

VIDAC PHARMA HOLDING PLC

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

Company registration number 13479728 (England and Wales)

VIDAC PHARMA HOLDING PLC

Company Information

DIRECTOR:

Max Herzberg
Yochai Richter
Christian Policard
Joseph Tenne

REGISTERED NUMBER:

13479728 (England and Wales)

COMPANY SECRETARY:

Nataliia Kronik

REGISTERED OFFICE:

20-22, Wenlock Road
London
England N1 7GU

AUDITORS:

Barzily & Co 19 Hartom St, (Beit-Binat), Har-Hotzvim
Jerusalem ,israel

VIDAC PHARMA HOLDING PLC

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VIDAC PHARMA HOLDING PLC

Strategic Report

The company is an investment holding company), with its primary activity being the holding of interests in its subsidiary. The principal activity of our subsidiary is the discovery and development of anticancer medicines. This subsidiary is registered and operating in Israel. The company does not have any branches either within the UK or internationally.

Review of business

The Directors are satisfied with the results for the company and the group for the reporting year. The group has successfully met its planned milestones in research and development activities within the allocated budget.

As anticipated, the parent company and the group incurred losses for the year ended 31 December 2024. In 2024 the group's primary focus was on the discovery and development of first-in-class anticancer medicines, which are expected to generate revenue and profits in the future. For the year ended 31 December 2024, the group incurred research and development costs of GBP'000 215. Overall, the group's after-tax losses amounted to GBP'000 1 386, and the group's net assets were negative GBP'000 650.

Principal risks and uncertainties

The group is exposed to risks associated with business operations, market conditions and finances:

Risk	Mitigations
<i>Clinical Drug Development Uncertainty:</i> Clinical trials are expensive and uncertain; failures or delays could harm the business.	• Conduct thorough preclinical studies. • Implement robust project management. • Diversify the product pipeline. • Secure partnerships to share costs and risks.
<i>Patent Protection Compliance:</i> Dependency on patent protection; noncompliance could reduce or eliminate protection.	• Establish a dedicated patent management team. • Implement a patent tracking system. • Engage experienced patent attorneys. • Regularly audit patent processes.
<i>Regulatory and Manufacturing Challenges:</i> Ongoing regulatory requirements and potential difficulties post-clinical trial completion.	• Develop a comprehensive regulatory strategy. • Maintain open communication with regulatory bodies. • Hire regulatory experts. • Invest in quality assurance systems. • Establish contingency plans.
<i>Ongoing Operating Losses:</i> The subsidiary has a history of operating losses and may continue to incur losses in the future.	• Monitor and manage operational expenses. • Focus on milestone achievements. • Explore diverse revenue streams. • Implement cost-saving initiatives.
<i>Financing Challenges:</i> The group could fail to obtain necessary financing, hindering its growth.	• Develop a comprehensive financing strategy. • Maintain strong investor relationships. • Demonstrate clear milestones to attract investment. • Explore strategic partnerships. • Implement robust cash flow management.

Financial key performance indicators

The following are the key performance indicators Directors are focused on:

- *Research and development costs:* The research and development costs were GBP'000 215 in 2024, reflecting decrease by 9% from GBP'000 237 in 2023. The group is in the ongoing process of developing its key products, thus the company expects the growth in R&D costs to continue year over year.

- *Operating cash flow:* Net cash used in operating activities was GBP'000 742 in 2024, reflecting an increase by 9% from GBP'000 682 in 2023. This increase is due to heightened marketing presence, investor and public relation.

- *Current ratio:* current ratio for the year 2024 was 0.42, compared to 0.13 in 2023. The company understands the importance of maintaining a high current ratio and is striving to achieve it. Nonetheless, due to growing operating needs, the current ratio remains low.

The group management regularly monitors its performance by producing periodic management reports.

VIDAC PHARMA HOLDING PLC

Future developments

The group is actively reviewing its activities while looking for opportunities to enhance its business by successfully finishing clinical research studies and launching the products on the markets. The Directors are confident that the group will be profitable once the products clinical study research are successfully completed and revenue targets will be achieved. The company is planning to look for financing through private placements, venture capital investment co-development deals with pharma companies and/or to embark on a journey towards listed in the Primärmarkt of Stock Exchange Düsseldorf with a view to a later inclusion of the shares to trading in the XETRA-System. This reflects the company's strategic vision of expanding its reach and unlocking new opportunities for growth and investment. Going listed in a main exchange and/or any of the other alternatives should help the company to raise substantial capital that will further fuel its research and development initiatives, as well as support the commercialisation of its groundbreaking products.

Future outlook

We look forward to realising incremental growth in the coming years. Our overall intent is to leverage strategic drivers and identify development opportunities for achieving sustainable and profitable growth.

Research and development

During the reporting period the company has undertaken research and development activities related to the products which are on the development stage, particularly for treating Actinic Keratosis and Cutaneous T-cell lymphoma.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy use under existing regulations. It is not required to report on its emissions, energy consumption or energy efficiency activities.

Implications on the business arising from the disruption caused by the wars in Israel and Ukraine

Although the wars in Israel and Ukraine have disrupted the global supply chain, demand, economy and from time to time the ongoing activities of the subsidiary, Directors do not expect any material impact on Vidac Pharma Holding Plc and its subsidiary business.

The Directors have forecast that the group's business has projected sufficient funds that will be available to settle its liabilities and maintain its planned budget spend over the next 12 months from the date of signing these accounts.

