more generally, may have an adverse impact on the financial condition of the Group

These risks are deemed by the Directors to be within the normal risk appetite of the Group and are comfortable that the risks are properly mitigated where required.

3.3 CRITICAL ACCOUNTING ESTIMATES

The preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to the financial statements for the period ended 31 December 2023 (unless specifically detailed below) with the nature and amounts of such estimates have not changed significantly during the interim period. New critical accounting estimates considered by management for the interim period were:

Disposal of Graft Polymer D.O.O

On 2 May 2024, the board of directors undertook a review of its business and operations, pursuant to which it was decided to dispose of Graft Polymer D.O.O on 2 May 2024. On contemplation of various factors relating to Graft Polymer D.O.O the board decided there was not significant value in the subsidiary and hence decided to dispose of it for nominal consideration.

4. SEGEMENT REPORTING

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segments based on the reports reviewed by the Board.

The Board considers that during the six month period ended 30 June 2024, the Group operated in two segments being the corporate function in the United Kingdom and polymer development and production in Slovenia.

However, 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 comprehensive income. For details of the contribution of the Slovenian operations during the period up until the point of disposal, refer to Note 14.

5. REVENUE

	Period to 30 Jun 2024 £'000	Period to 30 Jun 2023 £'000
Sales revenue	-	240
	-	240

For details of the revenue from the Slovenian operations during the period up until the point of disposal refer to Note 14.

6. OPERATING LOSS

Operating loss from continued operations is stated after (charging):

	Period to 30 Jun 2024 £'000	Period to 30 Jun 2023 £'000
Operational costs	(18)	(80)
Director and employee costs	(241)	(620)
Professional and consulting fees	(248)	(163)
Travel expenses	-	(2)
Corporate and administrative costs	(30)	(150)
Other expenses	(7)	(31)
Foreign exchange	-	(94)
Gain on deconsolidation	139	-
	(405)	(1,140)

7. EARNINGS PER SHARE

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

	Unaudited Period to 30 Jun 2024	Unaudited Period to 30 Jun 2023
Loss for the period from continuing operations – £ '000s	(469)	(1,126)
Weighted number of ordinary shares in issue	124,309,754	104,097,229
Loss per share from continuing operations – p	(0.38)	(1.08)

Share options and warrants could potentially dilute basic earnings per share in the future. These were not included in the calculation and no diluted earnings per share presented as the Group is loss making and additional equity instruments are anti-dilutive for the periods presented.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 July 2023	90	1,135	1,225
Additions	14	6	20
Disposals	-	(27)	(27)
Impairment	(107)	(1,117)	(1,224)
Exchange impact	3	3	6
At 31 December 2023 (audited)	-	-	-
Impairment	107	1,117	1,224
Disposal on derecognition of subsidiary	(107)	(1,117)	(1,224)
At 30 June 2024 (unaudited)	-	-	-
Depreciation			
At 1 July 2023	(48)	(372)	(420)
Charge for the year	-	(73)	(73)
Disposals	-	6	6
Impairment	40	463	503
Exchange impact	8	(24)	(16)
At 31 December 2023 (audited)	-	-	-
Impairment	(40)	(463)	(503)
Disposal on derecognition of subsidiary	40	463	503
At 30 June 2024 (unaudited)	-	-	-
Net book value at 31 December 2023	-	-	-
Net book value at 30 June 2023	42	763	805
Net book value at 30 June 2024	-	-	-

9. INTANGIBLE ASSETS

	Unaudited 30 Jun 2024 £'000	Unaudited 30 Jun 2023 £'000	Audited 31 Dec 2023 £'000
Opening balance	2,068	2,068	2,068
	2,068	2,068	2,068

Intangible assets relate to the issue of 22,500,000 shares to founding director Victor Bolduev on the acquisition of his “Know-how” and patents that have been transferred to the Group.

At each period end, the Directors assess the intangible assets for any indicators of impairment and have concluded no presence of such indicators. Consequently no impairment charge has been processed during the period (31 Dec 2023: £nil).

10. INVESTMENTS

Company subsidiary undertakings

The Group owned interests in the following subsidiary undertakings, which are included in the 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%

11. LOAN NOTE

	Unaudited 30 Jun 2024 £'000	Unaudited 30 Jun 2023 £'000	Audited 31 Dec 2023 £'000
Opening balance	-	-	-
Principal drawn down	200	-	-
Interest charged	64	-	-
Principal repaid	-	-	-
	264	-	-

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 is repayable on demand, together with accumulated interest.

