

THERACRYF PLC

ANNUAL REPORT 2026

PROGRESSING INNOVATIVE THERAPIES IN NEUROPSYCHIATRY



ABOUT US

THERACRYF PLC IS A THERAPEUTICS COMPANY DEVELOPING A NEW GENERATION OF INNOVATIVE MEDICINES IN NEUROPSYCHIATRY

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 consultant group and world class providers.



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OUR FOCUS

BY FOCUSING ON NEUROPSYCHIATRY WE CAN HELP ADDICTION AND FATIGUE SUFFERS

We are developing innovative therapeutics in brain disorders focusing on neuropsychiatry. The novel medicines we are developing have the aim of helping people with behavioural brain diseases focusing initially on addiction. Our lead programme is a class-leading orexin-1 antagonist (blocker), initially targeting binge eating disorder and with utility in other substance use disorders, which will be clinic ready by Q4 2026. We have a second programme addressing fatigue, initially in multiple sclerosis (MS) with a novel dopamine transporter inhibitor (DAT).

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

HIGHLIGHTS OF THE YEAR

THE CONDITIONS WE SEEK TO TREAT ARE DISRUPTIVE TO DAILY EMPLOYMENT AND WELLBEING

OPERATIONAL HIGHLIGHTS

- Commencement, and successful execution on schedule, of the lead orexin-1 (Ox-1) receptor antagonist programme through late-stage preclinical development, the last stage before human trials, exactly in line with the roadmap outlined at the interim results in December 2025. The programme remains on track and on budget to complete in Q4 2026.
- Successful manufacturing scale-up, including production of 10.6kg of drug substance to support key regulatory toxicology studies to GLP (the regulatory standard – Good Laboratory Practice).
- Completion of formulation development and selection of the final formulation for drug product.
- Regulatory standard toxicology programme on target, including completion of dose range finding and maximum tolerated dose studies. No adverse observations at doses up to the regulatory maximum.
- Strengthening of the intellectual property portfolio through additional patent grants in key territories South Korea and Canada, completing patent coverage in all major territories.
- Appointment of Edward (Ed) Wardle to the Board as a Non-Executive Director.
- Funding secured via the £4.25m gross placing in March 2025 supported programme progression during the period. Spend on the programme is in line with internal expectations and previous guidance.

HIGHLIGHTS OF THE YEAR CONTINUED

Addiction issues globally are at a critical level, with binge eating related disorders reaching record highs and increasing pressures from alcohol and drug addiction, costing society billions annually.

Fatigue significantly impacts the UK economy, primarily by reducing productivity, increasing sickness absence from a number of conditions like multiple sclerosis, driving up economic inactivity.

POST PERIOD HIGHLIGHTS

- Additional patent filing relating to the Ox-1 antagonist manufacturing process, extending potential IP protection to 2046.
- Successful Good Manufacturing Practice (GMP) manufacture of 2.57kg of Ox-1 drug substance, suitable for administration to humans with above target yield completed ahead of schedule.
- Non-binding proposal received for the Company's lead neuropsychiatry assets (Ox-1 and DAT programmes), subsequently rejected by the Board as it significantly undervalued the business.
- First species regulatory standard toxicology study completed, top line data indicates a wide margin of safety, programme continues with second species study started on schedule with top line data again demonstrating a wide safety margin.
- Continued engagement with potential commercial and strategic partners arising from both active business development and incoming approaches.
- £1.05m gross raised via a Placement and a Subscription from new and existing shareholders, extending cash runway and allowing additional time for partnering discussions.

FINANCIAL HIGHLIGHTS

- Post tax loss of £3.5m (2025: loss of £1.9m).
- Cash outflow from operations of £2.7m (2025: outflow of £2.4m).
- Cash and short-term investments and cash on deposit at 31 March 2026 of £1.5m (31 March 2025: £4.1m).

BOARD CHANGES

- 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 substance use disorders (addiction) and a second programme in fatigue, starting with fatigue in MS. We have a legacy, grant funded, 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 potentially developing towards the clinic to target addictive behaviours like binge eating disorder. This programme is now close to completing the last pre-clinical stage of development 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 over \$42bn in 2025 and is forecast to rise to over \$71bn by 2034 (Future Market Insights SUD Treatment Market Outlook November 2025). This, and other CNS markets, are drawing significant attention from large pharma. This has led to a sharp increase number of asset deals and M&A activity between Pharma and smaller Biotech companies 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 as in 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 in a 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 behavioural disorders such as addictions, and fatigue associated with a number of conditions.

OUR STRATEGY AND BUSINESS MODEL

Our strategy is to focus on the Company's behavioural brain disorder assets and retain the upside opportunity for SFX-01 through externally funded collaborations.

Our business model is to develop drugs no further than 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

SIGNIFICANT PROGRESS WAS MADE DURING THE PERIOD WITH OUR CLASS-LEADING OREXIN-1 ANTAGONIST



PROGRESS ON LEAD PROGRAMME

In the last year we raised funds to complete the last stage of preclinical development of our potentially class leading orexin-1 antagonist (Ox-1 blocker). After a competitive tender process we selected a leading contract research and manufacturing company to undertake manufacturing scale up, formulation and regulatory standard toxicology experiments in two species. The work is ahead of schedule and has delivered above our expectations, notably in generating new intellectual property that has the potential to extend the on market life of our lead asset to 2046.

Post period end, we established a subsidiary in Australia (Theracryf Australia Pty Ltd) in order to enable preparations towards a Phase 1 human study in that territory.



MERGERS & ACQUISITIONS

The Company recently received a non-binding proposal to acquire its lead neuropsychiatry assets, the Ox-1 and DAT programmes, which reflects the commercial and clinical interest in neuropsychiatry therapies.

After due consideration, the board decided that the financial components of the recent offer did not reflect the true value of the portfolio and rejected the offer.

We continue to discuss our portfolio with potential commercial partners to generate value through out licensing transactions. In addition to receiving incoming approaches, we have an active outreach programme to larger companies in order to monetise our assets and grow shareholder value.

OUR PIPELINE

Discovery	Pre-clinical POC	CTA / IND Enabling	Phase 1	Phase 2
Ox-1 - Substance Use Disorders (SUDs) / Anxiety				
DAT - Fatigue and Narcolepsy				
SFX-01 - GBM & Neurodevelopmental Disorders				

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 over \$42bn in 2025 and is projected to rise to \$71bn by 2034*. Binge eating disorder is already a multibillion-dollar market with only one product approved for the condition and only in the USA and Canada. 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.

Additionally we performed a review of single asset transactions between 2020 and 2025 with input from external advisors. Single asset licensing transactions in neuroscience attract up-front payments of \$49m at completion of Phase 1 clinical studies with total transaction values excluding royalties of over \$570m**.



INTELLECTUAL PROPERTY

Our entire portfolio is well protected by patent families. We competed the protection on our lead Ox-1 programme with patent grants in Korea and Canada during the period, giving active granted patents in all major territories. Post period we submitted for additional process patent cover which could extend the protection to 2046.

The patents on our second neuropsychiatry asset, DAT are also granted in all major territories.

* Future Market Insights SUD Treatment Market Outlook November 2025.

** Licensing deals in the therapeutic space (2020-2025) globally, curated to relevant Pre-Clinical and Phase I CNS deals (excluded M&A, platform deals, research projects and deals where public information was unavailable). Most deals also have a royalty component, which is not reflected in the total value. Pre-Clinical: n=17, Phase 1: n=13. Source: Evaluate, Singer Capital Markets, TheraCryf Management, curation, \$mm.

WE ARE DEVELOPING OUR LEAD ASSET TO HELP REDUCE IMPULSIVE BEHAVIOURS IN THE ADDICTION MARKET

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* Future Market Insights SUD Treatment Market Outlook November 2025.

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CHAIR'S STATEMENT



Dr Alastair Smith
Chair

**I AM PLEASED TO REPORT
OUTSTANDING PRECLINICAL
DATA ON OUR LEAD ASSET,
AND ON-SCHEDULE
PROGRESS TOWARDS
CLINIC-READINESS BY
THE END OF 2026**

CHAIR'S STATEMENT CONTINUED

The year to 31 March 2026 has been one of very strong progress for TheraCryf as the Company advances towards becoming a clinical-stage biotechnology business in the neuropsychiatry space.

Since my appointment as Chair in February 2025, the Board has established a clear and disciplined focus on progressing the Ox-1 programme, recognising its potential as a differentiated treatment approach in addiction and related CNS disorders. The Company has delivered against its stated objectives during the year, including advancing its manufacturing capabilities, strengthening its intellectual property position and progressing preclinical development of the lead programme on schedule towards clinic readiness by the end of 2026.