Purpose, strategy and values

The parent company was incorporated on 24 June 2021 to empower its subsidiary to unlock its full potential for the benefit of all stakeholders, while providing shareholders with a superior return on their investments and completing the development stage of the company's products and launching their production. This is being delivered through continuous improvements of the company's processes and adhering to the duty of a public company. The company's purpose and strategy are underpinned by the principles and values on which the group was founded. We act with integrity, honesty, transparency, and decisiveness. We invest in the research and development of the company's products. We provide opportunities to empower people to perform. These principles lie at the heart of the company's success and form the basis on which we strive for future success.

In executing our strategy, Directors must act in accordance with a set of general duties. These general duties include the duty to promote the success of the Company, and specifically to act in a way that the Director considers, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, having regard (amongst other matters) to the:

- likely consequences of any decisions in the long-term;
- interests of the company's and group's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between shareholders of the company.

It is noted that the

Directors have always acted in accordance with such duties in their decision-making and will continue to do so. Considering the additional disclosure requirements, we have set out below further details on how the Directors fulfilled their duties during the course of 2024.

Duty to promote the long-term success of the company

The Board has established an organisational structure with clear reporting procedures, lines of responsibility, and delegated authority, in line with the group's governance framework, which the Board reviews regularly. During 2024 the Board is ultimately accountable to the company's shareholders for setting the group's strategy and for overseeing the group's financial and operational performance in line with the company's strategic objectives. Implementation of the group's strategic objectives, as determined and overseen by the board, is delegated to senior management teams, with day-to-day operational management delegated to the business unit executive teams.

The Board cultivated strong relationships with key stakeholders so that it is well placed and sufficiently informed to take their considerations into account when making decisions where appropriate to discharge their legal obligations and to pursue the company's strategic objectives. Our purpose is to create long-term value for stakeholders, and in order to do this, we need to understand our stakeholders and what matters to them. Financial robustness is also an important part of this value-creation process, and we aim to provide our shareholders with sustained returns.

We currently operate (i) a no-dividend policy as the group focuses on deepening the development of the products; and (ii) a prudent approach to capital allocation that considers working capital requirements, investment, research and development, and capital distribution. For both (i) and (ii), relevant events and circumstances that have arisen during the relevant period are considered, alongside the interests of the company's shareholders as a whole, and the long-term viability of the company, including research and development. Building a stronger business is not limited purely to financial returns but also encompasses a wide range of non-financial improvement areas, including risk management and compliance, and environmental, social, and governance matters, all of which we seek to improve for the long-term. With this in mind, we apply the same high standards of responsible stewardship to our business as if it were to last forever. It is this approach to decision-making that requires the Directors to have regard to the likely consequences of decisions for the long-term. The Board is ultimately responsible for determining and reviewing the company's strategy, which during 2024 was very much focused on the development of the products. The Board has been, and continues to be, available to support the business in this area as and when required.

Duty to protect the interests of the company's and group's employees

We implemented development and training programs for our employees, creating a safe and motivating work environment. During 2024, we increased investment in professional development and employee well-being to support their motivation and productivity. Initiatives were developed and implemented to improve work-life balance and promote healthy living.

Duty to foster the company's business relationships with suppliers, customers and others

We have maintained and developed relationships with our key business partners, suppliers and others, striving for mutually beneficial cooperation. Our company actively participated in international pharmaceutical and investment communities, concluding strategic alliances and partnerships that contribute to expanding our presence in the global market.

Positive impact of the company's operations on the community and environment

Having regard to the impact of the company's operation on the community and environment in their decision making, the Directors need to have regard to the impact of the company's operations on the community and environment. The Board plays a constructive role in tackling issues through engagement and investment. It is important for the long-term future of our business that we protect and enhance the environment. Climate change will affect how much non-renewable energy is available and stakeholders are rightly concerned about the resilience of supplies and are looking to companies to adapt and take the necessary steps to reduce their climate change risk.

Having regard to the desirability of the company maintain a reputation for high standards of business conduct

The Board recognises that culture, values, and standards are key contributors to how a company creates and sustains value over the longer term, enabling it to maintain a reputation for high standards of business conduct. High standards of business conduct guide and assist in the Board's decision-making, and in doing so, help promote the company's success, recognising amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations. The standards set by the Board mandate certain requirements and behaviours with regard to the activities of the directors, the group's employees, and others associated with the group.

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Having regards to the need to act fairly as between shareholders of the company

The Company has one class of ordinary shares, all of which carry the same rights in respect of voting, dividends, and return of capital on a winding up. The Board is committed to treating all shareholders fairly and equally, ensuring that no shareholder gains an unfair advantage at the expense of others. Decisions are taken with regard to the interests of shareholders as a whole, and communications with shareholders are conducted in a transparent and consistent manner.

Strategic Report Approval

The Strategic Report was approved by the Board and signed on its behalf by:


.....
Max Herzberg - Director

Date: 17.9.25

VIDAC PHARMA HOLDING PLC

Directors' report

The Directors present their report with the consolidated financial statements of the group for the year ended the 31 December 2024. The consolidated financial statements comprise the financial statements of Vidac Pharma Holding Plc ('the parent company') and its subsidiary undertaking Vidac Pharma Ltd (together - 'the group').

Future developments and outlook

The future developments and outlook relating to the group are described in the Strategic Report and are therefore not repeated in the Directors' Report .

