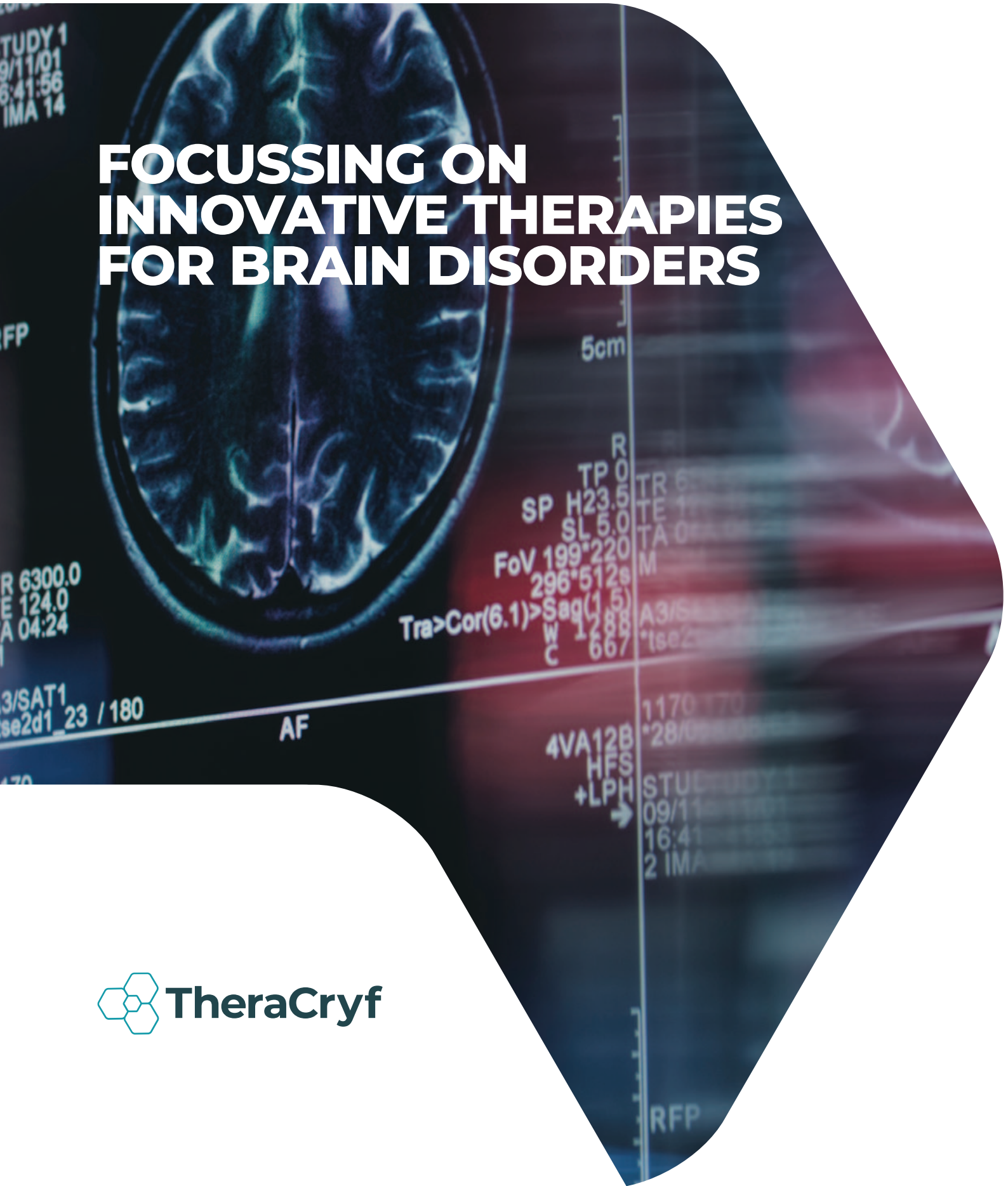
THERACRYF PLC

ANNUAL REPORT 2025



FOCUSSING ON INNOVATIVE THERAPIES FOR BRAIN DISORDERS

TheraCryf

ABOUT US

TheraCryf plc is a clinical stage therapeutics company developing a new generation of innovative therapeutics in brain disorders. TheraCryf's strategy is to generate compelling data sets with a goal of partnering its programmes with mid-size to large pharma.

TheraCryf's leadership team has decades of corporate, financial and scientific experience in biotech and pharma companies and is supported by an expert Scientific Advisory Board.

TheraCryf

WHAT WE DO

WE ARE DEVELOPING INNOVATIVE THERAPEUTICS IN BRAIN DISORDERS FOCUSING ON NEUROPSYCHIATRY WITH A LEGACY PROGRAMME IN GLIOBLASTOMA

We are developing novel medicines to help people with brain diseases focussing initially on addiction. Our lead programme is a class-leading orexin-1 antagonist, initially targeting binge eating disorder, which we are aiming to have clinic ready in 2026, and we have a second programme addressing fatigue with a novel dopamine transporter inhibitor (DAT).

We also have a fully grant funded collaboration with Erasmus Medical Centre in Rotterdam, advancing a clinical stage asset (SFX-01) in the fatal brain cancer glioblastoma (GBM).

HIGHLIGHTS OF THE YEAR

OPERATIONAL HIGHLIGHTS

- £5.15m gross proceeds raised during the year; the majority (£4.25m) raised in February 2025.
- Cash runway extended from Q4 2025 to Q4 2026 placing us in the top 20% of European listed Biotech companies by duration of cash runway.
- One of only 8 raises so far of new capital on AIM in the biotech sector and the third largest in terms of gross proceeds in calendar 2025 at the time of writing.
- Appointment of Turner Pope Investments as joint broker.
- Acquisition and full integration of Chronos Therapeutics Ltd, with Chronos becoming a wholly owned subsidiary.
- Focusing of strategy on brain disorders and acceleration of acquired orexin-1 blocker programme in addiction as key value driver.
- European (PCT) patent granted in December 2024 for our orexin-1 antagonist giving protection until 2038 which complements the previously granted US patent providing protection in the US until 2039.

- Publication of SFX-1 Phase 1 volunteer study in a peer reviewed journal, the most comprehensive evaluation of sulforaphane pharmacokinetics yet performed.
- Completion of SFX-01 in vitro work by Erasmus Medical Centre Rotterdam NL, as part of a grant funded study in glioblastoma; start of in vivo pre-clinical work.

OTHER UPDATES

- Constructive and amicable discussions continue towards a resolution of dispute with partner Stalicla SA.

HIGHLIGHTS OF THE YEAR CONTINUED

POST PERIOD HIGHLIGHTS

- Appointment of leading CRO/CDMO Pharmaron UK Ltd (Pharmaron) as pre-clinical development partner for manufacturing scale up – one of the key work packages to reach clinic readiness of our orexin-1 receptor antagonist. Pharmaron will also provide additional pre-clinical and manufacturing including clinical trials supply, toxicology studies and regulatory documentation for our regulatory submission in 2026.
- Commencement of IND/IMPD programme with manufacturing scale up for our class leading orexin-1 antagonist.

FINANCIAL HIGHLIGHTS

- Post tax loss of £1.9m (2024: loss of £3.1m).
- Cash outflow from operations of £2.4m (2024: outflow of £3.0m).
- Cash and short-term investments and cash on deposit at 31 March 2025 of £4.1m (31 March 2024: £2.0m).

BOARD CHANGES

- Sudden passing of Chair, Dr Sue Foden in November 2024.
- Seasoned, listed company Biotech executive Dr Alastair Smith welcomed as new Chair in February 2025.
- Post period: Edward (Ed) Wardle joins Board as non-executive director nominated by new major investor Northern Standard Ltd.

THERACRYF AT A GLANCE

WHAT WE DO

We are an innovative, UK-based biotechnology company listed on the AIM list of the London Stock Exchange. We operate as a virtual company with a strong focus on fast-paced, cost-effective drug development and on translating this into increasing value for our shareholders through effective communications.

We are focussed on profitable segments in neuropsychiatry, specifically addiction and fatigue with an additional fully grant funded, near clinical stage programme with Erasmus Medical Centre, Rotterdam, NL in the fatal brain cancer glioblastoma.

Our first priority programme is a best in class orexin-1 receptor antagonist (blocker), which we are developing towards the clinic to target addictive behaviours like binge eating disorder. This programme is at late pre-clinical stage and is now funded through to readiness for regulatory submissions to start Phase 1 human volunteer studies.

The substance use disorder (addiction) treatment market was worth $40.3bn in 2024 and is forecast to rise to $67.6bn by 2034 (Future Market Insights SUD Treatment Market Outlook June 2024). This, and other CNS markets, are drawing significant attention from large pharma. This has lead to an increased amount of asset deals and M&A activity recently. Our class leading orexin-1 antagonist therefore offers potential as a major value driver for TheraCryf's shareholders in the near-term. We have a second pre-clinical programme, an atypical dopamine transporter inhibitor targeting fatigue in areas such a multiple sclerosis (MS) where fatigue is a debilitating symptom for many MS patients. This programme is also at a well-advanced preclinical stage and will be advanced into the clinic when additional resources become available.

SFX-01 is a unique, patented form of sulforaphane which has shown potential in the treatment of a number of cancers, neurodevelopmental disorders and other diseases. Our internal resources are focused on the orexin-1 programme but we are able to advance SFX-01 through collaboration with Erasmus Medical Centre Rotterdam, NL on a fully grant funded programme to bring SFX-01 to patients with glioblastoma.

HOW WE WORK

We are a virtual biotech which means that we collaborate with academics, biopharma companies and contract research establishments around the world to deliver our preclinical and clinical programmes.

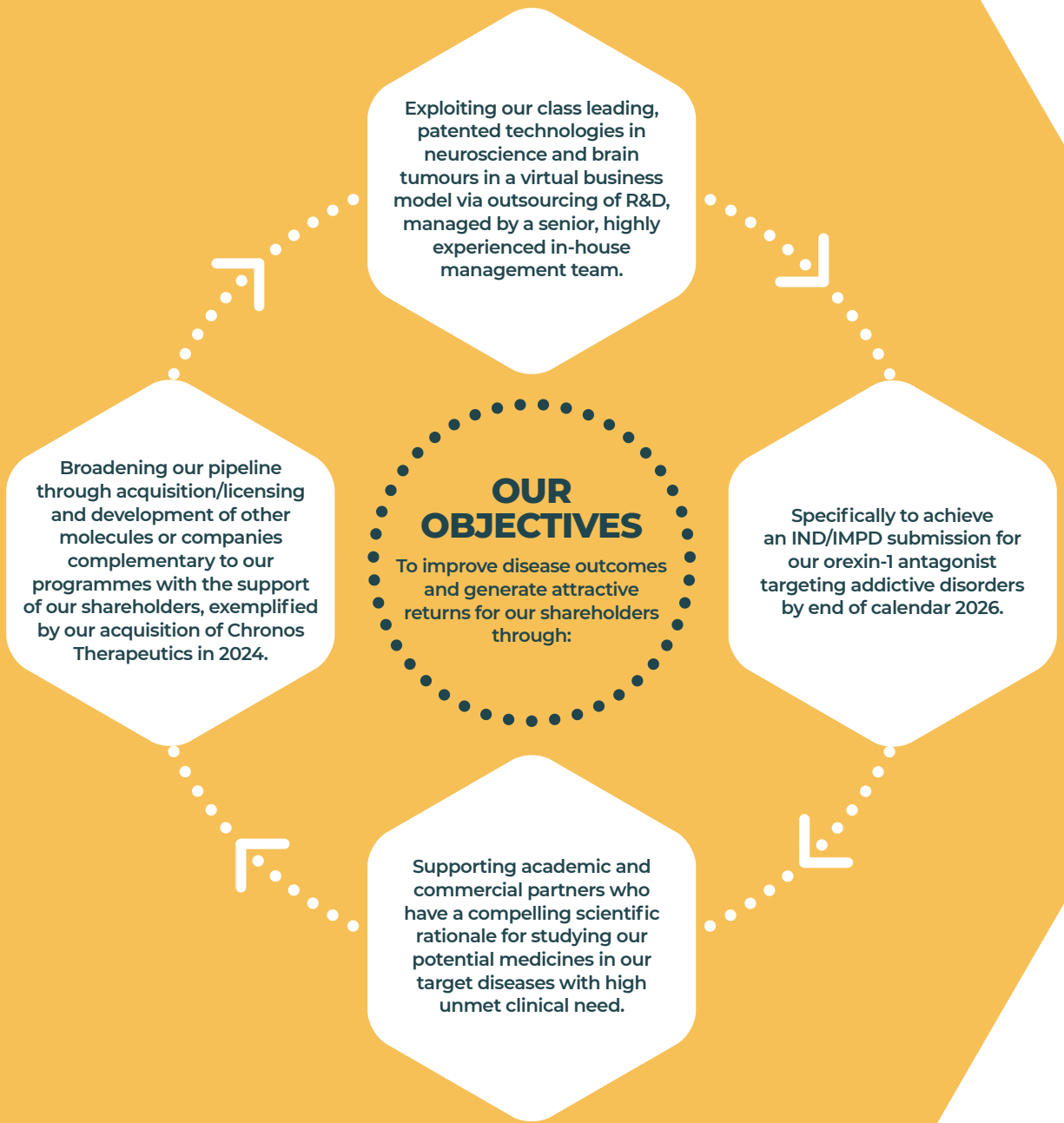
OUR MISSION

TheraCryf's mission is to develop and partner novel medicines to significantly improve the lives of people with brain disorders such as opioid and alcohol addiction, and acute /chronic fatigue.