The Company recently received a non-binding proposal to acquire its lead neuropsychiatry assets, the Ox-1 and DAT programmes which reflects the commercial and clinical interest in neuropsychiatry therapies. Following careful evaluation, the Board concluded that the proposal significantly undervalued the Company's technology and future commercial potential and therefore rejected it. The Board remains confident it can deliver maximum value to shareholders by progressing its programmes to build the preclinical and clinical data sets to attract major pharmaceutical partners or acquirers.

The Board maintains a strong focus on disciplined capital allocation. The fundraising completed in March 2025 extended the Company's cash runway and funded the remaining key regulatory tasks for our lead Ox-1 programme to reach clinic readiness.

TheraCryf has continued to make significant progress post-period end with the OX-1 programme, including initiating and concluding the in-life phase of final toxicology studies and completing GMP manufacturing to support clinical trials. These developments reinforce the Board's confidence in the Ox-1 asset and its potential.

Post-period end, we announced a £1.05 million gross fundraising to support the next stage of the Ox-1 programme. The proceeds will be focused on completing the clinic-enabling activities required to seek approval to commence a Phase 1 study in Australia, an accelerated and capital-efficient route into the clinic, while extending our cash runway to the end of the first quarter of 2027. Following incoming expressions of interest in our neuropsychiatry assets and positive feedback from our partnering outreach programme, our objective remains to secure a partnering or out-licensing transaction to support future development costs.

TheraCryf is now approaching significant inflection points as it progresses towards approval to enter clinical development with our orexin-1 antagonist. Clinical-stage assets attract significantly higher commercial valuations, and the Board therefore believes that the Company is well positioned to create significant shareholder value through both clinical progress and potential strategic partnerships.

During the period, we were delighted to welcome Ed Wardle to the Board as a Non-Executive Director nominated by Northern Standard Ltd, which took a significant stake in the Company in both March 2025 and in the recent post-period end fundraising.

On behalf of the Board, I would like to thank all our shareholders for their continued support and our team for their dedication and hard work, which has delivered such excellent progress during the period.

DR ALASTAIR SMITH

Chair

25 September 2026

CHIEF EXECUTIVE'S REVIEW OF PERFORMANCE



Dr Huw Jones
Chief Executive Officer

WE ANTICIPATE A YEAR OF SUBSTANTIAL VALUE INFLECTION

CHIEF EXECUTIVE'S REVIEW OF PERFORMANCE CONTINUED

TheraCryf has delivered a year of substantial, flawless operational progress, positioning the Company to transition our lead programme to the clinical stage of drug development and towards unlocking the considerable financial value of this asset.

Substance use disorders represent a significant and growing global market, estimated at approximately US\$42bn today and projected to exceed US\$71bn by 2034, with a continued need for new, effective and non-addictive treatment options. We believe our highly selective orexin-1 antagonist approach offers a differentiated and promising therapeutic strategy in this area.

Our focus has therefore remained on the development of Ox-1, a highly potent and selective orexin-1 receptor antagonist targeting substance use disorders including binge eating disorder, alcohol use and other substance use disorders. During the year, we advanced the programme through late-stage preclinical development exactly in line with our stated timelines, delivering a series of important milestones across manufacturing, formulation and toxicology in readiness for regulatory submissions to enable Phase 1 clinical trials.

We successfully completed manufacturing scale-up, including the production of 10.6kg of drug substance to support regulatory toxicology studies, as well as the selection of the final formulation and drug product. In parallel, we completed dose-range-finding toxicology studies, enabling progression into final GLP toxicology studies, while continuing to strengthen our intellectual property portfolio through patent grants and allowances across major markets.

The progression of the Ox-1 programme was led by our COO, supported by our CDMO and expert consultant group, which covered manufacturing, formulation, and clinical supply readiness. Following year-end, we achieved three major milestones: the initiation of final GLP toxicology studies followed, by completion of the dosing and release of top line results and, the successful GMP manufacture of 2.57kg of Ox-1 drug substance suitable for human clinical trials and the submission of a process patent giving potential protection of the asset until 2046. These developments represent critical steps towards regulatory submission, clinical entry and eventual commercialisation via an asset licensing transaction.

Beyond Ox-1, we have continued to maintain progress across our broader pipeline. Our dopamine transporter (DAT) modulator programme, targeting fatigue of brain origin, including multiple sclerosis, chemotherapy together with a separate focus on narcolepsy, represents a differentiated opportunity in an area of significant unmet need and has been the subject of various partnering discussions, including an offer for the neuropsychiatry portfolio. In addition, our SFX-01 programme in glioblastoma continues to be supported by grant funding, allowing the Company to preserve optionality while maintaining a capital-light development approach. Discussions continue with SFX-01 partner Stalica SA, who have rights to the neurodevelopmental disorder area with this legacy asset, and whilst progress on the dispute is slow, talks are ongoing.

Alongside our scientific and operational progress, we have continued to engage with potential partners and industry stakeholders. The non-binding proposal received following the period end, although rejected, highlights external interest in the value of our programme and broader portfolio. Discussions with other parties continue as we seek to achieve the substantial value that we believe is inherent in the neuropsychiatry portfolio.

Looking ahead, our priorities are to complete the remaining clinic-enabling activities, progress our regulatory submission and obtain approval to commence first-in-human clinical trials in Australia. Following the £1.05 million fundraising announced post-period end, we are funded to progress these activities and extend our cash runway to the end of the first quarter of 2027, while continuing to pursue partnering and out-licensing opportunities in support of future development of the programme to maximise shareholder value.

We believe the coming year will be a period of substantial value inflection for TheraCryf as we enter clinical development and further demonstrate the potential of our class-leading orexin-1 programme with a view to substantial monetisation through commercial partnerships. I would like to thank our board, management team, expert consultant group and top quality providers for applying their considerable talents to advancing our lead addiction programme during the year. I would also like to add my thanks to our shareholders for their continued interest and support.

DR HUW JONES

Chief Executive Officer

25 September 2026

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 are included elsewhere in this Strategic Report. The key financial indicators are:

£1.5M

Cash position

including short-term investments and cash held on deposit: (2025: £4.1m)

2026 **£1.5m**

2025 **£4.1m**

2024 **£2.0m**

Year-end cash, short-term investments and cash held on deposit

The decrease in cash balances reflect the strong progress of our lead asset Ox-1 pre-clinical work.

£2.7M

Net cash outflow

from operating activities (2025: £2.4m)

2026 **£2.7m**

2025 **£2.4m**

2024 **£3.0m**

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, preclinical and clinical expenditures.

£3.7M

Operating loss

(2025: £2.1m)

2026 **£3.7m**

2025 **£2.1m**

2024 **£3.6m**

Operating loss

The operating loss of £3.7m was increased by £1.6m compared to 2025 reflects disciplined execution of our strategy to advance OX-1.

FINANCIAL REVIEW

The financial performance for the year ended 31 March 2026 was in line with expectations.

Losses

The total loss for the year was £3.5m (31 March 2025: £1.9m) including a charge for share-based compensation of £0.2m (2025: £0.1m). Operating expenses excluding share-based compensation were £1.5m higher at £3.5m in 2025 (2025: £2.0m).

Research and development (R&D) expenditure

Our external R&D expenditure increased by £1.2m on the prior year to £1.5m (31 March 2025: £0.3m). This reflects the strong progress and disciplined execution of our strategy to advance our lead asset OX-1 pre-clinical work.

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 £0.2m (2025: £0.1m), which has no impact on cash flows.

On 21 February 2025, the Group issued warrants to subscribe for a total of 170,000,000 Ordinary Shares at a price of 0.25p per Ordinary Share to the Broker Warrant. These warrants are subject to a vesting condition whereby they become exercisable only once the Company's share price reaches 0.50p per Ordinary Share, representing 100% increase over the placing price. These warrants are exercisable at any time and have an expiry date of five years from placing.

Headcount

Average headcount of the Group for the year was 9 (2025: 9).

Taxation

The Group has elected to claim research and development tax credits under the small or medium enterprise research and development scheme of £0.09m (2025: £0.14m).

Share capital

During the period there were 2 share issuances. Both issuances we in May 2025 in lieu of board salary and professional fees. These issuances were 18,324,000 and 1,017,317 shares each. At 31 March 2026 there were 2,148,963,739 shares of 0.25p each in issue.