Dividends

No dividends will be distributed for the year ended 31 December 2024 (for the year ended 31 December 2023: nil).

Political contributions

During the year, the group did not make any political contributions (2023: nil).

Post statement of financial position events

Details of significant events (if any) since the statement of financial position date are contained in Note 24.

Directors

Max Herzberg held office from the 28 June 2021 until the date of issue of this report. Yochai Richter held office from the 20 May 2022 until date of issue of this report. Christian Policard and Joseph Tenne held office from the 15 May 2023 until date of issue of this report.

Going concern assessment

The Directors have assessed the ability of the group and the company to continue as a going concern/ including considering the impact of the recent and ongoing wars in Israel and Ukraine, and the results of this assessment are set out in Note 2.

Director's responsibility statement

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

Companies Act requires the Directors to prepare financial statements for each financial year. the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS)s . Under IFRS 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 company and the group and of the profit or loss of the group for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

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

Statement as to disclosure of information to the auditors

So far as the Directors are aware there is no relevant audit information of which the group's auditors are unaware, and they have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

VIDAC PHARMA HOLDING PLC

Directors' Report Approval

The Directors' Report was approved by the Board and signed on its behalf by:


.....
Max Herzberg - Director

Date: 17.9.25
.....

Independent Auditors' report

To the Shareholders of Vidac Pharma Holding Plc.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Vidac Pharma Holding Plc. (the "parent company"), and its subsidiary (the "group") which comprise the consolidated statement of financial position, Company Statement of Financial Position as of 31 December 2024 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Company Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the group incurred a net loss of GBP'000 1,386 during the year ended 31 December 2024 and accumulated losses amount to GBP'000 26,958 as at 31 December 2024. As stated in Note 2, these conditions, along with other matters as described therein, 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

As disclosed in Note 9 to the consolidated financial statements, the company holds 100% of the share capital of Vidac Pharma Ltd., which developed certain intellectual property (IP). The IP relates to pharmaceutical compounds currently under development for which no regulatory approval or commercialization has yet occurred. The company measured the investments in the subsidiary based on IFRS 9 at fair value. Management has determined the fair value of the subsidiary based on the value of the IP using the discounted cash flow model under the relief-from-royalty method, based on projected future cash flows from potential



future licensing revenues. This valuation involves significant estimation, uncertainty and management judgment, particularly with respect to assumptions regarding probability of technical and regulatory success (PTRS), market entry timelines, peak sales forecasts, applicable royalty rates, and the discount rate used. Given the early stage of development, absence of current revenues, and the inherent uncertainty in the pharmaceutical regulatory and commercialization process, we considered the valuation of the investment to be a key audit matter.

Our audit procedures related to the Company's assessment of the fair value of the investment in subsidiary included the following, among others:

- We assessed the valuation methodology used by the Company, with the assistance of our internal valuation specialists, evaluated the reasonableness of the significant assumptions described above.
- We tested the completeness and accuracy of the underlying data used in the discounted cash flow model.
- We performed sensitivity analyses of key assumptions to assess their impact on the estimated fair value of the investment.
- We obtained and reviewed a valuation report prepared by an accredited third-party appraiser engaged by the Company.
- We held discussions with management regarding its forecasts, the methodology used, and the business activities of the subsidiary to date.
- We reviewed relevant market data and industry reports used in the valuation.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

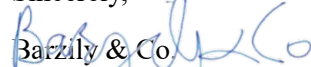
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 will always detect a material misstatement when it exists.

Sincerely,



Barzily & Co.
Certified Public Accountants

A Member of MSI Worldwide

Jerusalem, September 17, 2025



VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended the 31 December 2024

	Note	2024 GBP'000	2023 GBP'000
Revenue		-	-
Research and development expenses	5	(215)	(237)
General and administrative expenses	6	(895)	(973)
Operating loss		(1 110)	(1 210)
Finance costs, net	20	(276)	(65)
Loss before income tax		(1 386)	(1 275)
Income tax expense		-	-
Loss for the year		(1 386)	(1 275)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustment	13	228	21
Total comprehensive loss for the year		(1 158)	(1 254)
Loss per share attributable to the ordinary equity holders of the company	17		
Basic earnings per share		(0.000025)	(0.000024)
Diluted earnings per share		(0.000025)	(0.000024)

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Company Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Note	2024 GBP'000	2023 GBP'000
Revenue		-	-
Research and development expenses		-	-
General and administrative expenses	6	(603)	(748)
Operating loss		(603)	(748)
Finance costs, net	20	(248)	(54)
Loss before income tax		(851)	(802)
Income tax expense		-	-
Loss for the year		(851)	(802)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustment		(2 786)	
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of investment in subsidiary at FVOCI	11	43 945	10 165
Income tax relating to these items	11	(10 236)	(2 849)
Other comprehensive income which will not be reclassified subsequently to profit or loss for the year		30 923	7 316
Total comprehensive income for the year		30 072	6 514

The notes on pages 24 to 45 are an integral part of these financial statements.