OUR STRATEGY AND BUSINESS MODEL

Our strategy is to focus on the Company's behavioural brain disorder assets but to retain the opportunity for SFX-01 through externally funded collaborations. Our business model is to develop drugs up to Phase II proof-of-concept clinical trials and then license to larger pharmaceutical companies able to commercialise them.

In addition to our internal disease focus we will consider opportunistic partnerships and early out-licensing in areas where we are convinced of the commercial rationale and benefit to shareholders.



OUR PROGRESS

Our acquisition of Chronos Therapeutics in April 2024 expanded our pre-clinical pipeline with two potentially high value assets to treat brain disorders. The Board has taken the view that the maximum value for shareholders going forwards will be derived from these assets and, in the short term, with a focus on the orexin-1 antagonist to treat addictive disorders.

Notwithstanding this transformative acquisition and strategic alignment going forwards, significant progress was made during the period in our established SFX-01 programme.

CLINICAL PROGRESS

In the last year our Phase 1 healthy volunteer study of SFX-01 was published in the peer reviewed journal Advances in Therapy. SFX-01 was shown to be very well tolerated with no serious adverse events. Sulforaphane and active metabolites from our patented formulation were delivered at levels that, in the laboratory, produce striking pharmacological effects. We believe that the publication is the most complete evaluation of sulforaphane pharmacokinetics yet published.

In the prior year, our collaborator Dr Marjolein Geurts, neuro-oncologist at the Erasmus Medical Centre Rotterdam, Netherlands was awarded a grant from the Netherlands government administered by the Dutch cancer society, KWF for a €1.1m total project value for in vitro, in vivo pre-clinical experiments on SFX-01 followed by a window of opportunity clinical study in glioblastoma (GBM) patients. Progress towards the clinical study in early 2026 is on track.

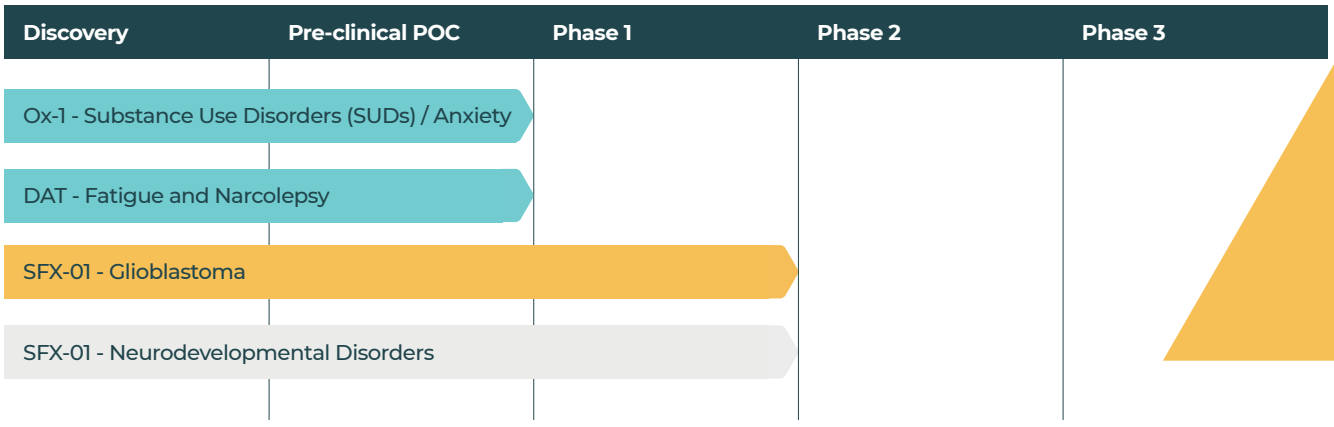
OUT-LICENSING

In late 2020 we concluded a transaction worth up $160.5m in milestones, for the global rights for lead asset SFX-01 in neurodevelopmental disorders and schizophrenia to STALICLA SA, a private Swiss biotech company specialising in the identification of specific phenotypes of Autism Spectrum Disorder (ASD) using its proprietary precision medicine platform. We retain the global rights for all other indications.

In February 2024 we gave a notice of dispute to Stalicla. The TheraCryf Board of directors believes that the Company has met the terms required to satisfy the first milestone, according to the License Agreement, and thus a payment due.

Discussions have continued constructively throughout the period on the resolution of the dispute and we expect resolution within the coming year.

OUR PIPELINE



OUR PROGRESS CONTINUED

MARKET POTENTIAL

We reviewed the market potential for our priority programmes during the reporting period. The addiction market overall was valued as $40.3bn in 2024 and is projected to rise to $67.6bn by 2034*. Binge eating disorder is already a multibillion-dollar market with only one product approved for the condition. These substance use disorder markets are potentially readily addressable by an effective, non-sedating, non-scheduled (non-controlled drug) orexin-1 blocker since the mechanism is thought to reduce impulsive behaviours regardless of the food or substance being abused.

The glioblastoma (stage 4 glioma) market was estimated at being worth $0.55bn in 2020 growing at around 5%p.a. to $0.87bn by 2030. The size of the market is limited by the very few drug interventions available, only one agent in most markets worldwide. Should SFX-01 provide meaningful clinical efficacy for these patients, a substantial market expansion would be expected.

PRE-CLINICAL COLLABORATIONS

The Company benefits from the support of a number of academic and clinical collaborators that are interested in the potential of sulforaphane and SFX-01.

In vitro experiments conducted under the Dutch government grant to the Erasmus Medical Centre using tissue from human GBM tumours has shown biological activity of SFX-01 and was completed during the period. In vivo (in animal models) work has commenced and is expected to be pivotal in supporting the window of opportunity clinical study planned for 2026.

A further collaboration with the University of Michigan to investigate the potential anti-tumour effects of SFX-01 in colorectal cancer has demonstrated biological activity of SFX-01 in models of this common cancer. Further data will be released from this collaboration in the coming year.

INTELLECTUAL PROPERTY

Our entire portfolio is well protected by patent families. We received a patent in the PCT territories (greater Europe) for our orexin-1 antagonist in December 2024 with protection until 2038. This complements a patent already granted in the USA giving protection in that territory until 2039. Our DAT inhibitor has near global patent coverage already granted, and SFX-01 is also protected by patent families including a recent patent that is undergoing review currently.

HELPING TO REDUCE IMPULSIVE BEHAVIOURS IN THE ADDICTION MARKET

The addiction market overall was valued as $40.3bn in 2024 and is projected to rise to $67.6bn by 2034*. Binge eating disorder is already a multibillion-dollar market with only one product approved for the condition.

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* Future Market Insights SUD Treatment Market Outlook June 2024.

STRATEGIC REPORT

CHAIR'S STATEMENT

I'm pleased to give my first statement as incoming Chair of TheraCryf plc.

Dr Alastair Smith
Chair

I joined the company for a number of key reasons. Firstly, I see significant commercial opportunity in the company's orexin-1 addiction programme. The molecule displays class leading performance characteristics and, when approved, it will address a huge and poorly served market in addiction to substances such as opioids and food (binge eating disorder) as well as other substance use disorders. It is important to note that the orexin-1 target is well validated which reduces some of the clinical development risk, and in my view, the Theracryf molecule is capable of market leadership.

Secondly, I believe that the company is significantly undervalued given the relatively short path for the orexin -1 antagonist to clinical readiness as well as the company's other assets. I therefore see an opportunity for substantial value accretion for the company and its shareholders on a short timescale as the company delivers the orexin-1 antagonist to a state of readiness for human trials. This can be achieved in less that eighteen months from the point of putting the capital raised in February 2025 to work, and we have already announced that the programme of work has commenced. Given the de-risking of the orexin-1 blocker by Chronos Therapeutics before Theracryf acquired the company, the risks associated with the final stages of work to achieve clinical readiness should be considered modest.

Thirdly, I have great respect for the management team which has the talent, experience and integrity to deliver for shareholders.

CHAIR'S STATEMENT CONTINUED

The capital raise in February of this year, in which I participated alongside management, gives us the resources to deliver clinical readiness for the orexin-1 programme, a key value inflection point and also extends our cash runway to the end of 2026. This makes us a leading listed biotech company in Europe measured by months/years of cash runway giving us the stability required to see progress reflected in a re-rating of the company value.

The other two assets in our pipeline represent potential additional value accretion but we will remain tightly focused on the main value driver, getting the orexin-1 antagonist to the point of IND filing. The SFX-01 asset is expected to enter the clinic in 2026 funded externally by grants. The next asset in our pipeline is the DAT inhibitor for the treatment of fatigue in areas like MS which we will begin work on as resources allow.

I have been impressed with the integrity of the management team and board and the clear commitment to maximising value from R&D in as capital efficient business model as possible, and to putting the interests of shareholders first. In this spirit, all members of the board and management team have voluntarily reduced their salaries in the reporting year and have again foregone opportunities for cash bonus payments for the year 2024-2025 receiving share options to an equivalent value in their place. I will be taking the first year of my remuneration as Chair in shares to preserve cash and focus it on delivering the IND filing for the orexin-1 programme.

The board looks forward to a year of substantial progress towards clinical readiness for the orexin-1 asset and we are committed to engaging with shareholders and the wider market on line and in person, in as many different ways as possible, to communicate the exciting investment opportunity that Theracryf represents.

Finally, I'd like to welcome Ed Wardle to the board which occurred after the period end. We have all been impressed by Ed's keen intellect and experience, and the support of Northern Standard Ltd for our neuropsychiatric programmes was pivotal in our recent fundraise. We look forward to working closely with him into the future.

Dr Alastair Smith
Chair

02 June 2025

CHIEF EXECUTIVE'S REVIEW OF PERFORMANCE

We anticipate substantial progress on all areas in the coming year.

Dr Huw Jones
Chief Executive Officer

I'd first like to welcome Alastair as our new board Chair. He brings deep experience of steering listed Biotech companies and made an immediate impact on our fundraise in February 2025. He is committed to aligning management with our shareholders and to achieving growth in shareholder value, it is a pleasure to be working with him. I'd also like to welcome Ed to our board post reporting period who we met and worked positively with during the pivotal investment made by Tracarta Ltd.

At the start of the reporting period, we closed the acquisition of Oxford, UK based neuropsychiatry company Chronos Therapeutics Ltd for an initial consideration of £899,481 in shares and £83,400 in cash*. Alongside the acquisition we raised over £0.9m gross in order to extend our cash runway. During the remainder of year we completed the integration of Chronos and have raised sufficient capital (a further £4.25m gross in February 2025) to take the first Chronos asset to the stage where we can submit an application to take our class leading orexin-1 antagonist to the point of readiness for human clinical trials. This process will complete in late 2026 and will consist of optimising and scaling up of the manufacturing process to kilogram scale. The second part of the completion of pre-clinical development, also by late 2026, will be to conduct two toxicology studies, each lasting 28 days to confirm the benign toxicology profile that we have seen in experiments lasting seven days at high doses. Our cash runway enables us deliver this major milestone and places us in the top quintile of all listed European Biotech companies as measured by months of remaining cash to fund operations. Post period we have appointed Pharmaron as our contract development partner in order to deliver this work which has already started in earnest.

* An additional contingent consideration maybe due upon meeting certain conditional milestones. See note 12.

CHIEF EXECUTIVE'S REVIEW OF PERFORMANCE CONTINUED

We believe that our orexin-1 blocker is the most selective yet discovered, minimising potential for somnolence or sedation as a side effect as seen with other orexin-1 blocker programmes. Our key pre-clinical experiment shows that it can reduce bingeing behaviour without affecting normal eating, a desirable characteristic if, as we expect, this is mirrored in patients. Our patent cover for our lead asset was extended in December 2024 with the grant of a PCT patent covering the greater UK and European area until 2038. We have a granted patent in the USA until 2039. The combination means that we have robust exclusivity for this asset in the vast majority of territories world wide.

There are two orexin-1 antagonists currently in active clinical development for neuropsychiatric conditions. The few molecules that have failed appear to have done so due to side effects such as somnolence or sedation, interactions with other medicines and in one case relative inefficacy. Our molecule has been designed to overcome all those shortcomings and the extensive preclinical data set thus far shows the greatest selectivity, making somnolence extremely unlikely, it also shows high potency and receptor occupancy making inefficacy considerably less likely. Once this last stage of pre-clinical development is complete in 2026, we will consider early partnering or proceed into clinical development ourselves at that time.

Our Phase 1 clinical study on SFX-01 that reported in the prior year was published in a peer-reviewed journal, Advances in Therapy, during the reporting year. From reviewing the literature, we believe that this is the most comprehensive published evaluation of the pharmacokinetics (the way the body handles a given agent) yet performed for the active agent sulforaphane.

Grant funded work performed by our academic partner at the Erasmus Medical Centre, Rotterdam continued during the period with completion of in vitro experiments in human tumour tissue with meaningful responses to SFX-01 as seen in our other research collaborations. In vivo (animal) pre-clinical experiments have started at Rotterdam and will form a key part of the data package to support grant funded administration of SFX-01 to patients with the fatal brain cancer glioblastoma at that centre in early 2026.

We were pleased to hold an in person and on-line R&D day in June of last year where the entire portfolio of brain disease assets was presented by our own team and external experts. Feedback following the event was overwhelmingly positive and we intend to hold in depth sessions on individual assets in the portfolio in the coming year.

Looking forward, we believe that we can deliver greatest value to shareholders by focusing our resources resulting from the recent fundraise on the orexin-1 programme and delivering that to the point of clinic readiness. We will maintain the SFX-01 opportunity in glioblastoma through our collaboration with Erasmus Medial Centre and eagerly await the results of that work.