Cash flows and financial position

The cash position (including short term deposits) at 31 March 2026 decreased to £1.5m (31 March 2025: £4.1m) reflecting more R&D and corporate costs, less £0.39m received from R&D tax credits. The net assets (including cash position) at 31 March 2026 decreased to £2.7m (31 March 2025: £5.9m). The net current assets (including cash position) at 31 March 2026 decreased to £0.19m (31 March 2025: £3.5m).

The estimated cash runway of the group is to the end of first quarter of 2027. Further details of the Board's going concern assessment are provided in the Directors' Report on page 30 and note 2 of the notes to the financial statements.

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 pages 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 5-7 and 10-14.

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, uncertainties, mitigation and movement since prior year identified by the Group for the year ending 31 March 2026 are set out below.

Risk and Description	Impact	Mitigation	Change (2025)
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.	High	The Group uses highly selected, skilled and experienced internal and external resources for development of its assets. The development work is monitored closely and reported to the board regularly. The Group also seeks to extend and expand the IP coverage of its assets to maximize the commercial attractiveness for partnering and licensing discussions.	Lower
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.	Medium	The Group monitors the the development of the market closely directly and via third party services. The area in which the lead asset is, is currently very active, and we have seen post period some trial results that are relevant to us, and the Group is analysing them and any potential impact on the Group. The Group also has a second asset that funds could be diverted to should the lead asset prove uncompetitive which is unlikely.	Lower
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.	Medium	Markets are turbulent notably with regard to changes in the regulatory environment (specifically FDA). The Group monitors this closely and frequently looks to run its trials in various legislations.	No change
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.	High	During the period the group raised £4.25m gross and post period end £1.05m gross to advance the lead asset and extend the cash runway to the end of first quarter of 2027. given the lean business model there is a tight control on expenditure. Group frequently reviews all funding options. Further details of the Board's going concern assessment, inherent material uncertainties are provided in note 2 of the notes to the financial statements.	Lower

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk and Description	Impact	Mitigation	Change (2025)
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.	Medium	The Group is actively seeking to extend and expand its IP for its assets. During the period as well as, post period, the Group has received additional patent coverage in the remaining markets Canada and South Korea giving coverage in all major markets. In addition, the group has filed extended IP based on the manufacturing optimisation of Ox-1.	Lower
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.	High	The Group employs experienced, highly skilled team. The development and retention of key resources is strengthened through compensation (bonus payments and LTIP plan). The LTIP was enhanced and increased during the periods the ensure the attractiveness of the Group to retain its key employees and directors.	No change

The Company maintains a detailed Corporate Risk register that includes the likelihood 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 in a more detailed manner than in the above summary.

The Strategic report on pages 10-17 was approved by the Board of Directors on 25 September 2026 and signed on behalf of the Board of Directors by:

DR HUW JONES
Chief Executive Officer

WE'RE COMMITTED TO PROGRESSING TO PERMISSION TO CONDUCT CLINICAL TRIALS

Proof of concept data has been generated in a rodent model of BED with TheraCryf's candidate Ox-1 antagonist. Manufacturing scale up and regulatory standard toxicology work are either complete or scheduled for completion on time in the coming year, finalising the data set required for permission to administer to humans in clinical trials.

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

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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 2024. 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 Thalia Therapeutics plc (formerly N4 Pharma plc) and Non-executive Chairman of SPARTA Biodiscovery Ltd.



DR HUW JONES
Chief Executive Officer

Huw has over 35 years' experience of senior leadership roles in public and private R&D-based companies within the biotechnology and pharmaceutical sector including CV Therapeutics Inc, Elan Corporation plc and SB (GSK plc). 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 and Chair of biotech membership organisation BioUK (formerly OBN). Huw holds a PhD in pharmacology from the University of Birmingham, UK.



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 developing novel treatments for medical conditions with significant unmet needs. Toni has an MBA from the Helsinki School of Economics (currently Aalto University).

BOARD OF DIRECTORS CONTINUED



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 also CEO of 4C Biomed. He is the former chief medical officer of 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.



EDWARD WARDLE
Non-Executive Director

Edward Wardle is a board-level advisor and creative technology executive with a track record of helping innovation-led businesses maximise growth and articulate their value. As Founder-Director and Chief Creative Officer of an award-winning immersive technology company, he led strategy, technology development and brand positioning. Edward currently serves in executive and advisory roles with AIM-listed Ironveld plc and investment firm Northern Standard, where he works closely with boards and management teams on market positioning, stakeholder engagement, and growth strategy. He is also on the board of Thalia Therapeutics plc (formerly N4 Pharma plc). A graduate of the University of Oxford, Edward brings a particular focus on the intersection of capital markets, narrative, and technology – helping companies communicate complex innovation clearly and compellingly.

CORPORATE GOVERNANCE REPORT

The Board applies the Quoted Companies Alliance (“QCA”) Corporate Governance Code 2023 (the “QCA Code”), which the Directors consider appropriate for a company of the Group’s size, stage of development and complexity.

The Board is committed to maintaining high standards of corporate governance and applies the principles and recommendations of the QCA Code in a manner proportionate to the Group’s circumstances.

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.

Governance developments during the year

During the year, the Board continued to review the Group’s governance arrangements as it progressed its lead programme towards clinical development and continued to develop its shareholder and stakeholder relationships. A significant governance development during the year was the appointment of Edward Wardle as a Non-Executive Director. The Board considered the appropriate balance of executive, independent and shareholder representation and established arrangements to manage potential conflicts of interest arising from his appointment.

The Board also continued to review its risk management, internal control and remuneration arrangements in light of the Group’s development programmes and funding requirements. Further information on the principal challenges and risks considered by the Board is set out in the Strategic Report, including the Principal Risks and Uncertainties on pages 16-17.

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 Chair, two Executive Directors and two other Non-Executive Directors. The Board considers the Chair and one Non-Executive Director to be independent. The remaining Non-Executive Director was nominated by a significant shareholder and is therefore not considered independent under the Group’s governance framework.

The Chair and Non-Executive Directors receive a fee for their services. They do not participate in performance-related remuneration arrangements. 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 objectives.

The Board recognises the importance of identifying and managing actual or potential conflicts of interest. Where matters arise in which a Director has, or may reasonably be perceived to have, a conflict of interest, that Director is required to declare the nature of the interest and, where appropriate, may be excluded from discussions and / or decisions relating to the matter. The Board considers these arrangements appropriate to ensure that decisions are taken in the best interests of the Company and all shareholders.

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 Chair and Non-Executive Directors 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. During the period there were no external advice on significant matters.

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	8/10	3/3	6/6
Dr Alastair Smith	9/10	3/3	6/6
Dr Huw Jones	10/10	—	—
Toni Haenninen	10/10	—	—
Edward Wardle	7/7	—	—

Dr Alastair Smith and Dr Alan Barge are considered to be independent Non-Executive Directors. All Non-Executive Directors are required to work a minimum of two days per month. Edward Wardle attended all the relevant meetings to his appointment. 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 pages 16-17. 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 pre-clinical and 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 15.

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

The Board recognises the importance of regularly evaluating its effectiveness, including the performance of the Board as a whole, its Committees and individual Directors. The Chair is responsible for ensuring that the Board operates effectively and that appropriate performance discussions take place.

During the year, the Board assessed its effectiveness through regular Board discussions, consideration of Board and Committee attendance and contribution, review of Board composition and skills, and ongoing assessment of the Group's strategic and operational requirements. The performance and contribution of the Executive Directors were also considered during the year.

Given the changes to the composition of the Board during and subsequent to the year, including the appointment of Edward Wardle as a Non-Executive Director, the Board considered that a formal structured Board evaluation during the year would have provided limited additional benefit while the Board was still evolving. Nevertheless, the Board continued to review its effectiveness and the contribution of individual Directors on an ongoing basis and considered the current composition and Board processes appropriate for the Group's needs.

The Board intends to undertake a formal annual evaluation of the Board, its Committees and individual Directors going forward. The Board will periodically consider whether an externally facilitated evaluation would provide additional benefit as the Group develops.

Board Succession

The Board reviews succession planning regularly and considers the skills, experience and capabilities required to support the Group's development. Given the recent strengthening of the Board, the Board does not currently consider that any immediate Board appointments are required. However, succession planning remains an ongoing Board responsibility and the composition and capabilities of the Board will be reviewed as the Group progresses towards clinical development and its organisational requirements evolve.

The Board also considers contingency arrangements for the temporary or unexpected absence of key Directors and senior management.

DR ALASTAIR SMITH

Chair

25 September 2026

REMUNERATION COMMITTEE REPORT

From 01 April 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.

The remuneration arrangements for Non-Executive Directors are intentionally structured differently from those of Executive Directors. Non-Executive Directors receive fixed fees reflecting their responsibilities and time commitment and do not participate in performance-related remuneration arrangements, supporting their independence and ability to provide objective oversight and challenge to management.