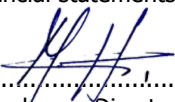
VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Consolidated Statement of Financial Position As of 31 December 2024

	Note	2024 GBP'000	2023 GBP'000
ASSETS			
Non-current assets			
Equipment		3	3
Total non-current assets		3	3
Current assets			
Receivables	7	24	54
Prepaid expenses		-	2
Cash at bank	8	440	60
Total current assets		464	116
Total assets		467	119
EQUITY AND LIABILITIES			
Equity			
Share capital	10	56 946	53 815
Share premium	10	51	51
Additional paid-in capital	10	6	6
Receivables for shares issued	10	(1 895)	-
Translation reserve		472	244
Other reserves	10	(29 272)	(29 300)
Accumulated losses	13	(26 958)	(25 572)
Total equity		(650)	(756)
Current liabilities			
Employee and payroll payables	15	2	14
Trade payables	15	72	198
Related party liabilities	18	661	485
Accrued expenses	15	62	36
Convertible loans	15;21	320	142
Total liabilities		1 117	875
Total equity and liabilities		467	119

The financial statements were approved by the Board and authorised for issue and were signed by


.....
Max Herzberg - Director

Date: 17.9.25
.....

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding PLC (Registered number: 13479728 England and Wales)

Company Statement of Financial Position As of 31 December 2024

	Note	2024 GBP'000	2023 GBP'000
ASSETS			
Non-current assets			
Investments in subsidiaries	9	112 590	70 840
Total non-current Assets		112 590	70 840
Current assets			
Receivables	7	-	52
Cash at bank	8	1	10
Total current assets		1	62
Total assets		112 591	70 902
EQUITY AND LIABILITIES			
Equity			
Share capital	10	56 946	53 815
Share premium	10	51	51
Additional paid-in capital	10	6	6
Receivables for shares issued		(1 895)	-
Translation reserve		(2 786)	
Fair value reserve through OCI, net of tax	11	47 023	13 286
Accumulated losses	13	(1 859)	(1 008)
Total equity		97 486	66 150
Non-current liabilities			
Deferred tax liabilities	12	14 665	4 429
Total non-current liabilities		14 665	4 429
Current liabilities			
Accrued expenses		49	
Convertible loans	15;21	320	142
Trade payables		71	181
Total current liabilities		440	323
Total liabilities		15 105	4 752
Total equity and liabilities		112 591	70 902

The financial statements were approved by the Board and authorised for issue and were signed by

.....
Max Herzberg - Director

Date: 17.9.25

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Share premium	Additional paid-in capital	Receivables for shares issued	Other reserve	Translation reserve	Accumulated losses	Total equity
	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000
Balance as of 31 December 2022	51 625	-	239	-	(28 538)	223	(24 297)	(748)
Comprehensive income for 2023:								
Loss for the year	-	-	-	-	-	-	(1 275)	(1 275)
Foreign currency translation differences						21		21
Total comprehensive income for the year	-	-	-	-	-	21	(1 275)	(1 254)
Transactions with owners in their capacity as owners:								
Issue of share capital	1 002	51	6		-	-	-	1 059
Issue of share capital for assumption of company liability	133							133
Transfer to share capital (conversion of funding arrangements)	1 055	-	(239)		(816)	-	-	-
Other equity movements	-	-	-		54	-	-	54
Total transactions with owners	2 190	51	(233)	-	(762)	-	-	1 246
Balance as of 31 December 2023	53 815	51	6	-	(29 300)	244	(25 572)	(756)
Comprehensive income for 2024:								
Loss a for the year	-	-	-	-	-	-	(1 386)	(1 386)
Foreign currency translation differences						228		228
Total comprehensive income for the year	-	-	-	-	-	228	(1 386)	(1 158)
Transactions with owners in their capacity as owners:								
' Issue of share capital for assumption of company liability	450			(184)				266
Issue of share capital	2 681	-	-	(1 711)	28	-	-	998
Total transactions with owners	3 131	-	-	(1 895)	28	-	-	1 264
Balance as of 31 December 2024	56 946	51	6	(1 895)	(29 272)	472	(26 958)	(650)

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Company Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Share premium	Additional paid-in capital	Receivables for shares issued	Fair value reserve	Translation reserve	Accumul ated losses	Total equity
	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000
Balance as of 31 December 2022	51 625	-	239	-	6 734		(206)	58 392
Comprehensive income for 2023:								
Loss for the year	-	-	-	-			(802)	(802)
Fair value reserve movement					7 316			7 316
Total comprehensive income for the year	-	-	-	-	7 316		(802)	6 514
Transactions with owners in their capacity as owners:								
Issue of share capital	1 002	51	6		-		-	1 059
Issue of share capital for assumption of company liability	133							133
Transfer to share capital (conversion of funding arrangements)	1 055	-	(239)		(816)		-	-
Other equity movements	-	-	-		52		-	52
Total transactions with owners	2 190	51	(233)		(764)	-	-	1 244
Balance as of 31 December 2023	53 815	51	6	-	13 286		(1 008)	66 150
Comprehensive income for 2024:								
Loss for the year	-	-	-	-			(851)	(851)
Fair value reserve movement					33 709			33 709
Foreign currency translation differences						(2 786)		(2 786)
Total comprehensive income for the year	-	-	-		33 709	(2 786)	(851)	30 072
Transactions with owners in their capacity as owners:								
'Issue of share capital for assumption of company liability	450			(184)				266
Issue of share capital	2 681	-	-	(1 711)	28		-	998
Total transactions with owners	3 131	-	-	(1 895)	28	-	-	1 264
Balance as of 31 December 2024	56 946	51	6	(1 895)	47 023	(2 786)	(1 859)	97 486