We anticipate substantial progress on all areas in the coming year. We will be near completion of the work to allow permission to administer our orexin-1 blocker to healthy volunteers in Phase 1 clinical trials, and we expect that our collaborators in the Netherlands will also be dosing SFX-01 to patients with glioblastoma.

We are cognisant of the latent value in the pipeline acquired from Chronos in the form of an atypical dopamine reuptake inhibitor which can be used to target fatigue, and we will unlock that value by completing preclinical development of this asset as soon as resources allow, completing our transition from a single asset company to one with many opportunities for monetisation of our portfolio and value generation for our shareholders.

Dr Huw Jones
Chief Executive Officer

02 June 2025

AQUISITION: CHRONOS THERAPEUTICS

CHRONOS BECAME A WHOLLY OWNED SUBSIDIARY OF THERACRYF PLC ON 5 APRIL 2024. ORIGINALLY A SPIN OUT OF THE UNIVERSITY OF OXFORD, CHRONOS HAS DEVELOPED POTENTIALLY CLASS-LEADING MOLECULES IN BEHAVIOURAL BRAIN DISEASE.

These assets are at the late pre-clinical stage and comprise:

- An orexin-1 antagonist with potential utility in impulsive behaviours like addictions. Orexins in the brain have two receptors that they engage with – the orexin-1 receptor and the orexin-2 receptor. Blocking the orexin-2 receptor causes sedation and sleep whilst blocking the orexin-1 receptor is thought to reduce impulsive behaviour and anxiety. Selectivity for orexin-1 receptor is therefore essential and the profile of the Chronos asset has been designed to be class leading:
  - A critical factor in the design of an orexin-1 antagonist (blocker) is a high level of engagement with the orexin-1 receptor and as low as possible level of engagement with the orexin-2 receptor.
  - The Chronos molecule is the most selective blocker of the orexin-1 receptor yet discovered with little or no blockade of the orexin-2 receptor, minimising the potential for sedation as a side effect whilst maximising its potential effect in alleviating symptoms of impulsivity and anxiety. Patents are granted for this molecule in major territories including the USA.
- An atypical dopamine transporter inhibitor with potential utility in fatigue due to a number of conditions like long COVID and multiple sclerosis. The asset has also been seen to be effective in models of the orphan condition narcolepsy. Dopamine is well known as an alerting agent in the brain in addition to a role in reward. Low brain dopamine levels lead to symptoms of fatigue and apathy. There is a specific neurodegenerative condition that has been known for centuries where a discrete group of dopamine secreting nerve cells break down – Parkinson's disease.
  - The Chronos molecule has a unique profile in that it causes a gentle increase in brain dopamine in models without an accompanying dopamine "rush" which is undesirable and is caused by addictive agents like amphetamine. The Chronos molecule avoids amphetamine- like issues, leading to the potential for alleviating fatigue and apathy without these undesirable properties. Patents are granted for this molecule in most major territories worldwide.

Chronos Therapeutics Ltd has a sophisticated group of investors such as Vulpes life sciences and The University of Oxford who are now investors in TheraCryf plc.

KEY PERFORMANCE INDICATORS

Key Performance Indicators include a range of financial and other measures (such as clinical trial progress). Details about the progress of our development programmes (non-financial measures) are included elsewhere in this Strategic Report, and below are the other indicators (financial measures) considered pertinent to the business.

£4.1M

Cash position
including short-term investments and cash held on deposit: (2024: £2.0m)

2025	**£4.1m**
2024	**£2.0m**
2023	**£5.0m**

Year-end cash, short-term investments and cash held on deposit
The increase in cash balances reflect the 2 fundraises during the period and a reduction in cash used in operations.

£2.4M

Net cash outflow
from operating activities (2024: £3.0m)

2025	**£2.4m**
2024	**£3.0m**
2023	**£2.6m**

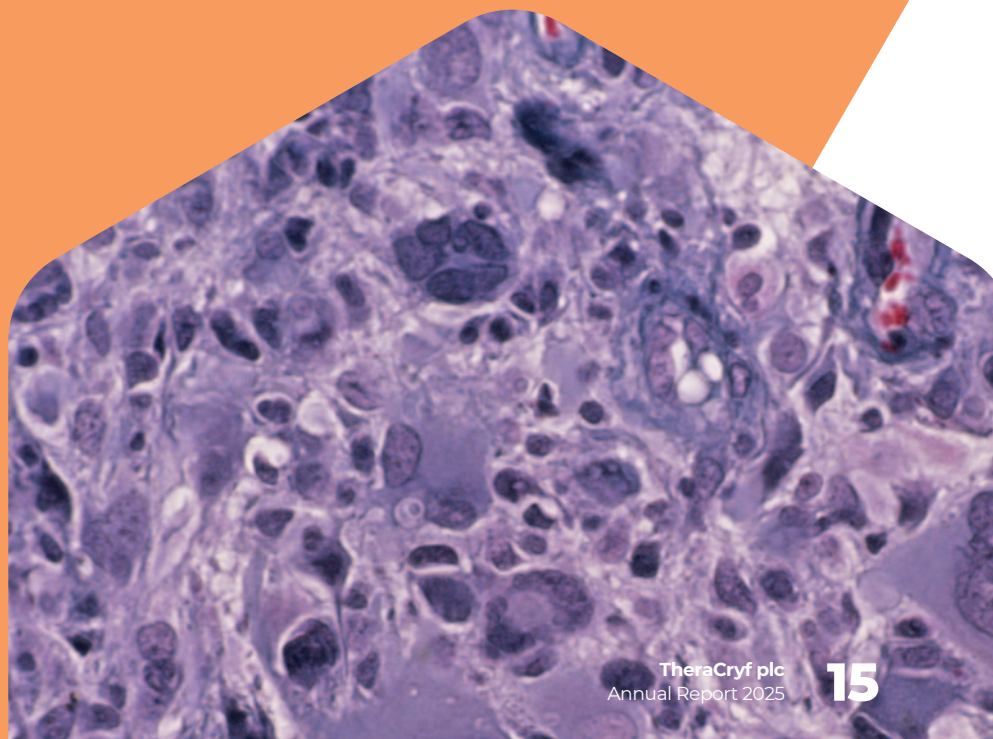
Net cash outflow from operating activities (before monies placed on fixed term deposits)
The net cash outflow reflects corporate costs and the costs incurred in manufacturing, pre-clinical and clinical expenditures.

£2.1M

Operating loss
(2024: £3.6m)

2025	**£2.1m**
2024	**£3.6m**
2023	**£5.1m**

Operating loss
The operating loss of 2.1m was decreased by 1.5m compared to 2024 reflects extensive savings activities and tight cost control to maximize cash runway.



FINANCIAL REVIEW

The financial performance for the year ended 31 March 2025 was in line with expectations.

Losses
The total loss for the year was £1.9m (31 March 2024: £3.1m) including a charge for share-based compensation of £0.1m (2024: £0.1m). Operating expenses excluding share-based compensation were £1.8m lower at £2.0m in 2024 (2024: £3.8m).

Research and development (R&D) expenditure
Our external spend on R&D expenditure decreased by £1.4m on the prior year to £0.3m (31 March 2024: £1.7m). This reflects reduction of product manufacturing work and earlier completion of our Phase 1/1b clinical study.

Share-based compensation
Accounting standards require a charge to be made against the grant of share options and recognised in the Consolidated Statement of Comprehensive Income. Where such options lapse ahead of their vesting date the relevant charges are written back. There was an overall charge for the year in relation to share-based payments of £0.1m (2024 : £0.1m), which has no impact on cash flows.

Headcount
Average headcount of the Group for the year was 9 (2024: 9).

Taxation
The Group has elected to claim research and development tax credits under the small or medium enterprise research and development scheme of £0.14m (2024: £0.43m).

Share capital
During the period there were multiple share issuances in conjunction with 2 fundraises (April 2024: 90,167,000 and February 2025: 1,700,000,000), Initial consideration for Chronos Therapeutics acquisition: 62,291,778 as well as payment in shares in lieu of professional fees: 2,275,527. In total 1,854,734,305 shares were issued (2024: none). At 31 March 2025 there were 2,129,622,422 shares of 0.25p each in issue.

Cash flows and financial position
The cash position (including short term deposits) at 31 March 2025 increased to £4.1m (31 March 2024: £2.0m) reflecting less R&D and corporate costs, less £0.03m received from R&D tax credits. The net assets (including cash position) at 31 March 2025 increased to £5.9m (31 March 2024: £2.3m). The net current assets (including cash position) at 31 March 2025 increased to £3.9m (31 March 2024: £2.3m).

S172 COMPANIES ACT STATEMENT

The Directors acknowledge their duty under section 172 of the Companies Act 2006 and consider that they have, both individually and collectively, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of all shareholders. In doing so, the Directors have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relations with suppliers and others.
- The impact of the Company's operations on the community and the environment.
- The Company's reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

In particular given the size of TheraCryf:

Business reputation
The Group operates in a highly regulated sector and the Board is committed to maintaining the highest standards of conduct and corporate governance. Further details are set out in the Corporate Governance Report on page 22-23.

Consequences of long-term decisions
The Board is responsible for decisions made for the long-term success of the Group and the implementation of strategic, operational and risk management decisions. Further information on business strategy and developments during the year are set out on pages 6 and 13-14.

Employee engagement
As a very small company in terms of staff, Board members have multiple points of contact with staff; through Board meeting feedback, participation in weekly management meetings involving all staff, and ad hoc interactions in relation to specific matters. These forums provide staff with an opportunity to give their views which can then be taken into account in making decisions likely to affect their interests.

Specific matters of concern to them as employees are dealt with in management meetings and by email. Corporate developments and Company performance are discussed weekly in management meetings.

All staff are eligible for the Group's share option scheme and this encourages involvement in the Company's performance.

Stakeholder Engagement
The Group has a small number of major suppliers and consultants that support its delivery of strategy and corporate goals. The selection of, relationships with, and execution of, contracted work by these parties is considered at least weekly by the Executive Directors and at each Board meeting by all Directors. Where appropriate, the Chairman and/ or non-executive directors participate in engagement with these parties, and where appropriate, Board members are involved in meetings with such parties.

Community and Environment
The Board does not believe that the Group has a significant impact on the communities and environment in which it operates. The Board recognises that the Group has a duty to minimise harm to the environment and to contribute as far as possible to the local community in which it operates.

PRINCIPAL RISKS AND UNCERTAINTIES

TheraCryf is a biopharmaceutical company and, in common with other companies operating in the sector, is subject to a number of risks. The principal risks and uncertainties identified by the Group for the year ending 31 March 2025 are set out below.

Risk	Description
Development	The Group is at a relatively early stage of development and may not be successful in its efforts to develop approved or marketable products. Technical risk is present at each stage of the development process which is a highly regulated environment which presents technical and operational risk. There can be no guarantee that the Group will be able to, or that it will be commercially advantageous for the Group to, develop its Intellectual Property through entering into licensing deals with pharmaceutical companies.
Commercial	The biotechnology and pharmaceutical industries are very competitive. The Group's competitors include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources. The Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are more effective or less costly than those the Group is developing, or may develop, and this may have a material adverse impact on the Group.
Regulatory	The Group's operations are subject to laws, regulatory approvals, and certain government directives, recommendations and guidelines. There can be no assurance that future legislation will not impose further government regulation which may adversely affect the business or financial condition of the Group.
Intellectual property (IP)	The Group's success depends in part on its ability to obtain and maintain patent protection for its technology and potential products in the United States, Europe and other countries. If the Group is unable to obtain and maintain patent protection for its technology and potential products, or if the scope of patent protection is not sufficiently broad, competitors could develop and commercialise similar technology and products, which could materially affect the Group's ability to successfully commercialise its technology and potential products. The Group is exposed to additional IP risks, including infringement of IP rights, involvement in lawsuits and the inability to protect the confidentiality of its trade secrets which could have an adverse effect on the success of the Group.
Financial	The Group has a limited operating history, has incurred significant losses since its inception and does not have any approved or revenue generating products. The Group expects to incur losses for the foreseeable future, and there is no certainty that the business will generate a profit. The Group may not be able to raise additional funds that will be required to support its product development programs or commercialisation efforts, and any additional funds that are raised may cause dilution to existing shareholders.
Operational	The Group's future development and prospects depend to a material extent on the experience, performance and continued service of its senior management team including the Directors. The Directors believe the senior management team is appropriately structured for the Group's size and stage of development and is not overly dependent on any one individual. The Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Retention of these services or the identification of suitable replacements cannot be guaranteed. The loss of the service of any of the Directors or senior management and the cost of recruiting replacements may have a material adverse effect on the Group and its commercial and financial performance.

The Company maintains a detailed Corporate Risk register that includes the likely hood and potential impact of each risk to the company. This is reviewed in detail and updated in every Board meeting. This register also includes a mitigation plan for each identified risk. At the time of writing, the Board does not consider material change in any of the identified risks, with the exception of funding. This risk is considered lower compared to previous period, as a result of the successful £4.25m raise in February 2025.