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).
- TheraCryf plc Long Term Incentive Plan 2025 (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 2026 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 2026 were set by the Remuneration Committee and include Group corporate performance targets.

REMUNERATION COMMITTEE REPORT CONTINUED

Short term incentives – Annual Bonus continued

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.

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	1 January 2024	6 months

Non-Executive Directors

Non-Executive Directors have entered into Letters of Appointment with the Company, with the Board determining their fees having regard to market comparatives, the responsibilities and time commitment of the role and the requirements of the Company.

Non-Executive Directors receive fixed fees for their services and do not participate in the Group's bonus, pension or other performance-related remuneration arrangements. Their remuneration is not linked to the financial or operational performance of the Group.

Any payment made in shares or equity instruments in lieu of cash fees would represent payment of the fixed fee and would not be subject to performance conditions.

Appointments are terminable on one month's notice by either party. The contractual terms for Non-Executive Directors are reviewed by the Board annually.

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 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 2026

The Directors received the following remuneration during the year:

	Salaries and fees £	Taxable benefits £	Pension contributions £	Total year ended 31 March 2026 £	Salaries and fees £	Taxable benefits £	Bonuses £	Pension contributions £	Total year ended 31 March 2025 £
Executive									
Dr Huw Jones*	193,083	8,896	21,500	223,479	175,583	7,107	—	21,500	204,191
Toni Haenninen**	176,354	—	—	176,354	160,208	—	—	—	160,208
Non-Executive									
Dr Alastair Smith***	45,810	—	—	45,810	—	—	—	—	—
Dr Susan Foden	—	—	—	—	17,355	—	—	—	17,355
Dr Alan Barge	22,163	—	—	22,163	14,742	—	—	—	14,742
Edward Wardle	16,500	—	—	16,500	—	—	—	—	—
	453,910	8,896	21,500	484,306	367,889	7,107	—	21,500	396,496

* Consideration in 2026 included fees of £21,083 paid to Daffodil Consulting LLP, a related party as detailed in note 22.

** Consideration in 2026 included fees of £164,063 paid to Borealito GmbH, a related party as detailed in note 22.

*** Consideration for year to 31 March 2026 was by way of the issue of ordinary shares in lieu of cash payment, to help extend the Company's cash resources.

Following the successful fundraise in March 2025, the board deemed that was appropriate to revert to original salaries after 2 years of voluntary reductions to preserve cash runway. Additionally inflationary adjustments were made for executive directors. Dr Alastair Smith agreed to receive his salary for at least for the first 12 months in shares in lieu of cash.

Directors' shareholdings

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

	At 31 March 2026	At 31 March 2025
Ordinary shares of 0.25p each		
Executive		
Dr Huw Jones	5,184,793	5,184,793
Toni Haenninen*	3,000,000	3,000,000
Non-Executive		
Dr Alastair Smith	22,324,000	4,000,000
Edward Wardle**	422,727,272	

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

** Includes Northern Standard Limited an entity that he holds 49% interest in.

Bonus

In recognition of the management's delivery of programmes being implemented on time and to budget in a difficult funding environment, the Committee determined that it was appropriate to pay partial cash bonuses for the bonus qualifying year 2025-2026. The Committee reserved the right to pay additional bonuses in cash or shares in the future should the financial standing of the Company allow it. The partial cash bonuses for all employees, calculated by consideration of achievement of corporate goals in the year have been made post-period 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.

Options were granted during the year 2025 / 26 under the LTIP scheme. In order to align senior management with shareholder interests, these options vest under certain conditions. 75% vest on share price increases up to 10 fold from the 2025 placing and 25% on the filing of regulatory permissions for phase 1 clinical trials for the Company's Ox-1 blocker. During 2025 / 26 there were options granted in lieu of bonuses, there are no specific vesting conditions for these options.

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

Director	Plan	Date of grant	At 1 April 2025	Granted during the period	Lapsed / cancelled during the period	Exercised during the period	At 31 March 2026	Price per share (pence)	Date from which exercisable	Expiry Date
Dr Huw Jones	Non-LTIP	29 Aug 24	6,991,739	—	—	—	6,991,739	0.0025	01 Apr 25	30 Aug 34
	Non-LTIP	29 Aug 24	3,902,499	—	—	—	3,902,499	0.0025	29 Aug 24	30 Aug 34
	Non-LTIP	01 May 25	—	21,647,501	—	—	21,647,501	0.0025	01 Apr 26	02 May 35
	LTIP	01 May 25	—	50,150,346	—	—	50,150,346	0.0025	Conditional*	02 May 35
			10,894,238	71,797,847	—	—	82,692,085			
Toni Haenninen	Non-LTIP	29 Aug 24	3,029,925	—	—	—	3,029,925	0.0025	01 Apr 25	30 Aug 34
	Non-LTIP	01 May 25	—	14,722,875	—	—	14,722,875	0.0025	01 Apr 26	02 May 35
	LTIP	01 May 25	—	38,499,321	—	—	38,499,321	0.0025	Conditional*	02 May 35
			3,029,925	53,222,196	—	—	56,252,121			
Dr Alastair Smith	LTIP	01 May 25	—	34,193,418	—	—	34,193,418	0.0025	Conditional*	02 May 35
			13,924,163	159,213,461	—	—	173,137,624			

* Conditional exercisable as follows, 75% share price target and 25% regulatory filings.

DR ALAN BARGE

Remuneration Committee Chair

25 September 2026

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 2026, 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 2026, the interim results for the six months to 30 September 2025 and the external auditor's plan for the 2025 and 2026 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. The key findings noted by the auditor were the carrying value of the intercompany receivable, business combinations and the material uncertainty related to going concern, as referenced in the independent auditors report on pages 34-37.

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 UK Audit LLP 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.

The Audit Committee has given consideration to the going concern basis of accounting adopted in preparing the financial statements and to the material uncertainty in relation to going concern disclosed in the Directors' Report and in the notes to the financial statements.

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

25 September 2026

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2026

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 2026.

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
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 2026 are presented on page 38. The Group's net loss after tax for the year was £3.5m (2025: £1.9m). No dividends have been paid in this or the prior year. Post period end, the Company raised £1.05m gross through a Placement and a Subscription. There have been no other 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.

Streamlined Energy and Carbon Reporting

The Group is a low energy user for the purposes of the Streamlined Energy and Carbon Reporting ("SECR") requirements. During the year ended 31 March 2026, the Group consumed 40,000 kWh or less of energy. Accordingly, the Group is exempt from the detailed energy and carbon disclosures required under the SECR regulations.

Authority to issue shares

At the Annual General Meeting on 09 July 2025 authority was sought from shareholders to allow the Directors to allot relevant securities up to an aggregate nominal value of £1,700,000 representing approximately one-third of the issued share capital, and to allot for cash equity securities having a nominal value not exceeding in aggregate £1,000,000 (being approximately 20% of the issued share capital).

Substantial shareholdings

At 18 September 2026, 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:

Major Shareholders	Number of shares held	% of issued share capital
Northern Standard Limited	568,958,456	20.82%
First Equity Limited	310,700,000	11.37%
T and I Limited	160,000,000	5.86%
Hargreaves Lansdown Asset Management	97,169,819	3.56%

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

Going concern

At 31 March 2026, the Group had cash, cash equivalents and short term investments of £1.5 million. Post period end, the Company conducted a fundraise via a Placement and a subscription, and raised £1.05m gross. The Directors consider the successful completion of this fundraising to be evidence of continued investor support for the Group's development strategy.

The Directors have prepared detailed cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements. The forecasts incorporate assumptions regarding research and development expenditure, clinical and regulatory activities, operating costs and the Group's funding requirements.

Whilst the September 2026 fundraising strengthened the Group's liquidity position, the proceeds are not sufficient on their own to fund the Group's operations throughout the forecast period. Accordingly, management has implemented measures to preserve cash resources and continues to pursue additional funding opportunities, including non-dilutive funding opportunities.

The Directors' forecasts indicate that additional funding will be required during the period of at least twelve months from the date of approval of these financial statements. Whilst the Directors have a reasonable expectation that additional funding can be obtained, no binding funding arrangements were in place at the date of approval of these financial statements.

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 end of the first quarter of 2027

Accordingly, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after considering the forecasts prepared, the successful post year-end fundraising, the Group's history of obtaining funding and the mitigating actions available to management, the Directors have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Financial Risk Management and Policies

See note 21 on pages 60-61 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 2026 AGM of the Company on 22 October 2026 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

25 September 2026

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 group financial statements in accordance with UK-adopted International Accounting Standards. The directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and 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 and the Company 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. for the group financial statements, 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.