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Note	2024 GBP'000	2023 GBP'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss for the year		(1 386)	(1 275)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation		*	1
Finance income		-	(10)
Finance costs		40	7
Foreign exchange loss		220	64
Non-cash settlement of expenses		266	130
Other non-cash items		22	50
Changes in operating assets and liabilities items:			
(Increase)/ decrease in receivables		32	(3)
Increase/ (decrease) in trade payables		(126)	193
Increase/ (decrease) in accrued expenses		26	17
Increase/ (decrease) in employees and payroll accruals		(12)	9
Increase in related party liabilities		176	135
Net cash used in operating activities		(742)	(682)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash inflow from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance shares		998	392
Proceeds from loans received		149	323
Net cash inflow from financing activities		1 147	715
NET INCREASE IN CASH AND CASH EQUIVALENTS		405	33
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(25)	(7)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		60	34
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	440	60

* Less than GBP'000 1

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Company Statement of Cash Flows for the year ended 31 December 2024

	Note	2024 GBP'000	2023 GBP'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss for the year		(851)	(802)
Adjustments to reconcile net loss to net cash used in operating activities:			
Foreign exchange loss		202	64
Finance costs		40	(10)
Non-cash settlement of expenses		266	130
Changes in operating assets and liabilities items:			
(Increase)/ decrease in receivables		52	
Increase/(decrease) in trade payables		(110)	181
Increase/ (decrease) in accrued expenses		49	
Net cash used in operating activities		(352)	(437)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in subsidiary		(804)	(288)
Net cash outflow from investing activities		(804)	(288)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance shares		998	392
Proceeds from loans received		149	323
Net cash inflow from financing activities		1 147	715
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(9)	10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		10	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	1	10

* Less than GBP'000 1.

The notes on pages 24 to 45 are an integral part of these financial statements.

VIDAC PHARMA HOLDING PLC

Vidac Pharma Holding Plc (Registered number: 13479728 England and Wales)

Notes to the Consolidated And Company Financial Statements as of 31 December 2024

1. CORPORATE INFORMATION

VIDAC PHARMA HOLDING PLC was incorporated in England on 28 June 2021 as a private limited liability company and was re-registered as a public limited company on 26 May 2022.

The company is limited by shares, with its registered office at at 20-22 Wenlock Road, London, England, N1 7GU.

These financial statements present the financial information of VIDAC PHARMA HOLDING PLC ("the parent company") for the year ended 31 December 2024 and the consolidated financial statements encompass VIDAC PHARMA HOLDING PLC and its subsidiary (together "the group").

The registered office of Vidac Pharma Ltd ('subsidiary') is Weizmann Science Park, 7 Oppenheimer, Rehovot, Israel.

The beneficial owners of the group are Max Herzberg and Yochai Richter.

Principal activities

The principal activities of the group are, research and development activities in the in the field of biotechnology.

Group structure

The group consists of the company and its directly owned subsidiary. Information of the group structure is provided in Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation

The company and consolidated financial statements are prepared in accordance IFRS as adopted by the European Union (EU).

The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention, except were indicated otherwise.

The principal accounting policies adopted by the group in the preparation of the financial statements are set below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in Britain Pounds (GBP) rounded to the nearest thousand (GBP'000).

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Adoption of new or revised standards and interpretations

The group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The accounting policies applied are consistent with those of the previous financial year except as described below.

Standards and amendments adopted in the current year

The following amendments became effective for annual reporting periods beginning on or after 1 January 2024 and have been applied by the Group for the first time in these financial statements:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These amendments did not have a material impact on the Group's consolidated financial statements.

Standards and interpretations issued but not yet effective

At the date of authorisation of these consolidated financial statements, the following new and amended Standards and Interpretations had been issued by the IASB but were not yet effective and have not been early adopted by the Group:

Standard / Amendment	Effective date (annual periods beginning on or after)	Expected impact on the Group
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Will replace IAS 1 and introduce a new structure for primary financial statements, including new subtotals and enhanced disclosures. The Group expects the impact to be limited to presentation and disclosure; no effect on recognition or measurement.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Provides reduced disclosure requirements for eligible subsidiaries. The Group will assess eligibility; adoption would reduce disclosure volume but not affect measurement.
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	1 January 2026	Amendments address matters identified during the post-implementation review, including derecognition and contractual cash flow characteristics. The Group is assessing the impact, but does not expect material changes to recognition or measurement.
Other narrow-scope amendments and annual improvements	Various dates	Not expected to have a material effect on the Group's consolidated financial statements.

The Group does not intend to adopt any of the above Standards and amendments early. Management does not expect that their adoption will have a material impact on the consolidated financial statements of the Group in future periods, except for changes to presentation and disclosure.

No new IFRIC interpretations have been issued that are applicable to the Group.

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Going concern

The group is engaged in research and development of new anticancer medicine with no revenue from operations. The group incurred a pre-tax loss of GBP'000 1 386 for the year. The accumulated losses were GBP'000 26 958 as at the 31 December 2024. Management expects operating losses and negative operating cash flows to continue for the foreseeable future because of additional costs and expenses related to product development activities. Continued operation of the group is dependent upon future infusion of funds as the group meets their day-to-day working capital requirements by support of investors.

Considering the above, the group has assessed the going concern assumption based on which the financial statements have been prepared.