This report was approved by the Board of Directors on 02 June 2025 and signed on behalf of the Board of Directors by:

Dr Huw Jones
Chief Executive Officer

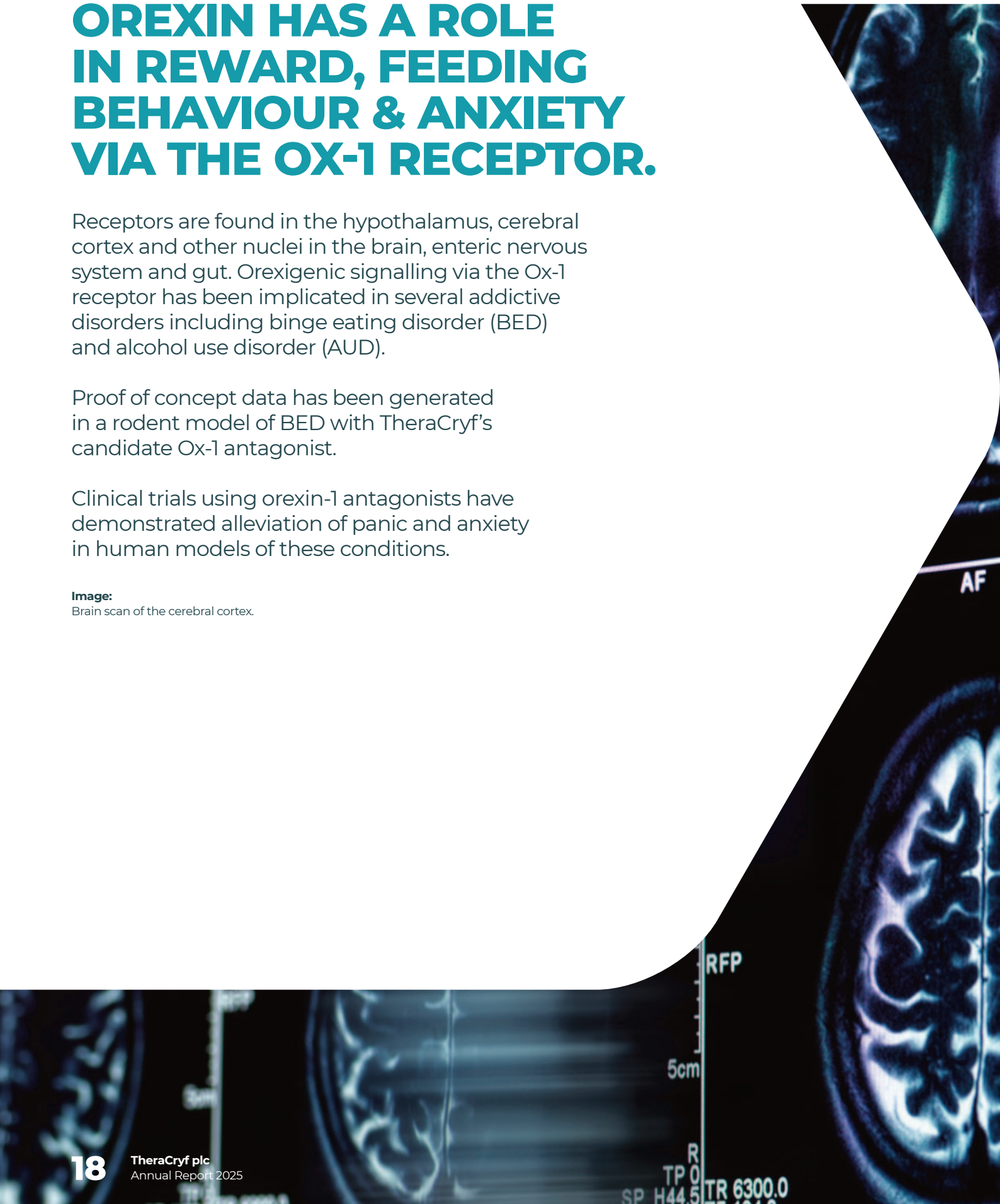
OREXIN HAS A ROLE IN REWARD, FEEDING BEHAVIOUR & ANXIETY VIA THE OX-1 RECEPTOR.

Receptors are found in the hypothalamus, cerebral cortex and other nuclei in the brain, enteric nervous system and gut. Orexigenic signalling via the Ox-1 receptor has been implicated in several addictive disorders including binge eating disorder (BED) and alcohol use disorder (AUD).

Proof of concept data has been generated in a rodent model of BED with TheraCryf's candidate Ox-1 antagonist.

Clinical trials using orexin-1 antagonists have demonstrated alleviation of panic and anxiety in human models of these conditions.

Image:
Brain scan of the cerebral cortex.



GOVERNANCE

BOARD OF DIRECTORS

DR ALASTAIR SMITH
Chair

Alastair is an experienced life sciences executive, with over 20 years' experience in public company growth and strategy, having founded and led Avacta Group plc as CEO from inception until last year. During his tenure, Avacta evolved into a leading AIM-listed biotech firm with two key divisions: a clinical-stage oncology drug company advancing its proprietary pre|CISION tumor-targeting platform and a diagnostics business pursuing an M&A-driven growth strategy in Europe, focused on serving healthcare professionals.

Alastair also brings valuable R&D and academic leadership, having also spent over 12 years as Professor of Molecular Biophysics at the University of Leeds. Alastair is also Non-executive Director of N4 Pharma plc and Non-executive Chairman of SPARTA Biodiscovery Ltd.

DR HUW JONES
Chief Executive Officer

Huw has over 30 years' experience of leadership roles in public and private R&D-based companies within the biotechnology and pharmaceutical sector including CV Therapeutics, Elan Corporation and SB (GSK). Huw has a particular focus on pre-clinical and clinical drug development, commercialisation, dilutive and non-dilutive financing and business development. Most recently he was a non-executive director of Ixaka Ltd and Chairman of Chronos Therapeutics Ltd*. He is a non-Executive director of biotech membership organisation OBN. Huw holds a PhD in pharmacology from the University of Birmingham, UK.

* Huw was the Chairman of Chronos Therapeutics Ltd and has now assumed the position of a director since the acquisition and integration to TheraCryf.

BOARD OF DIRECTORS CONTINUED

TONI HAENNINEN
Chief Financial Officer

Toni has over 20 years' experience in business development and senior finance roles in both public and private companies, working in mature and emerging markets particularly in Europe and the USA where he has accomplished successful fundraises, transactions and fiscal management in the sector. He was previously CFO at Faron Pharmaceuticals Ltd., an AIM and Nasdaq First North listed clinical stage biopharmaceutical company based in the Finland and the US developing novel treatments for medical conditions with significant unmet needs. Toni has an MBA from the Helsinki School of Economics (currently Aalto University).

DR ALAN BARGE
Non-Executive Director

Alan is a Venture Partner at Delin Ventures and CEO of a Delin portfolio company, Tilikum Therapeutics. He is the former chief medical officer of Singapore-based ASLAN Pharmaceuticals PTE. Up until 2011, he was vice-president and head of oncology & infection at AstraZeneca, a role in which he was responsible for the overall strategy in oncology and infection from drug discovery to proof-of-concept. He was also chairman of AstraZeneca's Therapy Area Portfolio Team and accountable for the design and delivery of all projects, including budgetary oversight. Prior to his career at AstraZeneca, Alan was European and global medical director for Amgen Inc.

CORPORATE GOVERNANCE REPORT

The Board applies the Quoted Companies Alliance ("QCA") Corporate Governance Code (to the extent practical given the Group's size and stage of development). The Directors support high standards of corporate governance and regard the QCA Code as appropriate to its stage of development. TheraCryf's strategy and business model are set out in the Strategic Report on page 9.

Details of the role and activities of the Audit and Remuneration Committees are set out in subsequent sections of this report.

Full details of our Corporate Governance approach can be found on our website: www.theracryf.com.

Board Structure
The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities is set out on page 31.

The Chairman and Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered. The Board currently comprises the Chairman, two Executive Directors and one other Non-Executive Director. The Board considers the Chair and the Non-Executive Director to be independent.
The Chairman and Non-Executive Director receive a fee for their services. The Board holds regular meetings and is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions and overseeing the Group's progress to its goals.

The Board collectively has considerable experience in scientific, operational and financial development of biopharmaceutical companies. The experience, personal qualities and skills of the Directors are set out on pages 20-21. The Directors regularly review the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group.

The Chairman and Non-Executive Director maintain their skill sets through a combination of other executive, non-executive and advisory roles. In addition, knowledge is kept up to date on key issues and developments pertaining to the Group, and corporate governance matters, through updates from the Executive Directors and various external advisers.
Any new external appointment appointments to the Board, are considered and approved by the whole board.

Board Committees
The Board has established Audit and Remuneration Committees of the Board with formally delegated duties and responsibilities. The membership and activity of these Committees are discussed in more detail in their respective reports on pages 24-28. The Board considers any need for external advice on significant matters, the board can engage where required.

Group culture
The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the working practices adopted by all employees in the Group and consistent with the Group's strategy; they reflect the high ethical and regulatory compliance required of a biopharmaceutical business.
The small number of staff within the Group allows for an open culture to be maintained with weekly communication to staff regarding progress, and staff feedback is regularly sought. Non-Executive Directors have frequent contact with various staff members and are able to monitor culture accordingly.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. Health and Safety is a standing agenda item at all Board meetings with any incidents reported at these meetings.

Frequency of, and attendance at, meetings
During the year the Group held formal Board meetings, Audit Committee meetings and Remuneration Committee meetings with attendance at these meetings as follows:

	Board Meetings	Audit Committee	Remuneration Committee
Dr Alan Barge	10/10	3/3	6/6
Dr Susan Foden	4/10	1/3	3/6
Dr Alastair Smith	1/10	1/3	1/3
Dr Huw Jones	10/10	—	—
Toni Haenninen	10/10	—	—

Dr Alastair Smith and Dr Alan Barge are considered to be independent Non-Executive Directors. These Directors are required to work a minimum of two days per month. Due to the changes in board during and post period, Dr Susan Foden and Dr Alastair Smith served only part of the period and hence all meetings. Both Directors attended all the relevant meetings to their appointments. For details see Directors report on pages 29-30.

CORPORATE GOVERNANCE REPORT CONTINUED

Risk Management and Control
The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually.

The Group operates in an inherently high risk and heavily regulated sector and this is reflected in the principal risks and uncertainties set out on page 17. Due to the environment and regulation of the industry, the Group accepts the high level risk and uncertainty.

The Group maintains a risk register to monitor the various operating, financial, climate, commercial and strategic risks faced by the business. This is reviewed and discussed at each monthly Board meeting.

A comprehensive budget is prepared annually and a forecasting process is completed each month. Both are reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board at each monthly Board meeting.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meet weekly to monitor clinical progress and to consider new risks and opportunities presented to the Group, communicating and advising the Board as appropriate.

Corporate Social Responsibility
The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours to take into account the interest of the Group's stakeholders, including its investors, employees, suppliers and business partners, when operating the business, see page 16.

Employment
The Board recognises its legal responsibility to ensure the well-being, safety and welfare of its employees and maintain a safe and healthy working environment for them and for its visitors.

Relations with shareholders
The Board recognises the importance of communication with its shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The website has a section dedicated to investor matters and provides useful information for the Company's owners. The Board as a whole is responsible for ensuring that a satisfactory dialogue with shareholders takes place, while the Chairman and CEO ensure that the views of the shareholders are communicated to the Board as a whole. The Company uses regularly online tools such as Investor Meet Company and alike to engage with shareholders actively. The Board ensures that the Group's strategic plans have been carefully reviewed in terms of their ability to deliver long-term shareholder value. Fully audited Annual Reports are published, and Interim Results statements notified via Regulatory Information Service announcements. All financial reports and statements are available on the Company's website.

Shareholders are welcome to attend the Group's AGM, at which they will have the opportunity to meet the Board. All shareholders will have at least 21 days' notice of the AGM at which the Directors will be available to discuss aspects of the Group's performance and to receive questions.

Board Performance
Appraisals are carried out annually with both Executive Directors and an internal review of Board performance is also carried out. The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning. Due to the changes in the board during and post period, no formal internal review was done during the period. With the newly established board, the Company plans to do formal internal reviews on at least a annual basis going forward. Given the recent changes, the Board will consider the need for external review at some point in the future.

Board Succession
The board reviews the need of succession planning on a regular basis in its meetings, and considers the need a more detailed plan. Given the the current board is relatively newly established, there is no inherent need to actively seek for succession candidates.

Dr Alastair Smith
Chair

02 June 2025

REMUNERATION COMMITTEE REPORT

Dr Susan Foden was the Chair of the Remuneration Committee, until her sudden and unexpected passing on 04 November 2024. Dr Alan Barge became the Chair of the Remuneration Committee on 04 November 2025. From 31 March 2025 onwards the members of the Remuneration Committee are Dr Alan Barge (Committee Chair) and Dr Alastair Smith.

The responsibilities of the Committee include the following:
- Determining and agreeing the remuneration policy for the Company.
- Determining remuneration structures through which the policy is implemented.
- Conducting an annual salary review and determining the actual annual remuneration for the Executive Directors and senior management team.
- Reviewing the remuneration of the Chairman of the Board and the Non executive directors and recommending any changes thereto.

Our aim has been to deliver a remuneration programme that rewards both achievement of short-term goals and fulfilment of our longer-term objectives in realising the clinical and commercial potential of our technologies.

The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. The Executive Directors attend meetings by invitation but no Director is involved in discussions relating to their own remuneration.

We recognise the need to retain and motivate our Executive Directors and senior management team and the need to avoid making remuneration decisions solely based on shorter-term volatility. Accordingly, we include two performance-based elements in our remuneration. A short-term annual bonus programme, with pay-out based on achievement against corporate goals set for that year; and a long-term equity-based programme of share options, linked to a key objective and share price performance for the most part subject to the achievement of substantial, longer-term strategic objectives and share price performance.