THERE IS INCREASING COMMERCIAL INTEREST IN NEUROPSYCHIATRY FROM PHARMA COMPANIES

This interest is driven by a combination of high unmet medical needs, advancements in understanding brain biology, and the potential for high-value returns through precision medicine.

We believe 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, followed by a second programme addressing fatigue with a novel dopamine transporter inhibitor (DAT).

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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 2026 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 2026 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**
- Business combinations
- Parent Company**
- Impairment of intercompany receivables

Materiality

- Group**
- Overall materiality: £267,000 (2025: £209,000)
 - Performance materiality: £200,000 (2025: £157,000)
- Parent Company**
- Overall materiality: £245,000 (2025: £172,000)
 - Performance materiality: £183,000 (2025: £129,000)

Scope

Our audit procedures covered 98% of total assets and 92% 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.

In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Business Combination

Key audit matter description

During the year the group finalised the acquisition of Chronos Therapeutics Limited in which they acquired 100% of the share capital on 5 April 2024 for an initial consideration of £983k and a contingent consideration of £1,000k. The acquisition has been accounted for as a business combination under IFRS 3 “Business Combinations” as explained in note 12 of the financial statements with the related key sources of judgement and estimation uncertainty disclosed in note 1. The purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values in accordance with IFRS 3 “Business Combinations”. The purchase price allocation (PPA) assessment involves both management judgement and the use of forward-looking estimates. Due to the significance of the estimates and judgements associated with the fair value accounting of the acquisition including the quantum of intangible assets (£2,558k) recognised in the consolidated financial statements, we consider this is a key audit matter.

How the matter was addressed in the audit

- Our audit work in relation to the acquisition accounting of the two entities included the following, we have:
- Obtained an understanding of the transaction via enquiries of management and evaluation of the signed purchase price agreement.
 - Assessed whether the accounting treatment applied was in accordance with the requirements of IFRS 3 “Business Combinations” and was consistent with the underlying terms of the purchase agreement.
 - Obtained an understanding of the process adopted by management to derive the fair value of consideration and acquired assets and liabilities for the acquisition including separately identifiable intangible assets.
 - We have evaluated the reasonableness of the valuation methodologies (inclusive of the assessment regarding contingent consideration) applied and the conclusions reached and evaluated the reasonableness of significant assumptions including the forecast future cashflows and discount rates. We have agreed sources of information to relevant publicly available information where appropriate.
 - Tested the mathematical accuracy of the valuation models.
 - Considered whether the financial statement disclosures in relation to the acquisitions were appropriate.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF THERACRYF PLC

Impairment of intercompany receivables (parent)

Key audit matter description	As a result of a number of historic transactions and ongoing financing relationship, the company only financial statements of Theracryf plc shows a large receivable balance from the subsidiary undertaking, Theracryf Pharma Ltd of £7.3 million at the 31 March 2026 (YE 2025: £10.6 million). For inter-group balances held with entities in a current or shareholder deficit position there is a potential that these recoverable balances may not be recovered in full. IFRS 9 Financial Instruments requires provision to be made for the inherent credit risk within such balances.
How the matter was addressed in the audit	In respect of the valuation of the ECL of the intercompany receivable balance, we have: • Obtained the intercompany matrix and assess the relative strength of the counterparty's statement of financial position; • Reviewed and challenging management's assessment and associated accounting treatment of the relevant scenarios regarding future prospects and consider whether the assessment meets the requirements of IFRS 9; • Gained an understanding of and challenged key assumptions within management's assessment of the carrying value of this balance including probability of the loss, the loss given default and the associated discounting factor; • Considered whether any provisions against the irrecoverable amounts are required and whether the carrying values are in line with management's assumptions; and • Reviewed the disclosures in the financial statements ensuring sufficient information provided around the estimates made by management.

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	£267,000 (2025: £209,000)	£245,000 (2025: £172,000)
Basis for determining overall materiality	7.5% of Results before taxes	7.5% of Results before taxes
Rationale for benchmark applied	Results before taxes chosen as net expenditure is a key measure of activity level	Results before taxes chosen as net expenditure is a key measure of activity level
Performance materiality	£200,000 (2025: £157,000)	£183,000 (2025: £129,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £13,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £12,000 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	1	89%	92%
Specific audit procedures	1	9%	0%
Total	2	98%	92%

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF THERACRYF PLC

Material uncertainty relating to going concern

We draw attention to note 2 on going concern in the financial statements, which indicates that the group is reliant upon external funding from the market to meet its liabilities as they fall due. The Group's forecasts indicate that additional funding will be required during the period of at least twelve months from the date of approval of these financial statements in order to continue its planned operations and development activities

As stated in note 2 on going concern, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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:

- Testing the mathematical accuracy of the cash flow and prepared by the directors, including sensitivity of those forecasts to changes in assumptions relating to future fundraising and costs.
- Assessing whether the forecasts have been prepared on a reasonable and appropriate basis and performing our own stress testing of the forecasts.
- Reviewing and challenging available evidence drawing upon knowledge obtained during the course of our audit to corroborate or contradict the assumptions that underpin the forecasts.
- Evaluating whether the mitigating actions identified by management in the event that additional revenue or funding were not achieved are feasible operationally, are within the control of management and can be actioned within the assumed timeframe.
- Comparing the budgeted results for the year ended 30 March 2026 to the actual outturn to inform our assessment regarding the accuracy of forecasts and management's ability to control costs.
- We have agreed receipt of funding received and discussed management's plans for obtaining alternative funding.

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

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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE MEMBERS OF THERACRYF PLC

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.

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 audit engagement team included:
UK-adopted IAS and Companies Act 2006;	Review of the financial statement disclosures and testing to supporting documentation;
UK Tax compliance legislation; and Listing rules	Review of the tax workings prepared, including discussion with inhouse tax advisors when required ; 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; Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and Performing unpredictability testing on a previously untested area of the financial statements to identify any unusual transactions that may be indicators of fraud.

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.

Graham Bond FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
13th Floor, 100 Old Hall Street
Liverpool, L3 9QJ
United Kingdom

25 September 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Revenue	3	—	—
Operating expenses			
Operating expenses		(3,460)	(2,007)
Share based compensation	20	(235)	(117)
Total operating expenses		(3,695)	(2,124)
Operating loss	4	(3,695)	(2,124)
Finance income	5	108	5
Other income	6	19	34
Loss on ordinary activities before taxation		(3,568)	(2,085)
Taxation	9	37	144
Loss and total comprehensive expense attributable to equity holders of the parent for the year		(3,531)	(1,941)
Loss per share attributable to equity holders of the parent (pence)			
Basic loss per share	10	(0.16)	(0.36)
Diluted loss per share	10	(0.16)	(0.36)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	Group		Company	
		As at	As at	As at	As at
		31 March	31 March	31 March	31 March
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
ASSETS					
Non-current assets					
Right of Use assets	11	10	—	10	—
Intangible assets	12	2,514	2,460	—	—
Investments in subsidiary undertakings	14	—	—	2,131	2,056
Balances due from group undertakings	15	—	—	7,284	10,620
Total non-current assets		2,524	2,460	9,425	12,676
Current assets					
Trade and other receivables	15	554	513	532	475
Current tax receivable		193	543	145	514
Short-term investments and cash on deposit	16	1,072	2,005	1,072	2,005
Cash and cash equivalents	16	471	2,109	437	2,013
Total current assets		2,290	5,170	2,186	5,007
Total assets		4,814	7,630	11,611	17,683
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	1,675	1,264	1,613	1,227
Lease liabilities	18	11	—	11	—
Total current liabilities		1,686	1,264	1,624	1,227
Non-current liabilities					
Deferred tax liability	17	411	398	—	—
Total non-current liabilities		411	398	—	—
Total liabilities		2,097	1,662	1,624	1,227
Equity					
Ordinary shares	19	5,372	5,324	5,372	5,324
Share premium	19	28,350	28,695	28,350	28,695
Merger reserve	19	2,067	2,067	—	—
Warrant reserve	19	342	—	342	—
Share based compensation	20	354	315	337	315
Retained deficit		(33,768)	(30,432)	(24,414)	(17,878)
Total equity attributable to equity holders of the parent		2,717	5,969	9,987	16,456
Total liabilities and equity		4,814	7,630	11,611	17,683

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 £6,748k (2025: £1,601k).