In order to analyse the impact of the risk of losing financing and the group's ability to continue as going concern management has prepared the revised financial forecast. Further the group secured additional funds from investment in 2024 and 2025 which is estimated to be sufficient for maintaining operation for the upcoming 12 months. These provide the evidence that the group is able to operate as a going concern.

Based on these steps undertaking by the group, management concluded that it is appropriate to prepare the financial statements on a going concern basis. However, due to the uncertain impact of the future developments, management concludes that a material uncertainty exists, which may cast significant doubt about the group's ability to continue as a going concern and, therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Business of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to noncontrolling interests are also recorded in equity.

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or retained earnings, as appropriate.

Business combinations under common control

IFRS (EU) provides no guidance on the accounting for common control transactions but requires that entities develop an accounting policy for them [IAS 8.10]. The two methods most commonly chosen for accounting for business combinations between entities under common control are (1) the acquisition method and (2) the predecessor values method. Once a method has been adopted it should be applied consistently as a matter of accounting policy. Neither IFRS 3 nor any other IFRS (EU) require or prohibit the application of either method to business combinations involving entities under common control.

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The group elected to apply predecessor values method for transactions under common control. The principles of predecessor accounting are:

- No assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. These are the carrying values that are related to the acquired entity. They are generally the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. This is because the transaction is under the control of that entity, and it is a portion of the controlling entity that is being moved around in the transaction. In some cases, the controlling party, that is, the party that controls both combining businesses, may not prepare consolidated financial statements. This can occur, for example, because it is not a parent company. In such situations, the book values used are those from the highest set of consolidated financial statements available. If no consolidated financial statements are produced, the values used are those from the financial statements of the acquired entity.
- No new goodwill arises in predecessor accounting. The combining entities are looked at from the perspective of a transfer made by the controlling party. The transaction is not seen as an equal exchange of values and a change of control from the date of the business combination. No goodwill beyond that recorded by the controlling party in relation to the acquiree can therefore arise. Predecessor accounting may lead to differences on consolidation. For example, there may be a difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity. The differences are included in equity in retained earnings or in a separate reserve.

The group incorporated the acquired entities results and statement of financial positions prospectively from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entities for the period before the transaction occurred. The corresponding amounts for the previous year are also not restated.

Foreign currencies

The consolidated financial statements are presented in British Pounds (GBP), which is the presentation currency of the Group. The Directors consider GBP to be the most appropriate presentation currency as the Company is incorporated as a UK public limited company. The parent company's functional currency is the Euro (EUR), reflecting the primary economic environment in which it incurs expenses and expects to receive funding and revenues. The subsidiary's functional currency is the United States Dollar (USD), reflecting its own economic environment. For each entity the group determines the functional currency and items included in the functional statements of each entity are measured using that functional currency which is the currency of the primary economic environment in which the entity operates.

Entities which their functional currency are different from the reporting currency were translated according to IAS 21 as follows:

- Income and expenses of foreign operations are translated at average rates (unless rates fluctuate significantly).
- Assets and liabilities are translated at closing rate.
- Exchange differences go to Other Comprehensive Income (OCI) under translation reserve.

The relevant exchange rates were:

Currency	Closing rate as of 31 December 2024	Average 2024	Closing rate as of 31 December 2023	Average 2023
GBP/EUR	1.2059	1.1814	1.1539	1.1492
GBP/USD	1.2574	1.2781	1.2747	1.2439

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Transactions and balances

Transactions in foreign currencies are initially recorded by the group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the items.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into British Pound (GBP) at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates prevailing during the year. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

Investments into subsidiaries (relates to parent company)

In the company's separate financial statements, investments in subsidiaries are measured at fair value through other comprehensive income (FVOCI) in accordance with IAS 27 and IFRS 9. This irrevocable election is applied to all subsidiaries. Investments are initially recognised and subsequently measured at fair value in accordance with IFRS 13. Changes in fair value are recognised in other comprehensive income and are not reclassified to profit or loss on disposal. Dividends received from subsidiaries are recognised in profit or loss when the right to receive payment is established, unless they represent a recovery of part of the investment cost.

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Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at the bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows, and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Property, plant and equipment

Property, plant and equipment are measured at acquisition cost.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Computers and peripheral equipment	33
Office equipment	7

The useful life and depreciation method of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

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Research and development expenses

Research and development (hereinafter – “R&D”) incurred in the development of the group’s technologies are charged to research and development expenses in the statement of profit and loss when incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the group can demonstrate all of the following:

- The technical feasibility of completing the development of the intangible asset so that it will be available for use or for sale;
- Its intention to complete the development of the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits, which includes the existence of a market for the output of the intangible asset or the intangible asset itself or, if the intangible asset is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development of, and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

As of 31 December 2024, the Group has not yet capitalised any development costs.

Government grants

The group has received from the Israeli Innovation Authority (IIA) fund the R&D activities and utilised research and are offset against related R&D expenses in the profit and loss statements. These grants are not recognised as liabilities at the receipt due to an assessment that future economic benefits from the R&D activities, which could result in royalty- bearing sales, are not expected.

Per IAS 20, grants are recognised when there is reasonable assurance that the conditions will be met and the grants received. They are recognised based on incurred cost.

The company reassesses the potential of future economics benefits at each reporting date. As of 31 December 2024, the assessment remains unchanged, and the royalty obligation is treated as a contingent liability under IAS 37, as the outflow of resources is not considered probable .