Remuneration Policy for Executive Directors
The Remuneration Committee sets a remuneration policy that through competitive salaries and short-term incentives by way of annual bonus aims to align remuneration with the attraction and retention of the best talent for the benefit of the Group and incentivises and retains key employees by way of a longer-term element of reward aligned with shareholder interest and share price performance.

Since IPO TheraCryf has operated the following share plans, as amended:
- TheraCryf Deferred Bonus Plan (DBP).
- Evgen Pharma Long Term Incentive Plan (LTIP).

These plans are intended to maintain remuneration policy in line with market practice for an AIM listed company and ensure alignment between the reward strategy and business strategy. The Committee will continue to review the remuneration policy on a regular basis to ensure it remains fit for purpose for the Company, drives high levels of executive performance and remains competitive in the market.

The remuneration of the Executive Directors during the year ended 31 March 2025 is set out on page 26.

Basic salary
Basic salaries are reviewed annually, with reference to independent salary surveys based on a cohort of comparable AIM-listed life science companies.

The purpose of the base salary is to:
- reflect market rates to support the recruitment and retention of key individuals;
- reflect the individual's experience, role and contribution with the Group;
- ensure that the Executive Directors are fairly rewarded for carrying out their duties.

Short term incentives – Annual Bonus
Executive Directors participate in a contractual bonus scheme under which they are eligible to receive a maximum annual bonus of 50% of salary. Other employees are entitled to bonus awards under the plan at lower percentages of salary. Annual bonus entitlements have to date been based on the achievement of Group corporate goals.

Performance targets for the financial year ending 31 March 2025 were set by the Remuneration Committee and include Group corporate performance targets.

The Remuneration Committee considers that the targets support the business strategy, and that bonus arrangements represent an important element of the performance-related pay for the Executive Directors.

A proportion of the bonus payable to the Executives may be paid in cash and/or may be paid in shares through the Deferred Bonus Plan adopted by the Company at the time of IPO. The Committee determines on an annual basis the level of deferral of the bonus payment into Company share awards in the form of options up to a maximum of 50% of the bonus earned. DBP awards vest at the end of a one year period from the relevant date of grant.

REMUNERATION COMMITTEE REPORT CONTINUED

Benefits
Benefits in the form of pension contributions, private medical insurance and death in service insurance are provided to Executive Directors.

Long term incentives – Share Option Awards
Share Plans Operated Prior to Admission
Prior to Admission the Company granted share awards under stand-alone option agreements as well as operating the following share plans:

- Evgen Pharma Limited 2008 Share Option Scheme.
- Evgen Pharma Limited Enterprise Management Incentive Plan.

Further details of outstanding options under these arrangements are as set out on page 27.

Long Term Incentive Plan
On IPO in 2015 the Company adopted an LTIP that aligns the interest of Executive Directors with those of shareholders and on an ongoing basis forms a significant part of performance-related pay. The LTIP amendments were approved by the General Meeting on 7 March 2025.

The maximum annual individual limit under the terms of the LTIP is 100% of salary. Awards up to 150% of salary may be awarded in exceptional circumstances.

Pension
The Group pays pension contributions for Executive Directors and employees into personal pension schemes.

Executive Directors' service contracts and termination provisions.
The service contracts of Executive Directors are approved by the Board. The service contracts may be terminated by either party giving 6 months' notice to the other. The details are summarised below:

	Date of Contract	Notice period
Dr Huw Jones	1 October 2020	6 months
Toni Haenninen (appointed 1 January 2024)	1 January 2024	6 months

Non-Executive Directors
Non-Executive Directors have entered into Letters of Appointment with the Company, with the Board determining the fees regarding market comparatives and similar businesses. The Non-Executive Directors do not participate in the Group's pension or bonus schemes. Awards under stand-alone option agreements or payment in shares in lieu of cash fees may be made in special circumstances. Appointments are terminable on one month's notice by either party.

The contractual terms for Non-Executive Directors are reviewed by the Board annually. Current contracts are set out below:

	Date of Appointment	Initial term
Dr Susan Foden	14 October 2015 (resigned 04 November 2024)	Three years
Dr Alan Barge	14 October 2015	Three years
Dr Alastair Smith	19 February 2025	Three years
Edward Wardle	01 May 2025	Three years

Non-Executive Directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. Dr Alan Barge was invited by the Board to continue as Directors following completion of their three-year terms.

REMUNERATION COMMITTEE REPORT CONTINUED

Directors' remuneration during the year ended 31 March 2025
The Directors received the following remuneration during the year:

	Salaries and fees	Taxable benefits	Pension contributions	Total year ended 31 March 2025	Salaries and fees	Taxable benefits	Bonuses	Pension contributions	Total year ended 31 March 2024
	£	£	£	£	£	£	£	£	£
Executive									
Dr Huw Jones*	175,583	7,107	21,500	**204,191**	215,000	6,390	60,000	21,500	302,890
Toni Haenninen**	160,208	—	—	**160,208**	96,313	—	—	—	96,313
Non-Executive									
Dr Barry Clare	—	—	—	**—**	22,905	—	—	—	22,905
Dr Susan Foden	17,355	—	—	**17,355**	36,393	—	—	—	36,393
Dr Alan Barge	14,742	—	—	**14,742**	22,905	—	—	—	22,905
Susan Clement-Davies	—	—	—	**—**	20,233	—	—	—	20,233
	367,889	7,107	21,500	**396,496**	445,699	10,014	82,894	21,500	560,107

* Consideration in 2025 included fees of £7,107 paid to Daffodil Consulting LLP, a related party as detailed in note 20.

** Consideration in 2025 included fees of £150,000 paid to Borealito GmbH, a related party as detailed in note 20.

There was no increase in salary for any Director and no Directors waived emoluments in the year ended 31 March 2025. During the period, the Directors agreed to voluntary reductions in their salaries to maximize the Company cash runway. Additionally, Dr Alastair Smith agreed to receive his salary for at least for the first 12 months in shares in lieu of cash for the same reason.

Directors' shareholdings
The Directors, together with their beneficial interest in the shares of the Company are as follows:

Ordinary shares of 0.25p each	At 31 March 2025	At 31 March 2024
Executive		
Dr Huw Jones	5,184,793	62,500
Toni Haenninen*	3,000,000	—
Non-Executive		
Dr Alastair Smith	4,000,000	—

* Includes Borealito GmbH, an entity wholly owned by him.

Bonus
In recognition of a difficult funding environment, the Committee determined that it was inappropriate to pay cash bonuses in the bonus qualifying year 2024-2025. Equivalent value awards, calculated by consideration of achievement of corporate goals in the year have been made post-period in the form of share options in order to recognise performance during the year and for the purpose of retention.

Benefits/Pensions
Details of payments in respect of benefits and pensions arrangements for the Executive Directors are set out in the table above.

REMUNERATION COMMITTEE REPORT CONTINUED

Directors' Share Options

Share options may be granted under the LTIP as follows:

- An initial award to Executive Directors on joining the Company to support the recruitment and drive retention.
- An annual award to Executive Directors and other staff members to be made around the time of the AGM, though this may be deferred in the event of staff holding inside information.

Since 2021 vesting of share options has been subject to; a shareholder return metric (30%), delivery of strategic corporate objectives (40%), and time-vesting 3 years from grant (30%). The aims of this structure are to continue to align senior management remuneration with shareholder returns and to support staff retention.

Vesting of LTI options is underpinned by a share price performance metric. For the 2022/23 year grants, if the share price is between 8p and 38p at the time of vesting (based on the non-volume weighted mean average price over the 3 months preceding the vesting date), options will vest on a straight-line basis between nil and 100% of the 30% shareholder return metric subject provided that other performance measures are also met. The 2021/22 year grants are similarly assessed, save that the share price range is between 12p and 38p. There were no options granted during 2023/24. During 2024/2025 there were options granted in lieu of bonuses as well as certain former Chronos Therapeutics employees surrendered their legacy options from Chronos and were issued TheraCryf options. Neither of these options have specific vesting conditions.

Details of the awards together with outstanding options granted to the Executive Directors prior to Admission are set out in the table below.

Director	Plan	Date of grant	At 1 April 2024	Granted during the period	Lapsed/ cancelled during the period	Exercised during the period	At 31 March 2025	Price per share (pence)	Date from which exercisable	Expiry Date
Dr Huw Jones	LTIP	08 Dec 21	1,670,886	—	1,670,886	—	—	Nil	13 Jul 24	13 July 31
	LTIP	14 Dec 22	4,410,727	—	4,410,727	—	—	Nil	14 Dec 25	14 Dec 32
	Non-LTIP	29 Aug 24	—	6,991,739	—	—	6,991,739	0.025	01 Apr 25	30 Aug 24
	Non-LTIP	29 Aug 24	—	3,902,499	—	—	3,902,499	0.025	29 Aug 24	30 Aug 24
			6,081,613	**10,894,238**	**6,081,613**	**—**	**10,894,238**			
Toni Haenninen	Non-LTIP	29 Aug 24	—	3,029,925	—	—	3,029,925	0.025	01 Apr 25	30 Aug 24
			—	**3,029,925**	**—**	**—**	**3,029,925**			
			6,081,613	**13,924,163**	**6,081,613**	**—**	**13,924,163**			

Dr Alan Barge
Remuneration Committee Chair

02 June 2025

AUDIT COMMITTEE REPORT

The Audit Committee is a subcommittee of the Board and is responsible for ensuring effective governance over financial reporting and internal controls. The Committee represents the interests of the shareholders in relation to the integrity of information and the effectiveness of audit processes in place. The members of the Audit Committee are Dr Alastair Smith (Chair) and Dr Alan Barge.

The responsibilities of the Committee include the following:

- Monitoring the integrity of the financial statements of the Group.
- Reviewing the accounting policies, accounting treatments and disclosures in the financial statements ensuring compliance with applicable accounting standards and company law.
- Reviewing the Group's internal financial controls and risk management systems, including findings and recommendations by both management and external audit.
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee normally meets at least three times in relation to each financial year with time allowed for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern. Audit Committee meetings may be attended, by invitation, by the Chief Financial Officer and other Directors and by the Group's auditors.

The Committee has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and Interim Statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

During the year ended 31 March 2025, the Audit Committee met 3 times (one meeting related to the previous financial year), one meeting related to the approval of half year results and one meeting related to approval of the external audit plan. The Committee reviewed and approved the financial statements for the year ended 31 March 2025, the interim results for the six months to 30 September 2024 and the external auditor's plan for the 2024 and 2025 external audits. The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that significant judgements have been robustly challenged. No significant issues or findings have been reported by the auditor.

The Audit Committee does not believe it necessary at this time to propose re-tendering of the audit contract. A resolution for the reappointment of RSM as the statutory auditor will be proposed at the forthcoming Annual General Meeting. No formal recommendations other than the approval of the Interim Statement and Annual Report and Accounts have been made to the Board by the Audit Committee.

Internal audit

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness, and the requirements for an internal audit function in the context of the Group's overall risk management system. The Audit Committee is satisfied that the Group does not currently require an internal audit function, however, it will continue to review the situation.

Whistleblowing

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. During the year, there were no incidents for consideration.

Dr Alastair Smith
Audit Committee Chair

02 June 2025

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Financial Statements
The Directors of TheraCryf plc (registered in England and Wales: 09246681) present their report together with the audited consolidated financial statements and the Company financial statements for the year ended 31 March 2025.

Directors
The Directors of the Company who served during the year and up to the date of this report, unless otherwise indicated, are as follows:

	Capacity	Date
Dr Alastair Smith	Chair	Appointed 19 February 2025
Dr Alan Barge	Non-Executive Director	Appointed 21 October 2015
Dr Susan Foden	Non-Executive Director	Appointed 21 November 2014 Chair Appointed 22 September 2023, Resigned 04 November 2024
Edward Wardle	Non-Executive Director	Appointed 01 May 2025
Dr Huw Jones	Chief Executive Officer	Appointed 01 October 2020
Toni Haenninen	Chief Financial Officer	Appointed 01 January 2024

Biographical details of TheraCryf's Directors are shown on pages 20-21.

The Group maintained Directors' and Officers' liability insurance cover throughout the year and the prior year.

Principal activities of the Group
Details of current and future trading as well as the principal risks and uncertainties are included in the Strategic Report on pages 10-17.

Business Review and Key Performance Indicators
The review of the business, future trading and key performance indicators are covered in the Strategic Report on pages 10-17.

Financial results and dividends
The Group's results for the year ended 31 March 2025 are presented on page 38. The Group's net loss after tax for the year was £1.9m (2024: £3.1m). No dividends have been paid in this or the prior year and there have been no significant post balance sheet events. Details of financial instruments are set out in note 19.

Directors' interests in share options
Details of Directors' interests in shares, share options and service contracts are shown in the Directors' Remuneration Report.

Research and Development
The Group is continuing to research products in its chosen area.

Employee involvement
Employee involvement in the overall performance of the Group is encouraged through both formal and informal meetings which deal with a range of matters including the Group's financial performance, development progress and health and safety. Copies of the Annual Report and Interim Report are made available to all employees.

Political donations
The Group made no political donations in the current or prior year.

Authority to issue shares
At the Annual General Meeting on 18 July 2024 authority was sought from shareholders to allow the Directors to allot relevant securities up to an aggregate nominal value of £349,000 representing approximately one-third of the issued share capital, and to allot for cash equity securities having a nominal value not exceeding in aggregate £209,400 (being approximately 20% of the issued share capital).