The financial statements on pages 38-62 were approved by the Board of Directors and authorised for issue on 25 September 2026 and were signed on its behalf by:

Dr Alastair Smith
Chair

25 September 2026

TheraCryf plc,
Registered number: 09246681

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Ordinary shares £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Share based compensation £'000	Retained deficit £'000	Total £'000
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)	5,969
Total comprehensive expense for the period	—	—	—	—	—	(3,531)	(3,531)
Transactions with owners							
Share issue – in lieu of fees	48	(3)	—	—	—	—	45
Share issue – lapsed options	—	—	—	—	(195)	195	—
Warrants issued	—	(342)	—	342	—	—	—
Share based compensation – share options	—	—	—	—	235	—	235
Total transactions with owners	48	(345)	—	342	40	195	280
Balance at 31 March 2026	5,372	28,350	2,067	342	354	(33,768)	2,717

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Ordinary shares £'000	Share premium £'000	Warrant reserve £'000	Share based compensation £'000	Retained deficit £'000	Total £'000
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
Total comprehensive expense for the period	—	—	—	—	(6,748)	(6,748)
Transactions with owners						
Share issue – in lieu of fees	48	(3)	—	—	—	45
Share issue – lapsed options	—	—	—	(213)	213	—
Warrants issued	—	(342)	342	—	—	—
Share based compensation – share options	—	—	—	235	—	235
Total transactions with owners	48	(345)	342	22	213	280
Balance at 31 March 2026	5,372	28,350	342	337	(24,414)	9,987

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Group	Company		
		Year ended	Year ended	Year ended	Year ended
		31 March	31 March	31 March	31 March
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Loss before taxation		(3,568)	(2,085)	(6,766)	(1,730)
Interest (income) / expense	5	(108)	(5)	(108)	(5)
Depreciation and amortisation	11/12	16	69	7	—
Impairment of intercompany loan	15	—	—	3,495	—
Share based compensation	20	235	117	210	117
Non-cash settlement of expenses		45	—	45	—
		(3,380)	(1,904)	(3,117)	(1,618)
Changes in working capital					
(Increase) / decrease in trade and other receivables	15	(41)	82	(216)	(331)
Increase / (decrease) in trade and other payables	17	379	(575)	353	(454)
Cash used in operations		338	(493)	137	(785)
Taxation received		387	30	387	—
Net cash used in operating activities		(2,655)	(2,367)	(2,593)	(2,403)
Cash flows generated / (used in) from investing activities					
Monies received from / (placed on) from fixed term deposit	16	933	(2,005)	933	(2,005)
Interest income	5	108	5	108	5
Net additions of right of use assets	18	(17)	—	(17)	—
Purchase of subsidiary, net of cash acquired	13	—	(75)	—	(84)
Net cash generated / (used in) from investing activities		1,024	(2,075)	1,024	(2,084)
Cash flows (used in) / generated from financing activities					
Proceeds from issue of shares	19	—	5,152	—	5,152
Cost of fundraise	19	—	(605)	—	(605)
Payments of lease liabilities		(7)	—	(7)	—
Net cash generated / (used in) from financing activities		(7)	4,547	(7)	4,547
Movements in cash and cash equivalents in the period		(1,638)	105	(1,576)	60
Cash and cash equivalents at start of period	16	2,109	2,004	2,013	1,953
Cash and cash equivalents at end of period	16	471	2,109	437	2,013
Short term investments / cash on deposits	16	1,072	2,005	1,072	2,005
Total cash, cash equivalents and short term deposits		1,543	4,114	1,509	4,018

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 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.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following standards and amendments to standards, which have been issued by the International Accounting Standards Board (IASB) and adopted for use in the UK, were in issue but not yet effective. The Group have not early adopted these standards.

The following standards and interpretations have an effective date after the date of these financial statements.

	UK effective date
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
IFRS 9 and 7 (Amendments) Classification and measurement of financial instruments	01 January 2026
Other narrow-scope amendments and annual improvements (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	01 January 2026

The Directors are currently assessing the impact of these standards and amendments. Based on preliminary assessments, none of these are expected to have a material effect on the Group in the future periods, except for changes to presentation and disclosures.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

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.

Going concern

The financial statements have been prepared on a going concern basis.

In assessing the appropriateness of this basis of preparation, the Directors considered the Group's financial position, available cash resources, forecast cash flows and expected funding requirements for a period of at least twelve months from the date of approval of these financial statements.

At 31 March 2026, the Group held cash and cash equivalents of £1.5 million. Subsequent to the year end, the Group completed an equity fundraising in September 2026 which generated gross proceeds of £1.05 million. Whilst this fundraising provided additional working capital and demonstrates continued investor support, the Group's forecasts indicate that additional funding will be required during the period of at least twelve months from the date of approval of these financial statements in order to continue its planned operations and development activities.

To preserve available resources, management has taken actions to reduce cash expenditure, including suspending production activities and carefully managing discretionary spending. The Directors have also continued to pursue additional sources of funding, including non-dilutive funding opportunities.

Whilst the Directors have a reasonable expectation that additional funding can be obtained, no binding funding arrangements were in place at the date of approval of these financial statements.

Consequently, the requirement for future funding represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

These financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.

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.

Intangible assets

Intangible assets with finite useful lives that are acquired externally are carried at cost less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives as below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

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 and warrants have been issued to certain suppliers. 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.

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.

The most significant financial asset relates to the intercompany debtors, representing funding requirements within the Group. The Directors have considered all aspects of IFRS 9 with respect to recognising the appropriate value of these financial instruments at the financial year end date, including credit risk and have concluded that there has been a material change in the credit risk which is further documented in note 15.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

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.

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 and is disclosed in note 12 in the financial statements.

Recoverability of intercompany receivable

At 31 March 2026, the gross carrying value of amounts owed by subsidiary undertakings was £7,284,000 (2025: £10,620,000). A lifetime expected credit loss allowance of £4,865,000 (2025: £1,370,000) has been recognised.

The assessment of the expected credit loss allowance requires significant estimation and judgement. In assessing the recoverability of the amounts owed by subsidiary undertakings, the Directors considered the extent to which the balances are expected to be repaid from the subsidiaries' future cash flows over time.

The assessment was based on management forecasts covering the next 10 years. These forecasts include assumptions regarding the expected revenue when a licensing deal may occur and the timing of cash generation. As the subsidiaries are at their current stage of development, the timing and amount of future cash flows are inherently uncertain.

The Directors considered a range of forecast cash flow scenarios, including scenarios in which the outstanding balances are not recovered in full. Each scenario was assigned a probability weighting based on the Directors' assessment of the subsidiaries' expected future performance, available funding and ability to generate sufficient cash flows to repay the amounts due.

The Directors considered the likelihood of different scenarios for a potential deal with a pharma company, a strategic partner or selling the asset standalone. In the current year, we have concluded that there is a significant increase in the expected credit loss when considering all of these factors and as such have incurred an impairment in the year totalling £3,495,000.

The resulting probability-weighted recoverable amount was compared with the gross carrying value of the receivables, resulting in the recognition of a lifetime expected credit loss allowance of £4,865,000.

Share-based payment charge

During the years ended 31 March 2026 and 31 March 2025, 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 2026 was £235,000 (year to 31 March 2025: £117,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION CONTINUED

Leasing commitments

The Group applies the leasing standard IFRS 16 Leases, to all contracts identified as lease at their inception, unless they are considered short-term or where the asset is of a low underlying value.

The Group has a lease contract in relation to its service office space. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

The Group recognises a right of use asset and a lease liability at the lease commencement date, at which point the Group assesses the term for which it is reasonably certain to hold that lease. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position. On a significant event, such as the lease reaching its expiry date or the likely exercise of a previously unrecognised break clause, the lease term is re-assessed by management as to how long we can be reasonably certain to stay in that property, and a new lease agreement or modification (if the change is made before the expiry date) is recognised for the re-assessed term.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Assets which fall into this category include office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The value of these leases is less than £5,000 per annum.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3. REVENUE

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 2026 £'000	Year ended 31 March 2025 £'000
Revenue recognised at a point in time		
Right-to-use license revenue	—	—
Total revenue	—	—

Revenues of £nil (Year to 31 March 2025: £nil) 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.