Share-based payments

The company measures the cost of equity-settled transactions with service providers based on the fair value of the services received the grant date. When the fair value of the services cannot be reliably measured, the fair value of the equity instruments issued is used. The cost is recognised as an expense with a corresponding increase in equity over the period the services are received.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares,
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to account for:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares,
- The weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

(iii) Loss per share

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If the company incurs a loss instead of earnings, diluted loss per share is the same as basic loss per share. This is because including potential dilutive instruments would decrease the loss per share, which would be anti-dilutive. As a result, no adjustments are made for dilutive potential ordinary shares when calculating loss per share.

Fair Value estimations

The company requires measuring the fair value of financial instruments using the following hierarchy:

- Quoted prices (unadjusted) in active markets where identical assets and liabilities are traded (level 1).
- Inputs other than quoted prices, which were not included in level 1, that are observable relating to the assets or liability, either directly (i.e., price) or indirectly (i.e., derived from the price) (level 2).
- Inputs about the asset or liability that are not based on observable market information (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers the observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Financial assets

Financial assets - Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depend on: (i) the company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL, except for trade and other receivables.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). Items of other comprehensive income will not be reclassified subsequently to profit or loss and will be reclassified subsequently to profit or loss when specific conditions are met.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

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Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price, which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for expected credit losses (ECL)

The company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the company applies general approach - three stage model for impairment. The company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally, the company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 21, Credit risk section for a description of how the Company determines low credit risk financial assets.

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Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written off, in whole or in part, when the company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The company may write-off financial assets that are still subject to enforcement activity when the company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities - modifications

An exchange between the company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

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If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Share capital and share premium are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

Replacement shares as part of equity transactions are recorded at their nominal value in the share capital account, with any excess proceeds credited to the share premium account.

Additional paid-in capital

Additional paid-in capital relates to an equity instrument which are any contract that provides an interest in the company's equity. Equity instruments issued by the company are recorded at the proceeds received, net of any direct issue costs.

Fair value reserve through OCI

Investment in subsidiaries is carried out at fair value at the date of the revaluation less any accumulated impairment losses. Revaluation is undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which be determined using fair value at the statement of financial position date.

Fair value is determined from the market-based evidence undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the other comprehensive income unless losses exceed the previously recognised gains.

Convertible loans

Convertible loan agreements may contain multiple components, including a debt host, conversion features and, where applicable, detachable warrants.

Initial recognition

On issue, the proceeds received are allocated between the components of the instrument based on their relative fair values. Where a conversion or warrant feature meets the definition of equity (the "fixed-for-fixed" test), that component is recognised in equity. Otherwise, conversion and warrant features are classified as derivative financial liabilities and recognised at fair value through profit or loss. Transaction costs that are directly attributable to the issue of the instrument are allocated to each component on a rational basis.

Debt component

The residual amount is recognised as a financial liability at amortised cost. It is subsequently measured using the effective interest rate method, with finance charges recognised in profit or loss over the term of the instrument.

Derivative component

Derivative features (such as conversion options or warrants that do not qualify as equity) are measured at fair value at each reporting date, with changes recognised in profit or loss. Fair value is determined using valuation techniques consistent with IFRS 13, typically Level 3 inputs such as volatility, risk-free rates and expected conversion dates.

Conversion or settlement

On conversion, the carrying amount of the liability is derecognised and equity instruments issued are recorded at their nominal value, with any difference recognised in equity. If the instrument is repaid rather than converted, the liability is derecognised on settlement and any difference between the carrying amount and the amount paid is recognised in profit or loss.

Upon initial recognition, convertible loan agreements are classified as a financial liability and measured at fair value, considering any transaction costs directly attributable to the issuance. The fair value of the liability components is determined based on valuation of those components. The embedded derivative component, representing the conversion and option features, are separated from the liability component and accounted for as a derivative financial instruments. It is initially recognized at fair value and subsequently measured at fair value through profit or loss, with changes in fair value recognized in the income statement.

The financial liability component of the convertible loan agreements is subsequently measured at amortised cost using the effective interest method. Any difference between the carrying amount and the repayment amount is recognised in the income statement over the loan's term. Upon conversion of the loan, the financial liability component is derecognised.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method. For trade payables with a short-term maturity, the carrying amount approximates to fair value due to their short-term nature.

Foreign currency

Foreign currency transactions are translated at the rates of exchange applicable at the dates of the transactions. Foreign currency balances outstanding at the statement of financial position date are translated at the rates of exchange ruling on that date.

Deferred tax

Deferred tax is recognised on temporary differences between carrying amounts and tax bases of assets and liabilities. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available. Deferred tax is measured using tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised on goodwill or on initial recognition of assets/liabilities in transactions that are not business combinations and affect neither accounting nor taxable profit.

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Critical accounting estimates, judgments and assumptions

The preparation of financial statements in conformity with IFRS (EU) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The useful life of property, plant and equipment

Property, plant and equipment owned by the group are depreciated over their useful lives, calculated in accordance with the group's business plans and operating calculations for these assets.

The expected useful life of non-current assets is affected by the rate of operation of assets, changes in legislation, unforeseen operating circumstances. The group's management periodically reviews the useful life. This analysis is based on the current technical condition of the assets and the expected period in which they generate economic benefits for the group.

Any of the above factors may affect the future amount of depreciation, as well as the carrying amount and residual value of fixed assets.