Substantial shareholdings
At 29 May 2025, the Company had received notification from the following financial institutions of their and their clients' interest in the following disclosable holdings, which represent 3% or more of the voting rights of the issued share capital of the Company:

Northern Standard Limited	422,727,272	19.67%
First Equity Limited	179,000,000	8.33%
T and I Limited	160,000,000	7.45%
Spreadex Limited	93,050,001	4.33%
Oberon Investments Limited	80,475,000	3.74%
A Leach	80,000,000	3.72%
S Gibeon	71,400,000	3.32%

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

Going concern
At 31 March 2025, the Group had cash, cash equivalents and short term investments of £4.1 million.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The coming cash flow predictions are based upon a period of closely controlled cash flows in order to maintain ongoing development at a level fit to our means. Non – dilutive sources of funding are being explored in order to accelerate development of the Chronos portfolio in line with our corporate objectives.

The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the planned level of activities to the fourth quarter of 2026. They have therefore prepared the financial statements on a going concern basis.

Financial Risk Management and Policies
See note 19 on page 56 in the financial statements.

Strategic Report
The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Disclosure of information to auditor
In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors
RSM UK Audit LLP have expressed their willingness to continue in office as auditors for the year. A resolution to reappoint them will be presented at the forthcoming Annual General Meeting (AGM).

The notice convening and giving details of the 2025 AGM of the Company on 9 July 2025 will be sent to shareholders in due course.

Approved by the Board of Directors and signed on behalf of the Board.

Dr Alastair Smith
Chair

02 June 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The group and company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the TheraCryf plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MULTIPLE SCLEROSIS (MS) AFFECTS 2.9MILLION PEOPLE WORLD WIDE

The disease involves loss of myelin, the insulation around nerve cells in the brain affecting their ability to transmit messages. Symptoms are varied and can include fatigue, vision problems, numbness, tingling, muscle weakness, balance issues, and, more rarely cognitive difficulties. These can come and go, worsen over time, and affect different parts of the body.

Up to 80% of patients with MS suffer from fatigue with no approved treatment for this debilitating symptom. Our acquired DAT inhibitor (atypical dopamine active transport inhibitor) has pre-clinical proof of concept in models of fatigue. Once funded we will proceed to complete pre-clinical development to the point of clinic readiness and proceed to develop our DAT inhibitor in MS fatigue.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THERACRYF PLC

Opinion

We have audited the financial statements of Theracryf plc (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated and company statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Summary of our audit approach	
Key audit matters	**Group and Parent Company** • None
Materiality	**Group** • Overall materiality: £209,000 (2024: £272,000) • Performance materiality: £157,000 (2024: £204,000) **Parent Company** • Overall materiality: £172,000 (2024: £252,000) • Performance materiality: £129,000 (2024: £189,000)
Scope	Our audit procedures covered 99% of total assets and 90% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF THERACRYF PLC

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£209,000 (2024: £272,000)	£172,000 (2024: £252,000)
Basis for determining overall materiality	10% of Result before taxes	10% of Result before taxes
Rationale for benchmark applied	Loss before tax chosen as net expenditure is a key measure of activity level	Loss before tax chosen as net expenditure is a key measure of activity level
Performance materiality	£157,000 (2024: £204,000)	£129,000 (2024: £189,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £10,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £9,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 3 components, all of which are based in the UK.

The coverage achieved by our audit procedures was:

	Number of components	Total assets	Profit before tax
Full scope audit	2	83%	90%
Specified Audit Procedures	1	16%	0%
Total	**3**	**99%**	**90%**

Conclusions relating to going concern

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

- evaluating the integrity and accuracy of the cashflow forecasts prepared by management;
- assessing the appropriateness of assumptions and explanations provided by management to supporting information, where available;
- evaluating the group's cash position and forecast cash flows to assess its ability to operate within available funding in the going concern period; and
- evaluating the accuracy and consistency of disclosures made in the financial statements in respect of principal risks and going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF THERACRYF PLC

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept 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 page 31, 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 the 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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF THERACRYF PLC

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006; and Listing rules	Review of the financial statement disclosures and testing to supporting documentation; and
	Completion of disclosure checklists to identify areas of non-compliance

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments;
	Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
	Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Alan Aitchison (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor, Centenary house
69 Wellington Street
Glasgow
G2 6HG

02 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Revenue	3	**—**	396
Operating expenses			
Operating expenses		**(2,007)**	(3,825)
Share based compensation	18	**(117)**	(137)
Total operating expenses		**(2,124)**	(3,962)
Operating loss	4	**(2,124)**	(3,566)
Finance income	5	**5**	—
Other income	6	**34**	—
Loss on ordinary activities before taxation		**(2,085)**	(3,566)
Taxation	9	**144**	429
Loss and total comprehensive expense attributable to equity holders of the parent for the year		**(1,941)**	(3,137)
Loss per share attributable to equity holders of the parent (pence)			
Basic loss per share	10	**(0.36)**	(1.14)
Diluted loss per share	10	**(0.36)**	(1.14)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	Group As at 31 March 2025 £'000	Group As at 31 March 2024 £'000	Company As at 31 March 2025 £'000	Company As at 31 March 2024 £'000
ASSETS					
Non-current assets					
Intangible assets	11	**2,460**	34	**—**	—
Investments in subsidiary undertaking	13	**—**	—	**2,056**	73
Balances due from group undertaking	14	**—**	—	**10,620**	10,181
Total non-current assets		**2,460**	34	**12,676**	10,254
Current assets					
Trade and other receivables	14	**513**	595	**475**	594
Current tax receivable		**543**	429	**514**	385
Short-term investments and cash on deposit	15	**2,005**	—	**2,005**	—
Cash and cash equivalents	15	**2,109**	2,004	**2,013**	1,953
Total current assets		**5,170**	3,028	**5,007**	2,932
Total assets		**7,630**	3,062	**17,683**	13,186
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	16	**1,662**	722	**1,227**	708
Total current liabilities		**1,662**	722	**1,227**	708
Equity					
Ordinary shares	17	**5,324**	687	**5,324**	687
Share premium	17	**28,695**	27,870	**28,695**	27,870
Merger reserve	17	**2,067**	2,067	**—**	—
Share based compensation	18	**315**	635	**315**	635
Retained deficit		**(30,432)**	(28,918)	**(17,878)**	(16,714)
Total equity attributable to equity holders of the parent		**5,969**	2,341	**16,456**	12,478
Total liabilities and equity		**7,630**	3,062	**17,683**	13,186

No Statement of Comprehensive Income is presented in these financial statements for the parent company as provided by Section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the parent company was £1,601k (2024: £2,963k).

The financial statements on pages 38-58 were approved by the Board of Directors and authorised for issue on 03 June 2025 and were signed on its behalf by:

Dr Alastair Smith
Chair

02 June 2025

TheraCryf plc,
Registered number: 09246681

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Ordinary shares £'000	Share premium £'000	Merger reserve £'000	Share based compensation £'000	Retained deficit £'000	Total £'000
Balance at 31 March 2023	687	27,870	2,067	509	(25,792)	5,341
Total comprehensive expense for the period	—	—	—	—	(3,137)	(3,137)
Transactions with owners						
Share issue – lapsed options	—	—	—	(11)	11	—
Share based compensation – share options	—	—	—	137	—	137
Total transactions with owners	**—**	**—**	**—**	**126**	**11**	**137**
Balance at 31 March 2024	**687**	**27,870**	**2,067**	**635**	**(28,918)**	**2,341**
Total comprehensive expense for the period	—	—	—	—	(1,941)	(1,941)
Transactions with owners						
Share issue – cash	4,481	686	—	—	—	5.167
Share issue – cost	—	(605)	—	—	—	(605)
Share issue – acquisition	156	744	—	—	(10)	889
Share issue – lapsed options	—	—	—	(437)	437	—
Share based compensation – share options	—	—	—	117	—	117
Total transactions with owners	**4,637**	**825**	**—**	**(320)**	**427**	**5,569**
Balance at 31 March 2025	**5,324**	**28,695**	**2,067**	**315**	**(30,432)**	**7,910**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Ordinary shares £'000	Share premium £'000	Share based compensation £'000	Retained deficit £'000	Total £'000
Balance at 31 March 2023	687	27,870	509	(13,761)	15,305
Total comprehensive expense for the period	—	—	—	(2,964)	(2,964)
Transactions with owners					
Share issue – lapsed options	—	—	(11)	11	—
Share based compensation – share options	—	—	137	—	137
Total transactions with owners	**—**	**—**	**126**	**11**	**137**
Balance at 31 March 2024	**687**	**27,870**	**635**	**(16,714)**	**12,478**
Total comprehensive expense for the period	—	—	—	(1,601)	(1,601)
Transactions with owners					
Share issue – cash	4,481	686	—	—	5,167
Share issue – cost	—	(605)	—	—	(605)
Share issue – acquisition	156	744	—	—	899
Share issue – lapsed options	—	—	(437)	437	—
Share based compensation – share options	—	—	117	—	117
Total transactions with owners	**4,637**	**825**	**(320)**	**437**	**5,579**
Balance at 31 March 2025	**5,324**	**28,695**	**315**	**(17,878)**	**16,456**

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

		Group		Company	
		Year ended 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
	Notes	**£'000**	£'000	**£'000**	£'000
Cash flows from operating activities					
Loss before taxation		**(2,085)**	(3,566)	**(1,730)**	(3,351)
Interest (income) / expense	5	**(5)**	—	**(5)**	—
Depreciation and amortisation	11	**69**	12	**—**	2
Share based compensation	18	**117**	137	**117**	137
		(1,904)	(3,417)	**(1,618)**	(3,212)
Changes in working capital					
(Increase)/decrease in trade and other receivables	14	**82**	(379)	**(331)**	(309)
(Decrease)/increase in trade and other payables	16	**(575)**	(113)	**(454)**	(78)
Changes in working capital		**(493)**	(492)	**(785)**	(387)
Taxation received	9	**30**	913	**—**	844
Net cash used in operating activities		**(2,367)**	(2,996)	**(2,403)**	(2,755)
Cash flows (used in)/generated from investing activities					
Monies (placed on) / received from fixed term deposit	15	**(2,005)**	—	**(2,005)**	—
Interest income / (expense)	5	**5**	—	**5**	—
Purchase of subsidiary, net of cash acquired	12	**(75)**	—	**(84)**	—
Net cash (used in)/generated from investing activities		**(2,075)**	—	**(2,084)**	—
Cash flows (used in)/generated from financing activities					
Proceeds from issue of shares	17	**5,152**	—	**5,152**	—
Cost of fundraise	17	**(605)**	—	**(605)**	—
Net cash (used in)/generated from financing activities		**4,547**	—	**4,547**	—
Movements in cash and cash equivalents in the period		**105**	(2,996)	**60**	(2,755)
Cash and cash equivalents at start of period	15	**2,004**	5,000	**1,953**	4,708
Cash and cash equivalents at end of period	15	**2,109**	2,004	**2,013**	1,953
Short term investments / cash on deposits	15	**2,005**	—	**2,005**	—
Total cash, cash equivalents and short term deposits		**4,114**	2,004	**4,018**	1,953

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

TheraCryf plc ("the Company") is a public limited company incorporated in England & Wales and whose shares are traded on the AIM market of the London Stock Exchange under the symbol TCF. The address of its registered office is Alderley Park, Congleton Road, Nether Alderley, Cheshire, United Kingdom, SK10 4TG. The principal activity of the Company is pre-clinical and clinical stage drug development.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Basis of preparation
The financial statements for the year have been prepared in accordance with applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Sterling (£) and rounded to the nearest £'000. This is the predominant functional currency of the Group, and is the currency of the primary economic environment in which it operates. Foreign transactions are accounted for in accordance with the policies set out below.

Business combinations
In the Parent Company financial statements, the acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the Group to former owners of the acquirer. All acquisition costs are expensed as incurred to profit or loss. On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss.

The difference between the acquisition-date fair value of assets acquired and liabilities assumed and the fair value of the consideration transferred is recognised as goodwill. If the consideration transferred is less than the fair value of the identifiable net assets acquired, a bargain purchase is recognised as a gain directly in profit or loss by the Group on the acquisition-date.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Basis of consolidation
The financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and, has the ability to use its power to affect its returns. The Company reassesses whether 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.

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 period are included in the Consolidated Statement of Comprehensive Income 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

Going concern
At 31 March 2025, the Group had cash, cash equivalents and short-term deposits of £4.1 million.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The coming cash flow predictions are based upon a period of closely controlled cash flows in order to maintain ongoing development at a level fit to our means. Non – dilutive sources of funding are being explored in order to accelerate development of the Chronos portfolio in line with our corporate objectives.

The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the current level of activities into the fourth quarter of 2026. They have therefore prepared the financial statements on a going concern basis.

Currencies

Functional and presentational currency
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The presentational currency of the Group is GBP.

Licences – 10-20 years
At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Plant, fixtures and fittings – 4 years reducing balance.

IT Equipment – 3 years straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Comprehensive Income.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Revenue
Revenue is measured at the fair value of the consideration received or receivable. Revenue from right-to-use licences is recognised at the point in time that the performance condition is satisfied.

Finance income
Finance income comprises interest income on funds invested. Interest income is recognised as interest accrues using the effective interest rate method.

Research and development expenditure
All research and development costs, whether funded by third parties under licence and development agreements or not, are included within operating expenses and classified as such. Research and development costs relating to clinical trials are recognised over the period of the clinical trial based on information provided by clinical research organisations. All other expenditure on research and development is recognised as the work is completed.