12. SHARE CAPITAL

	Unaudited 30 Jun 2024	Unaudited 30 Jun 2023	Audited 31 Dec 2023
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Number of shares	124,763,966	104,097,299	104,097,299
Nominal value (£'000)	62	41	41

Issued and fully paid ordinary shares with a nominal value of £0.001 (2023: £0.001)

Change in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary shares				
Opening balance at 31 December 2023	104,097,299	41	7,001	7,042
Issue of shares at placing price of 0.6	20,666,667	21	103	124
Share issue costs	-	-	(11)	(11)
Closing balance at 30 June 2024	124,763,966	62	7,093	7,155

13. SHARE BASED PAYMENT RESERVE

Warrants

As at 30 June 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
	0.6p	1,500,000
Expired during period	22p	(775,194)
Outstanding at 30 June 2024	2.9p	13,089,147
Exercisable at 30 June 2024	2.9p	13,089,147

The weighted average time to expiry of the warrants as at 30 June 2024 is 515 days.

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

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

14. BUSINESS COMBINATIONS

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or classified as held for 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 £139k was recognised and taken to the Statement of Comprehensive Income.

Gain on deconsolidation of Graft Polymer D.O.O

	2 May 2024 £'000
Consideration received	
Cash	-
Carrying amount of net liabilities	16
	16
Reclassification of foreign exchange reserve	123
Gain on deconsolidation	139

Financial Performance for Graft Polymer D.O.O

	Unaudited Four months to 2 May 2024 £'000	Unaudited Six months to 30 Jun 2023 £'000
Revenue	221	240
Cost of sales	(162)	(128)
Gross profit	59	112
Operational costs	(17)	(80)
Depreciation	(57)	(92)
Administrative expenses	(141)	(288)
Operating loss	(156)	(348)
Finance costs	(1)	(3)
Loss before taxation	(157)	(351)
Income tax	-	-
Loss for the period from discontinuing operations	(157)	(351)

Assets and liabilities of Graft Polymer D.O.O

	Unaudited 2 May 2024 £'000	Audited 31 Dec 2023 £'000
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

15. RELATED PARTY TRANSACTIONS

Payments to Directors

In the period Directors accrued fees as per below which were outstanding at period end:

	Fees accrued in the period (£)	Outstanding Fees as at 30.06.24 (£)
Victor Bolduev	84,870	135,175
Pavel Kobzev	22,270	52,160
Roby Zomer	30,050	66,666
Yifat Steuer	50,050	90,270
Alex Brooks	7,430	16,865
Anthony Tennyson	8,335	8,335
Nicholas Nelson	10,500	10,500

The outstanding fees were settled through a mix of cash and share consideration post period end.

16. EVENTS SUBSEQUENT TO PERIOD END

Placement of New shares and issue of warrants

On 10 July 2024, the Company raised £1.8 million (before expenses) through a placing of 2,171,166,667 new ordinary shares. A breakdown of the placement is detailed below:

Type of shares	No. of shares
Placing shares	1,800,000,000
Conversion shares ¹	264,000,000
Management shares ²	59,666,667
Fee shares ³	47,500,000
Total	2,171,166,667

¹ Shares issued as full repayment of working capital loan and accrued interest

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

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

In addition to the above, on 10 July 2024, 294,500,000 warrants were also issued.

Resignation of Pavel Kobzev

On 15 July 2024, Mr. Pavel Kobzev resigned from the board of directors with immediate effect. This followed the Company's recent divestiture of its industrial plastics business unit, Graft Polymer D.O.O., announced on 3 May 2024.

Resignation of Victor Bolduev

On 1 August 2024, Mr. Victor Bolduev resigned from the board of directors and from his role as the Company's Chief Technology Officer with immediate effect. This followed the Company's recent divestiture of its industrial plastics business unit, Graft Polymer D.O.O., announced on 3 May 2024.

Resignation of Yifat Steuer

On 12 August 2024, Ms. Yifat Steuer resigned from the board of directors and from her role as the Company's Chief Financial Officer with immediate effect.

Issue of options to Professor David Nutt

In consideration for becoming the Company's Senior Scientific Adviser, Professor Nutt was granted 10,000,000 nominal cost options (with an exercise price of £0.001 and expiry life of 3 years) over the Company's ordinary shares under the Company's Long Term Incentive Plan. The options vest in 3 equal tranches with one tranche vesting immediately and the remaining two tranches on the 1 and 2 year anniversary of grant date respectively.

Impairment of Intangible Assets

Subsequent to period end the board of directors reviewed the current financial position of the Company and, following the resignation of Victor Bolduev on 1 August 2024 the directors will assess the recoverability of intangible assets linked to his intellectual property and "Know-how." As there were no indicators of the potential resignation of Mr Bolduev at period end the Directors are comfortable that the assets were not impaired at this stage.