4. OPERATING LOSS

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Research and development expenses:		
Amortisation of licenses	9	70
Other research and development	1,526	328
Staff costs (including share based compensation) – note 8	1,234	801
Establishment and general:		
Depreciation of property, plant and equipment	—	—
Depreciation of right of use	7	—
Operating lease cost – land and buildings	8	12
Foreign exchange loss / (profit)	9	9
Other administrative expenses	901	904
Total operating expenses	3,694	2,124

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

5. FINANCE INCOME

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Bank interest receivable	108	5
Total finance income	108	5

6. OTHER INCOME

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Other income	19	34
Total other income	19	34

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. AUDITOR'S REMUNERATION

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

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Fees payable to the Group's auditors for the audit of:		
The consolidated and Company annual accounts	37	40
The subsidiary's annual accounts	9	10
Total audit fees	46	50
Audit related services	6	5
Total audit related fees	6	5
Other services	—	—
Total non-audit fees	—	—

8. EMPLOYEES AND DIRECTORS

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

	Group		Company	
	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Management	3	3	3	3
Administration	2	2	—	—
Development	2	2	1	1
Non-Executive	2	2	2	2
Average total persons employed	9	9	6	6

As at 31 March 2026 the Group had 9 employees (31 March 2025: 9)

Staff costs in respect of these employees were:

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Wages and salaries	840	563	652	414
Employers National Insurance	101	67	75	50
Employers pension costs	59	54	46	41
Total payrolled employee costs	1,000	684	773	505
Share based compensation	235	117	210	117
Total employee costs	1,235	801	983	622

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 (2025: one).

The total remuneration of the highest paid Director excluding grants of share options was £223,479 (31 March 2025: £204,191).

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. EMPLOYEES AND DIRECTORS CONTINUED

Aggregate emoluments of Directors:

	Group and Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Salaries, fees and other short-term employee benefits	417	375
Employers National Insurance	25	25
Pension contributions	22	22
Ordinary shares in lieu of cash payment	46	—
Options vesting under share option schemes	—	—
Total remuneration including vesting of share options and ordinary shares	510	422

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

9. TAXATION

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current tax		
Current period – UK corporation tax	—	—
R&D tax credit	91	158
Adjustments in respect of prior periods	(54)	(14)
Net tax credit	37	144

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

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Loss on ordinary activities before taxation	(3,568)	(2,085)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 25% (2025: 25%)	(892)	(521)
Effects of:		
Losses not recognised	892	521
R&D tax credit	(91)	(158)
Adjustments in respect of prior periods	54	14
Tax credit for the year	(37)	(144)

The enacted UK corporation tax rate of 25% forms the basis for the deferred tax calculation (2025: 25%).

At 31 March 2026, the Group had tax losses available for carry forward of approximately £36.6m (31 March 2025: £33.6m).
The Group has not recognised deferred tax assets relating to these losses of £9.2m (2025: £8.4m).

At 31 March 2026, the Company had tax losses available for carry forward of approximately £19.8m (31 March 2025: £17.0m).
The Company has not recognised deferred tax assets relating to these losses of £5.0m (2025: £4.3m).

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 2026 the Group had 489,136,244 (2025: 29,315,373) share options and warrants 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 2026 £'000	Year ended 31 March 2025 £'000
Loss for the year attributable to equity holders for basic loss and adjusted for the effects of dilution	(3,531)	(1,941)
	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Weighted average number of ordinary shares for basic loss per share	2,147,321,052	538,311,037
Effect of potentially dilutive ordinary shares:		
Share options	—	21,982,557
Ordinary share in issue for purposes of diluted EPS	2,147,321,052	560,293,594
	Year ended 31 March 2026 Pence	Year ended 31 March 2025 Pence
Loss per share – basic and diluted	(0.16)	(0.36)

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.

11. TANGIBLE ASSETS

Group	Right of use assets £'000
Cost	
At 31 March 2024	—
Additions	—
At 31 March 2025	—
Additions	17
At 31 March 2026	17
Amortisation	
At 31 March 2024	—
Charge for the period	—
At 31 March 2025	—
Charge for the period	7
At 31 March 2026	7
Net Book Value	
At 31 March 2024	—
At 31 March 2025	—
At 31 March 2026	10

The Group recognises right of use assets with respect to its office lease.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12. INTANGIBLE ASSETS

Group	Patents and licences £'000
Cost	
At 31 March 2024	168
Additions	2,495
At 31 March 2025	2,663
Additions	63
At 31 March 2026	2,726
Amortisation	
At 31 March 2024	134
Charge for the period	70
At 31 March 2025	203
Charge for the period	9
At 31 March 2026	212
Net Book Value	
At 31 March 2024	34
At 31 March 2025	2,460
At 31 March 2026	2,514

Intangible assets constitute patents and 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 considers that the intangible assets acquired as part business combination, are not approved for commercial use, and hence not amortised.

The Group continually monitors events and changes in circumstances that could indicate that the intangible assets may be impaired. As at 31 March 2026, the Company had no intangible assets (31 March 2025: £nil).

13. 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.

In the financial year 31 March 2025, the Group 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 successful completion of Phase 1. Given the current early stage of the development programme the Board have deemed it prudent to recognise contingent consideration liability equivalent to 55.2% of the £1.0m and 30% on the remaining £1.5m. All additional consideration will be settled in shares.

In the financial year 31 March 2026, the Group has recognised an additional contingent consideration liability of £50k. A year on from the start of the development programme, the Board have deemed it prudent to recognise a contingent consideration liability equivalent to 60% of the £1.0m and 30% of the remaining £1.5m.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. BUSINESS COMBINATIONS CONTINUED

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	2,054	2,558
Cash and cash equivalent	9	—	9
Deferred tax liability	—	(411)	(411)
Trade and other receivables	12	—	12
Trade and other payables	(135)	—	(135)
Total identifiable assets	390	1,643	2,033
Total consideration	—	—	2,033
Satisfied by:			
Initial cash consideration	—	—	84
Initial shares consideration	—	—	899
Contingent consideration	—	—	1,050
	—	—	2,033
Cashflow			
Initial cash consideration	—	—	84
Cash acquired	—	—	(9)
Net cashflow impact of acquisition	—	—	75

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

The consolidated financial statements of the Group as at 31 March 2026 include the following in relation:

Company	Investments in subsidiary undertakings £'000	Total £'000		
Cost				
At 31 March 2024	73	73		
Additions	1,983	1,983		
At 31 March 2025	2,056	2,056		
Additions	75	75		
At 31 March 2026	2,131	2,131		
Net Book Value				
At 31 March 2024	73	73		
At 31 March 2025	2,056	2,056		
At 31 March 2026	2,131	2,131		
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 £98,110 (2025: £73,000) and Chronos Therapeutics Limited £2,033,000 (2025: £1,983,000) with no impairments. For details on the Group's assessment of intercompany loan impairment refer to note 2.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Amounts receivable within one year				
Trade receivables	378	387	378	387
Other receivables	49	17	30	—
Other taxation and social security	29	65	27	47
Prepayments	98	43	97	41
Trade and other receivables	554	513	532	475
Balances due in greater than 1 year – amounts due from Group undertakings	—	—	7,284	10,620

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 21. 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 £11,855k (2025: £11,692k) and a loan to Chronos Therapeutics Limited for £294k (2025: £287k). 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 £3,495k impairment (2025: £nil) to the intercompany loans under IFRS 9 as set out in note 2 in addition to the historic impairment of £1,370k. The carrying value of the loan due from TheraCryf Pharma Limited at the balance sheet date was £6,990k (2025: £10,322k).

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.

16. CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Short-term investments and cash on deposit	1,072	2,005	1,072	2,005
Cash at bank and in hand	471	2,109	437	2,013
Total	1,543	4,114	1,509	4,018

At 31 March 2026, £1.1m cash or cash equivalents were held on deposit in both the Group or the Company (31 March 2025: £2.0m).

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 21.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. TRADE AND OTHER PAYABLES

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Amounts falling due within one year				
Trade payables	279	106	276	95
Other taxation and social security	26	21	21	17
Other payables*	1,055	1,005	1,053	1,003
Accrued expenses	315	132	263	112
Trade and other payables	1,675	1,264	1,613	1,227
Balances due in greater than 1 year				
Deferred tax liability	411	398	—	—
Total non-current liabilities	411	398	—	—

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.

* Included within other payables is the contingent consideration liability of £1.05m related to the acquisition of Chronos Therapeutics Limited refer to note 13.

18. LEASE LIABILITIES

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current liabilities				
Lease liabilities	11	—	11	—
	11	—	11	—

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted the lease payments using its incremental borrowing rate at the time the lease is initially recognised. The discount rate used for calculating the present value of current lease liabilities is 7.75%.

Lease liabilities are deemed to be secured against the right of use assets to which they relate.