All ongoing development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory and other uncertainties inherent in the development of the Group's programmes, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38, "Intangible assets", are not met until the product has been submitted for regulatory approval, such approval has been received and it is probable that future economic benefits will flow to the Group. The Group does not currently have any such internal development costs that qualify for capitalisation as intangible assets.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

Income tax
The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current income tax
Current tax, including R&D tax credits, is based on taxable income for the period and any adjustment to tax from previous periods. Taxable income differs from net income in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods or that are never taxable or deductible. The calculation uses the latest tax rates for the period that have been enacted or substantively enacted by the dates of the Consolidated Statement of Financial Position.

(b) Deferred tax
Deferred tax is calculated at the latest tax rates that have been substantially enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

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

Deferred tax assets are not recognised until it is probable that future economic benefits will flow to the Group.

Pension costs
The Group makes contributions to the private pension schemes of Directors and employees. These are expensed as incurred in the Statement of Comprehensive Income.

Share-based compensation
The Group issues share-based payments to certain employees and Directors. Equity-settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, along with a corresponding increase in equity.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of any revision is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity reserves.

The fair value of share options and warrants are determined using a Black-Scholes model, taking into consideration the best estimate of the expected life of the option or warrant and the estimated number of shares that will eventually vest.

Most awards are made to employees of the Company. Awards granted to the employees of the subsidiary company are expensed in the Subsidiary's financial statements at fair value on the grant date, with a corresponding increase in the Subsidiary's equity and presented as an increase in the Company's investment in that subsidiary.

Operating segments
The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8.

The results and assets for this segment can be determined by reference to the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

Financial instruments
Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables
Trade and other receivables that do not contain a significant financing component are initially recognised at fair value and subsequently held at amortised cost less provision for impairment. Impairment is calculated on a 12 month/lifetime expected credit loss model.

Recoverability of intercompany receivables
Amounts owed by subsidiary undertakings represent loans made to TheraCryf Pharma Limited and Chronos Therapeutics Limited on an interest-free basis. No repayment terms have been mandated.

In accordance with IFRS 9 Financial Instruments, the Company has made an assessment of expected credit losses. Having considered multiple scenarios on the manner, timing, quantum and probability of recovery of the receivables a lifetime expected credit loss (ECL) of £1,370,000 (2024: £1,370,000) has been provided.

The calculation of the allowance for lifetime expected credit losses requires a significant degree of estimation and judgement, in particular determining the probability weighted likely outcome for each scenario considered. The Directors assessment of ECL included repayment through future cash flows over time (which are inherently difficult to forecast for the Company at its current stage of development) and also the amount that could be realised through an immediate sale of the subsidiary undertaking. The Directors' assessment of repayment through future cash flows contained several scenarios, including ones where the loan was not recovered in full.

The carrying value of amounts owed by subsidiary undertakings at 31 March 2025 were £10,620,000 (2024: £10,181,000) and is disclosed in note 14 to the financial statements.

Cash, cash equivalents and short-term investments
Cash and cash equivalents consist of cash on hand and demand deposits. Short-term investments and cash on deposit comprise deposits with maturities of more than three months, but no greater than 12 months.

Trade and other payables
Trade and other payables are not interest-bearing and are stated at nominal value.

Investments in subsidiaries
Investments in subsidiaries are shown at cost less any provision for impairment.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Fair value estimation
The carrying value less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible.

Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, the Directors make estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Management judgement
Recognition of research and development expenditure is seen as requiring a higher degree of judgement. The Group recognises that the criteria for recognition of development costs as intangible assets has not been met under the requirements set out in IAS 38 and has recognised the expenditure relating to research and development as an expense in the year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

Estimation uncertainty
The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Intangible assets acquired through business combination
Where intangible assets are acquired through business combination where no active market for the asset exists, fair value is determined by discounting estimated future net cashflows generated by the asset. Estimates relating to the future cashflows and discounted rates used may have a material effect on the reported amounts of finite lived intangible assets.

Intercompany receivable
Receivables from the subsidiary represents an interest free amount advanced to group companies with no fixed repayment dates, being amounts due from TheraCryf Pharma Limited advanced to support the Group's research expenditure. In accordance with IFRS 9 "Financial Instruments", where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

R&D tax credit
The R&D tax credit figure of £128.8k included in the accounts is a management estimate which is subject to amendment by HMRC.

Share-based payment charge
During the years ended 31 March 2025 and 31 March 2024, the Group issued a number of share options to certain employees. A Black-Scholes model was used to calculate the appropriate charge for these periods. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate risk-free rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. The total charge recognised in the year to 31 March 2025 was £117,000 (year to 31 March 2024: £137,000).

Leasing commitments
Lease payments represent rentals payable by the Group for its serviced office space. As at 31 March 2025 period remaining on lease was 12 months.

3. SEGMENTAL INFORMATION

The Group operated as one single operating segment for the current and prior financial years. This is the level at which operating results are reviewed by the Board of Directors to assess performance and make strategic decisions about the allocation of resources.

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Revenue recognised at a point in time		
Right-to-use license revenue	—	396
Total revenue	—	396

Revenues of £nil (Year to 31 March 2024: £396k) were received from the STALICLA licensing deal. The Group is not dependent on revenues from STALICLA as most of its costs are funded by investments from shareholders.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. OPERATING LOSS

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Research and development expenses:		
Amortisation of licenses	**70**	9
Other research and development	**328**	1,727
Staff costs (including share based compensation) – note 8	**801**	1,043
Establishment and general:		
Depreciation of property, plant and equipment	**—**	3
Operating lease cost – land and buildings	**12**	15
Foreign exchange loss/(profit)	**9**	6
Other administrative expenses	**904**	1,159
Total operating expenses	**2,124**	3,962

The Group has one reportable segment, namely the development of pharmaceutical products all within the United Kingdom.

5. FINANCE INCOME

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Bank interest receivable	**5**	—
Total finance income	**5**	—

6. OTHER INCOME

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Other income	**34**	—
Total other income	**34**	—

Other income relates to bank compensation received and recharged costs during the year.

7. AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration is as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Fees payable to the Group's auditors for the audit of:		
The consolidated and Company annual accounts	**40**	30
The subsidiary's annual accounts	**10**	8
Total audit fees	**50**	38
Audit related services	**5**	4
Total audit related fees	**5**	4
Other services	**—**	—
Total non-audit fees	**—**	—

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including Executive Directors) employed by the Group was:

	Group		Company	
	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number	**Year ended 31 March 2025 Number**	Year ended 31 March 2024 Number
Management	**3**	3	**3**	4
Administration	**2**	1	**—**	—
Development	**2**	1	**1**	—
Non-Executive	**2**	4	**2**	4
Average total persons employed	**9**	9	**6**	8

As at 31 March 2025 the Group had 9 employees (31 March 2024: 9)

Staff costs in respect of these employees were:

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Wages and salaries	**563**	755	**414**	593
Employers National Insurance	**67**	91	**50**	71
Employers pension costs	**54**	60	**41**	46
Total payrolled employee costs	**684**	906	**505**	710
Share based compensation	**117**	137	**117**	137
Total employee costs	**801**	1,043	**622**	847

The Group makes contributions to the private pension schemes of Directors and employees. One Director received payments into a private pension scheme for the period (2024: one).

The total remuneration of the highest paid Director excluding grants of share options was £204,191 (31 March 2024: £302,890).

The Directors have the authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of the Group and they therefore comprise key management personnel as defined by IAS 24.

Aggregate emoluments of Directors:

	Group and Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Salaries and other short-term employee benefits	**375**	539
Employers National Insurance	**25**	54
Pension contributions	**22**	22
Options vesting under share option schemes	**—**	—
Total remuneration including vesting of share options	**422**	614

Directors' emoluments include amounts payable to third parties as described in note 22.

9. TAXATION

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Current tax		
Current period – UK corporation tax	**—**	—
R&D tax credit	**158**	429
Adjustments in respect of prior periods	**(14)**	—
Net tax credit	**144**	429

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9. TAXATION CONTINUED

The tax charge for each period can be reconciled to the loss per consolidated statement of comprehensive income as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Loss on ordinary activities before taxation	**(2,085)**	(3,566)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 25% (2024: 19%)	**(521)**	(678)
Effects of:		
Losses not recognised	**521**	678
R&D tax credit	**(158)**	(429)
Adjustments in respect of prior periods	**14**	—
Tax credit for the year	**(144)**	(429)

The enacted UK corporation tax rate of 25% forms the basis for the deferred tax calculation (2024: 25%).

At 31 March 2025, the Group had tax losses available for carry forward of approximately £33.6m (31 March 2024: £24.5m). The Group has not recognised deferred tax assets relating to these losses of £8.4m (2024: £6.0m).

At 31 March 2025, the Company had tax losses available for carry forward of approximately £17.0m (31 March 2024: £14.9m). The Company has not recognised deferred tax assets relating to these losses of £4.3m (2024: £3.6m).

These assets are not recognised until it is probable that future economic benefits will flow to the Group.

10. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the year.

As at 31 March 2025 the Group had 29,315,373 (2024: 14,574,910) share options outstanding which are potentially dilutive. The calculation of the Group's basic and diluted loss per share is based on the following data:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Loss for the year attributable to equity holders for basic loss and adjusted for the effects of dilution	**(1,941)**	(3,137)

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
Weighted average number of ordinary shares for basic loss per share	**538,311,037**	274,888,117
Effects of dilution:		
Share options	**21,982,557**	12,993,569
Ordinary share in issue for purposes of diluted EPS	**560,293,594**	251,957,736

	Year ended 31 March 2025 Pence	Year ended 31 March 2024 Pence
Loss per share – basic and diluted	**(0.36)**	(1.14)

The number of exercisable share options and warrants above are those deemed to be potentially dilutive in nature as their exercise price is less than the average share price for the period. As the group made a loss in the current and comparative periods the effects of these potential ordinary shares are not dilutive.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11. INTANGIBLE ASSETS

Group	Licences £'000
Cost	
At 31 March 2023	168
Additions	—
At 31 March 2024	168
Additions	2,495
At 31 March 2025	**2,663**
Amortisation	
At 31 March 2023	125
Charge for the period	9
At 31 March 2024	134
Charge for the period	70
At 31 March 2025	**203**
Net Book Value	
At 31 March 2023	43
At 31 March 2024	34
At 31 March 2025	**2,460**

Intangible assets constitute licenses to intellectual property. The remaining amortisation periods are between 1 and 12 years. Amortisation is charged to operating expenses. The Group reviewed the amortisation period and the amortisation method for the intangible assets at the end of the reporting period and considered them appropriate.

The Group continually monitors events and changes in circumstances that could indicate that the intangible assets may be impaired. As at 31 March 2025, the Company had no intangible assets (31 March 2024: £nil).

12. BUSINESS COMBINATIONS

On 05 April 2024, the Group acquired the entire share capital of Chronos Therapeutics Limited for a total combined consideration of £1,983k. Included within the total is cash consideration of £84k, equity consideration of £899k and a contingent consideration of £1,000k. Chronos Therapeutics Limited holds a neuropsychiatry portfolio including two assets developed to late pre-clinical stage which widens the Group's pipeline. These assets comprise of an orexin-1 antagonist with potential utility in addition, impulsive behaviours and addiction and an atypical dopamine transporter inhibitor with potential utility in fatigue due to a number of conditions.

The Group has recognised contingent consideration liabilities at a value of £1.0m on the acquisition of Chronos Therapeutics Limited. These liabilities are subject to certain conditional milestones being met, the additional payments could be a maximum of £2.5m comprising of £1.0m for the commencement of Phase 1 and £1.5m upon completion of Phase 1. Given the current early stage of the development programme the Board have deemed it prudent to recognise contingent liability equivalent to 55.2% of the £1.0m and 30% on the remaining £1.5m. All additional consideration will be payable in shares.

The fair values of the identifiable net assets are set out below:

	Book value £'000	Fair value adjustment* £'000	Fair value £'000
Intangible assets	504	1,991	2,495
Cash and cash equivalent	9	—	9
Deferred tax liability	—	(398)	(398)
Trade and other receivables	12	—	12
Trade and other payables	(135)	—	(135)
Total identifiable assets	**390**	**1,593**	**1,983**
Total consideration	**—**	**—**	**1,983**
Satisfied by:			
Initial cash consideration			84
Initial shares consideration			899
Contingent consideration			1,000
			1,983
Cashflow			
Initial cash consideration			84
Cash acquired			(9)
Net cashflow impact of acquisition			**75**

* Due to uncertainty in ascertaining the market value of the intangible assets acquired, management have elected to report the value of intangible assets as provisional in line with paragraph 45 of IFRS 3.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. INVESTMENTS IN AND LOANS TO SUBSIDIARY UNDERTAKINGS (COMPANY)

The consolidated financial statements of the Group as at 31 March 2025 include the following in relation:

Company	Investments in subsidiary undertakings £'000	Total £'000
Cost		
At 31 March 2023	73	73
Additions	—	—
At 31 March 2024	73	73
Additions	1,983	1,983
At 31 March 2025	**2,056**	**2,056**
Net Book Value		
At 31 March 2023	73	73
At 31 March 2024	73	73
At 31 March 2025	**2,056**	**2,056**

Subsidiary undertakings	Country of incorporation	Principal activity	Class of shares held	31 March 2025
TheraCryf Pharma Ltd*	England and Wales	Research and development	Ordinary	100%
Chronos Therapeutics Ltd*	England and Wales	Research and development	Ordinary	100%

* The registered office of Alderley Park, Congleton Road, Nether Alderley, Cheshire, United Kingdom, SK10 4TG.

The cost for the investment in the subsidiary undertakings in TheraCryf Pharma Limited was £73,000 (2024: £73,000) and Chronos Therapeutics Limited £1,983,000 (2024: £nil) with no impairments.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Amounts receivable within one year				
Trade receivables	**387**	396	**387**	396
Other receivables	**17**	101	**—**	101
Other taxation and social security	**65**	45	**47**	45
Prepayments	**43**	52	**41**	52
Trade and other receivables	**513**	595	**475**	594
Balances due in greater than 1 year - amounts due from Group undertakings	**—**	—	**10,620**	10,181

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade and other receivables the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. For details on the Group's credit risk management policies, refer to note 19. The carrying amounts of the Group's receivables are all denominated in Pounds Sterling.

No classes within external trade and other external receivables contain assets which are considered to be impaired. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The amounts owed by subsidiary undertakings include a loan to TheraCryf Pharma Limited for £10,322k (2024: £10,181k) and a loan to Chronos Therapeutics Limited for £287k (2024: £nil). There are no interest payable on these loans and no fixed repayment date. The Parent Company has confirmed that it does not intend to seek repayment of the loan balances for at least twelve months from the date of these financial statements. There has been £nil impairment (2024: £nil) to the intercompany loans under IFRS 9 as set out in note 2 in addition to the historic impairment of £1,370k.

The Parent Company anticipates the amounts owed by subsidiary undertakings to be recovered in 5 to 10 years which is in line with the expectations of when a licensing deal may occur.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Short-term investments and cash on deposit	**2,005**	—	**2,005**	—
Cash at bank and in hand	**2,109**	2,004	**2,013**	1,953
Total	**4,114**	2,004	**4,018**	1,953

At 31 March 2025, £2.0m cash or cash equivalents were held on deposit in either both the Group or the Company (31 March 2024: £nil).

The Directors consider that the carrying value of cash and cash equivalents and short-term investments approximates their fair value. For details on the Group's credit risk management refer to note 20.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Amounts falling due within one year				
Trade payables	**106**	330	**95**	327
Other taxation and social security	**21**	30	**17**	23
Other payables	**1,005**	45	**1,003**	44
Accrued expenses	**132**	317	**112**	314
Deferred tax liability	**398**	—	**—**	—
Trade and other payables	**1,662**	722	**1,227**	708

Trade and other payables principally consist of amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 to 45 days term. The Directors consider that the carrying value of trade and other payables approximates to their fair value. All trade and other payables are denominated in Sterling. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period. There are no material contingent liabilities or commitments and no guarantees have been entered into.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. ISSUED CAPITAL AND RESERVES

	Group and Company			
Ordinary shares of 0.25p each	Number	Share Capital £'000	Share Premium £'000	Total £'000
As at 31 March 2023 & 31 March 2024	**274,888,117**	**687**	**27,870**	**28,557**
Issue on fundraising	90,167,000	225	676	902
Expenses of share issue under fundraising		—	—	—
Issue on acquisition	62,291,778	156	744	899
Expenses of share issue under acquisition		—	(240)	(240)
Shares issued in lieu of fees	2,275,527	6	10	16
Expenses of share issue under in lieu of fees		—	—	—
Issue on fundraising	1,700,000,000	4,250	—	4,250
Expenses of share issue under fundraising		—	(365)	(365)
At 31 March 2025	**2,129,622,422**	**5,324**	**28,695**	**34,019**

On 04 April 2024, 62,291,778 ordinary shares of 0.25p were issued at a price of 1.44p in relation to the acquisition of Chronos Therapeutics Limited. Also on the 04 April 2024, 90,167,000 ordinary shares of 0.25p were issued at a price of 1.00p generating gross proceeds of £901,670

On 14 November 2024, 2,275,527 ordinary shares of 0.25p were issued at a price of 0.69p to service providers in lieu of contractual amounts owed.

On 07 March 2025, 1,700,000,000 ordinary shares of 0.25p were issued at a price of 0.25p raising gross proceeds of £4,250,000. Costs of £370,000 were incurred and have been deducted from share premium in line with the requirements of IAS 32.

All shares in issue are fully paid.

The ordinary shares rank pari passu in all respects in relation to dividends and repayment of capital and have equal voting rights with one vote per share. There are no restrictions on the transferability of the shares.

The Group and Company do not have an authorised share capital as provided by the Companies Act 2006.

Other reserves
The share premium reserve represents the difference between the net proceeds of equity issues and the nominal share capital of the shares issued.

The merger reserves at 31 March 2025 and 2024 arose from the acquisition of TheraCryf Pharma Limited, in 2014 which is accounted for using the merger method of accounting.

The share-based compensation reserve reflects the aggregate fair value of equity-settled share-based payment transactions.

Reserves classified as retained deficit represent accumulated losses. None of the reserves are distributable.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18. SHARE-BASED PAYMENTS

Certain Directors and employees of the Group hold options to subscribe for shares in the Group under share option schemes. The number of shares subject to options, the periods in which they were granted and the period in which they may be exercised are given below.

The Group operates one active share option scheme (31 March 2024: one), in addition share options have been granted under standalone unapproved share option agreements. Options are currently granted for £nil consideration and are exercisable at a price determined on the date of the grant.

At 31 March 2025 the Company had 29,315,374 (2024: 14,574,910) unissued ordinary shares of £0.0025 under the Company's share option schemes, details of which are as follows:

Grant date	Number	Option price (pence)	Date from which exercisable	Expiry date
21-Oct-15	291,890	—	21-Oct-15	20-Oct-25
14-Dec-22	291,905	—	14-Dec-25	14-Dec-32
29-Aug-24	18,656,839	0.250	01-Apr-25	30-Aug-34
29-Aug-24	10,074,739	0.250	29-Aug-24	30-Aug-34
Total	**29,315,373**			

Movements on share options during the year were as follows:

Exercise Price (pence)	At 01 April 2024	Granted	Exercised	Lapsed/ cancelled	At 31 March 2025	Date from which exercisable	Expiry date
Nil	291,890	—	—	—	291,890	21-Oct-15	21-Oct-25
Nil	207,400	—	—	(207,400)	—	13-Jul-24	13-Jul-31
Nil	4,122,370	—	—	(4,122,370)	—	13-Jul-24	13-Jul-31
Nil	9,953,250	—	—	(9,661,345)	291,905	14-Dec-25	14-Dec-32
0.25	—	18,656,839	—	—	18,656,839	01-Apr-25	30-Aug-34
0.25	—	10,074,739	—	—	10,074,739	29-Aug-24	30-Aug-34
Total	**14,574,910**	**28,731,578**	**—**	**(13,991,115)**	**29,315,373**		

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

	As at 31 March 2025		As at 31 March 2024	
	Number	WAEC (pence)	Number	WAEC (pence)
Outstanding at start of the year	**14,574,910**	**—**	20,730,037	0.1151
Granted	**28,731,578**	**0.250**	—	—
Exercised	**—**	**—**	—	—
Lapsed/cancelled	**(13,991,115)**	**—**	(6,155,127)	0.3877
Outstanding at end of year	**29,315,373**	**0.2430**	14,574,910	—
Exercisable at end of year	**10,366,630**	**0.2430**	—	—

Options are only exercisable for cash. Options which do not vest lapse.

The Group has accounted for the charge arising from the issue of share options as below:

The total charge recognised for the year ended 31 March 2025 is £117,281 (2024: £136,554). The fair values of the options granted have been estimated using a Black Scholes model. Assumptions used were an option life of 5 years, a risk-free rate of between 0.17 and 3.29 per cent, a volatility of between 20 and 101.5 per cent, and no dividend yield. The expected volatility is assessed by reference to historic volatility and on the advice of the Company's brokers.

The weighted average remaining contractual life of share options outstanding at the end of the year was 9.32 years (2024: 8.15 years).

The weighted average fair value of options granted as of the grant date was £0.010 (2024: £0.055).

The weighted average share price used in the Black Scholes model was £0.011 (2024: £0.057).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments are cash flow and liquidity, credit risk and foreign currency risk. The Group's financial instruments comprise cash and various items such as trade receivables and trade payables, which arise directly from its operations.

Cash flow and liquidity risk

Management monitors the level of cash on a regular basis to ensure that the Group has sufficient funds to meet its commitments when due. The table below analyses the Group and Company's financial assets and liabilities by category:

	Group		Company	
	Year ended 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
	Financial assets at amortised cost £'000	Financial assets at amortised cost £'000	**Financial assets at amortised cost £'000**	Financial assets at amortised cost £'000
Assets as per statement of financial position				
Trade receivables	**387**	396	**387**	396
Other receivables	**17**	101	**—**	101
Amounts due from subsidiary undertakings	**—**	—	**10,620**	10,181
Short-term investments and cash on deposit	**2,005**	—	**2,005**	—
Cash and cash equivalents	**2,109**	2,004	**2,013**	1,953
Total	**4,518**	2,501	**15,025**	12,631

	Group		Company	
	Year ended 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
	Financial assets at amortised cost £'000	Financial assets at amortised cost £'000	**Financial assets at amortised cost £'000**	Financial assets at amortised cost £'000
Liabilities as per statement of financial position				
Trade payables	**106**	330	**95**	327
Other creditors and accruals	**1,137**	362	**1,115**	358
Total	**1,243**	692	**1,210**	685

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's financial assets are cash and cash equivalents and trade and other receivables. The carrying value of these assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's policy is to minimise the risks associated with cash and cash equivalents by placing these deposits with institutions with a recognised high credit rating.

The Group potentially has credit risk on its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. An allowance for impairment is recognised when there is a significant increase in credit risk. Currently the Group has limited sales and therefore trade receivables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. FINANCIAL RISK MANAGEMENT CONTINUED

Credit risk continued
The Group gives careful consideration to which organisations it uses for banking in order to minimise credit risk. The Group holds cash and deposits with two large banks in the UK, institutions with an A1 credit rating (long term, as assessed by Moody's). The amounts of cash and deposits held with these banks at the reporting date can be seen in the financial assets table above. Split of cash and cash equivalents between UK Sterling and other currencies is provided in to Financial Currency Risk note below.

There was no significant external concentration of credit risk at the reporting date.

The carrying amount of financial assets recorded in the Consolidated Statement of Financial Position, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Details of the allowance for impairment losses on financial assets are set out in note 14.

Interest rate risk
As the Group has no significant borrowings, the risk is limited to the reduction of interest received on cash surpluses held at bank. The Group's deposit accounts all receive a fixed rate of interest and therefore the exposure to interest rate movements is immaterial.

Maturity profile
As all financial assets and financial liabilities are expected to mature within the next twelve months thus aged analysis of these has not been presented.

Foreign currency risk
The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's use of suppliers operating overseas, primarily invoicing in Euro and US dollars. The Group's exposure to foreign currency changes for all other currencies is not material and therefore no sensitivity analysis is disclosed.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the year-end are shown below:

				2025
	GBP	**EUR**	**USD**	**Total**
Group	**£'000**	**£'000**	**£'000**	**£'000**
Assets and liabilities as per statement of financial position				
Short-term investments and cash on deposit	**2,005**	**—**	**—**	**2,005**
Cash and cash equivalents	**2,087**	**—**	**22**	**2,109**
Trade receivables	**—**	**—**	**—**	**—**
Trade payables	**(84)**	**—**	**(22)**	**(106)**
Total	**4,008**	**—**	**—**	**4,008**

				2024
	GBP	EUR	USD	Total
Group	£'000	£'000	£'000	£'000
Assets and liabilities as per statement of financial position				
Short-term investments and cash on deposit	—	—	—	—
Cash and cash equivalents	2,004	—	—	2,004
Trade receivables	—	—	—	—
Trade payables	(328)	(2)	—	(330)
Total	1,676	(2)	—	1,674

Given the immaterial net asset balances in foreign currency and limited procurement from overseas suppliers, the exposure to a change in exchange rates is small and therefore no sensitivity analysis is disclosed.

At present the Group does not make use of financial instruments to minimise any foreign exchange gains or losses so any fluctuations in foreign exchange movements may have an adverse impact on the results from operating activities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. FINANCIAL RISK MANAGEMENT CONTINUED

Fair value of financial assets and liabilities
There is no material difference between the fair value and the carrying values of the financial instruments because of the short maturity period of these financial instruments and their intrinsic size and risk.

Capital risk management
The Group considers capital to be shareholders' equity as shown in the consolidated statement of financial position, as the Group is primarily funded by equity finance. The Group is not yet in a position to pay a dividend.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements. Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

20. RELATED PARTY TRANSACTIONS

Group
Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management compensation is disclosed in note 8 of the consolidated financial statements. Directors' emoluments are disclosed in the Remuneration Committee Report.

During the year the Group purchased services from Biotech industry membership organisation OBN (UK) Ltd, a company for which Huw Jones acts as a non-executive director, totalling £1,800 (2024: £1,440). The amount owed to OBN (UK) Ltd at 31 March 2025 was £nil (31 March 2024: £nil).

During the year the Group purchased services from Daffodil Consulting LLP, a partnership for which Huw Jones is a designated member, totalling £9,037 (2024: £9,689). The amount owed to Daffodil Consulting LLP at 31 March 2025 was £nil (31 March 2024: £867).

During the year the Group purchased services from Borealito GmbH, a company controlled by Toni Haenninen, totalling £156,831 (2024: £98,766). The amount owed to Borealito GmbH at 31 March 2025 was £16,688 (31 March 2024: £20,632).

Company
The Company is responsible for financing and setting Group strategy. The Company's subsidiary carried out the Group's development strategy and managed the Group's intellectual property. The Company provides interest free and unsecured funding to its subsidiary with no fixed date of repayment. Details of intercompany balances can be found in note 14.

Ultimate controlling party
The Directors consider there is no ultimate controlling party.

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