	£'000
2026	
Balance at 01 April 2025	—
Cash outflow	(7)
New leases	17
Interest on lease liabilities	1
As at 31 March 2026	11

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. ISSUED CAPITAL AND RESERVES

	Group and Company			Total £'000
	Number	Share Capital £'000	Share Premium £'000	
Ordinary shares of 0.25p each				
As at 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
Shares issued in lieu of fees	19,341,317	48	—	48
Expenses of share issue under in lieu of fees	—	—	(3)	(3)
At 31 March 2026	2,148,963,739	5,372	28,692	34,064

On 01 May 2025, 18,324,000 ordinary shares of 0.25p were issued at a price of 0.25p to the Non-Executive Chair of the Company in lieu of cash remuneration.

Also on 01 May 2025, 1,017,317 ordinary shares of 0.25p were issued at a price of 0.25p to service providers in lieu of contractual amount owed.

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 2026 and 2025 arose from the acquisition of TheraCryf Pharma Limited, in 2014 which is accounted for using the merger method of accounting.

The warrant reserve reflects the aggregate fair value of warrants issued to investors and commercial advisors.

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

20. 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 2025: 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 2026 the Company had 318,844,353 (2025: 29,315,374) unissued ordinary shares of £0.25 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
14-Dec-22	291,905	—	14-Dec-25	14-Dec-32
29-Aug-24	18,656,839	0.25	01-Apr-25	30-Aug-34
29-Aug-24	10,074,739	0.25	29-Aug-24	30-Aug-34
01-May-25	68,221,085	0.25	01-Apr-26	02-May-35
01-May-25	221,599,785	0.25	01-May-27	02-May-35
Total	318,844,353			

Movements on share options during the year were as follows:

Exercise Price (pence)	At 01 April 2025	Granted	Exercised	Lapsed/ forfeited	At 31 March 2026	Date from which exercisable	Expiry date
Nil	291,891	—	—	(291,891)	—	21-Oct-15	21-Oct-25
Nil	291,905	—	—	—	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
0.25	—	68,221,085	—	—	68,221,085	01-Apr-26	02-May-35
0.25	—	221,599,785	—	—	221,599,785	01-May-27	02-May-35
Total	29,315,374	289,820,870	—	(291,891)	318,844,353		

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

	As at 31 March 2026		As at 31 March 2025	
	Number	WAEC (pence)	Number	WAEC (pence)
Outstanding at start of the year	29,315,374	0.0859	14,574,910	—
Granted	289,820,870	0.2500	28,731,578	0.2500
Exercised	—	—	—	—
Lapsed/cancelled	(291,891)	—	(13,991,115)	—
Outstanding at end of year	318,844,353	0.0225	29,315,374	0.0859
Exercisable at end of year	29,023,483	0.2475	10,074,739	0.2430

Options are only exercisable for cash. Options vest 3 years from grant subject to the achievement of shareholder return, and for more recent grants, corporate performance targets and time vesting. Options which do not vest lapse.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20. SHARE-BASED PAYMENTS CONTINUED

Grants in May 2025

Share options were granted to employees on 01 May 2025 pursuant to the LTIP scheme. The LTIP Options will only vest under certain conditions. 75% vest on share price increases up to 10 fold from the 2025 placing price and 25% on the filing of regulatory permissions for phase 1 clinical trials for the Company's Ox-1 blocker programme in addition and are exercisable between 3 years and 10 years of them being granted. The exercise price was set at 0.25 pence, being the average five-day volume weighted average price of the ordinary shares to 30 April 2025. The fair value benefit is measure using a Black Scholes model, taking into account the terms and conditions upon which the share options were issued.

Unapproved share options were granted to employees on 01 May 2025 in lieu of cash bonuses. The options granted are exercisable, at any time between 1 April 2026 and 10 years of them being granted.

For details on the Group's vesting options and conditions refer to the remuneration committee report in page 27.

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 2026 is £37,973 (2025: £117,281). 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 2.00 and 3.29 per cent, a volatility of between 60 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 9.03 years (2025: 9.32 years).

The weighted average fair value of options granted as of the grant date was £0.0022 (2025: £0.010).

The weighted average share price used in the Black Scholes model was £0.0070 (2025: £0.011).

Warrants

On 21 February 2025, the Group issued warrants to subscribe for a total of 170,000,000 Ordinary Shares at a price of 0.25p per Ordinary Share to the Broker Warrant. These warrants are subject to a vesting condition whereby they become exercisable only once the Company's share price reaches 0.50 pence per Ordinary Share, representing 100% increase over the placing price. These warrants are exercisable at any time and have an expiry date of five years from placing.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. 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 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
	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 at amortised cost per statement of financial position				
Trade receivables	378	387	378	387
Other receivables	49	17	30	—
Amounts due from subsidiary undertakings	—	—	7,284	10,620
Short-term investments and cash on deposit	1,072	2,005	1,072	2,005
Cash and cash equivalents	471	2,109	437	2,013
Total at amortised costs	1,970	4,518	9,201	15,025

	Group		Company	
	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
	Financial liabilities £'000	Financial liabilities £'000	Financial liabilities £'000	Financial liabilities £'000
Liabilities as at amortised costs per statement of financial position				
Trade payables	279	106	276	95
Other creditors and accruals	320	137	265	115
Lease liabilities	11	—	11	—
Total at amortised costs	610	243	552	210

Liabilities as at fair value per statement of financial position

	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
Contingent consideration	1,050	1,000	1,050	1,000
Total at fair value	1,050	1,000	1,050	1,000
Total	1,660	1,243	1,602	1,210

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 made where there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Currently the Group has limited sales and therefore trade receivables.

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 the Financial Currency Risk note opposite. 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 15. No collateral is held by the Group as security in relation to its financial assets.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. FINANCIAL RISK MANAGEMENT CONTINUED

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:

				2026
	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	1,072	—	—	1,072
Cash and cash equivalents	471	—	—	471
Trade receivables	—	—	—	—
Trade payables	(257)	—	(22)	(279)
Total	1,286	—	(22)	1,264

				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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22. 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 t/a BioUK, a company for which Dr. Huw Jones acts as a non-executive director and Chair, totalling £1,500 (2025: £1,800). The amount owed to OBN (UK) Ltd t/a BioUK at 31 March 2026 was £nil (31 March 2025: £nil).

During the year the Group purchased services from Daffodil Consulting LLP, a partnership for which Dr. Huw Jones is a designated member, totalling £32,651 (2025: £9,037). The amount owed to Daffodil Consulting LLP at 31 March 2026 was £3,033 (31 March 2025: £nil).

During the year the Group purchased services from Borealito GmbH, a company controlled by Toni Haenninen, totalling £171,166 (2025: £156,831). The amount owed to Borealito GmbH at 31 March 2026 was £17,926 (31 March 2025: £16,688).

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 15.

Ultimate controlling party

The Directors consider there is no ultimate controlling party.

23. SUBSEQUENT EVENTS

On 27 May 2026, TheraCryf Australia Pty Ltd was incorporated in Australia as a wholly owned subsidiary of TheraCryf plc. TheraCryf plc holds 100% of the issued share capital of TheraCryf Australia Pty Ltd.

The incorporation of the subsidiary occurred after the reporting date and has therefore been treated as a non-adjusting event. No adjustments have been made to the amounts recognised in these financial statements.

In September 2026, the Company conducted a fundraise via a Placement and a Subscription and raised £1.05m gross by way of a placing of 416,388,888 Placing Shares and subscription for 166,944,440 Subscription Shares, with existing and new investors at an issue price of 0.18 pence per new Ordinary Share. As the fundraising occurred after the reporting date, the transaction represents a non-adjusting event and accordingly has not been reflected in the statement of financial position as at 31 March 2026.

ADDRESSES AND ADVISERS

THERACRYF PLC

Registered office:

Alderley Park, Congleton Road
Nether Alderley, SK10 4TG

Website: www.theracryf.com

Registered number: 09246681
Domiciled in the United Kingdom
Registered in England and Wales

STATUTORY AUDITORS

RSM UK Audit LLP

13th Floor, The Plaza, 100 Old Hall Street
Liverpool, L3 9QJ

NOMINATED ADVISER AND JOINT BROKER

Singer Capital Markets Advisory LLP

One Bartholomew Lane
London, EC2N 2AX

JOINT BROKER

Turner and Pope (TPI) Ltd

25 Bruton Street, Mayfair
London, W1J 6QH

REGISTRAR

SLC Registrars (a division of EQ)

Highdown House, Yeoman Way
Worthing, BN99 6DA

LEGAL ADVISERS

Osborne Clarke LLP

One London Wall
London, EC2Y 5EB

FINANCIAL PUBLIC RELATIONS

Northstar Communications

55 St Paul's Street
Leeds, LS1 2TE



THERACRYF PLC

Registered office:

Alderley Park, Congleton Road
Nether Alderley, SK10 4TG

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