Deferred taxes (Note 12, carrying amount GBP' GBP'000 14 665)

The company's assesses the recoverability of deferred tax assets based on future taxable income projections, which are inherently uncertain and may be subject to changes over time. Judgment is required to assess the impact of such changes on the measurement of these assets and the time frame for their utilisation. As of 31 December 2024, the group and the company did not recognise deferred tax assets.

The group applies judgment to recognise deferred tax liabilities when probable and can be reasonably estimated depending on the interpretation of applicable tax laws and regulations, which may be uncertain. The management periodically reviews its estimates to reflect changes in facts and circumstances, see Note 12.

Government grants (Note 22)

Management exercises significant judgment in assessing whether R&D activities funded by IIA grants will generate future sales bearing royalties, currently judged as unlikely. Grants are recognised when there is reasonable assurance that the conditions will be met and the grants will be received, based on costs incurred. The potential royalty obligations are classified as contingent liabilities, reflecting the assessment that the outflow of resources is not considered probable at this stage.

Investment in subsidiary (relates to parent company) (Note 9, carrying amount GBP' GBP'000 112 591)

The parent company uses an independent valuation specialist to conduct an annual fair-value valuation of its investment in the subsidiary. Key estimates and assumptions with a risk of material adjustment are discussed below. Refer to Note 9 for further details.

The impairment assessment involves forecasting future cash flows based on the expected market conditions, determining an appropriate discount rate reflecting market assessments and subsidiary-specific risks, and establishing growth rates based on industry trends and economic conditions.

When market data is unavailable, fair value is estimated using valuation techniques, including comparable transactions and discounted cash flow analysis.

Management regularly reviews these judgments and updates them based on actual outcomes and changes in the business environment. Material adjustments are recognised in the period they are determined.

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Convertible loan agreements (Note 21)

Classification of conversion and warrant features

The Group has exercised judgement in determining the appropriate classification of conversion and warrant features embedded within its convertible loan agreements. In particular, management assessed whether these features meet the “fixed-for-fixed” criterion under IAS 32. As the conversion price and warrant exercise price are linked to future listing valuations and include a discount mechanism, the terms do not meet the fixed-for-fixed test. Accordingly, the conversion and warrant features have been classified as derivative financial liabilities and measured at fair value through profit or loss.

Valuation of derivative financial instruments

The fair value of the conversion and warrant features is determined using a Monte Carlo simulation model and involves the use of significant unobservable inputs, including expected share price volatility, risk-free interest rates, and the expected timing of a future listing. These inputs are inherently uncertain and could result in a material change in fair value if assumptions vary. Management believes that the assumptions used represent the best estimate of market conditions at the reporting date

3. SEGMENT INFORMATION

The Directors believe that the group's operations represent one segment, and they are treated as such when evaluating performance.

4. GROUP INFORMATION

The consolidated financial statements of the Group include

Name		Principal activities	Country of incorporation	% Equity interest
Vidac LTD	Pharma	Biotechnology	Israel	100

On 6 July 2021, VIDAC PHARMA HOLDING PLC acquired 100% of the share capital of Vidac Pharma LTD (“Vidac Pharma”). The acquisition represented a group restructuring of the existing business since Vidac Pharma LTD and VIDAC PHARMA HOLDING PLC were under common control. There were no material transactions between 6 July 2021 and 1 August 2021; therefore, 1 August 2021 was chosen as the starting date for the group's reporting period.

Business combination under common control

The group elected to apply predecessor values method for transactions under common control. No assets or liabilities were restated to their fair values. Instead, the group incorporated predecessor carrying values.

5. RESEARCH AND DEVELOPMENT EXPENSES

	2024 GBP'000	2023 GBP'000
Materials, subcontractors and consultants	125	86
Salaries and related expenses	32	93
Patents	54	49
Maintenance and office expenses	4	9
Total expenses	215	237

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6. GENERAL AND ADMINISTRATIVE EXPENSES

GROUP	2024 GBP'000	2023 GBP'000
Professional fees	836	934
Others	44	9
Salaries and related expenses	10	22
Maintenance, office and sundries	5	7
Depreciation		1
Total expenses	895	973

COMPANY	2024 GBP'000	2023 GBP'000
Professional fees	572	748
Others	31	
Total expenses	603	748

The company incurred expenses in the amount of GBP'000 572 in 2024 (GBP'000 748 in 2023) related mainly to the market presence, investor relations and public relations of about GBP'000 385.

The company incurred statutory audit fees of GBP'000 28 (including VAT) for 2024 and GBP'000 27 (including VAT) in 2023.

7. RECEIVABLES

Receivables are financial assets classified and measured at amortized cost under IFRS 9. They are subject to the expected credit loss (ECL) model. Given the short-term nature and high credit quality of counterparties, management has assessed that the ECL is immaterial, and therefore no loss allowance has been recognized in either 2024 or 2023

GROUP	2024 GBP'000	2023 GBP'000
Account receivables	24	54
	24	54

As of 31 December 2024, the company has no accounts receivable balance (2023: GBP'000 52).

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8. CASH AT BANK

The cash balances are held with major financial institutions. These balances are available for use by the Group and the company and are not restricted, pledged as collateral, or otherwise encumbered.

Cash balances are analysed as follows:

GROUP

	2024 GBP'000	2023 GBP'000
Cash at bank	440	60
	440	60

COMPANY

	2024 GBP'000	2023 GBP'000
Cash at bank	1	10
	1	10

9. INVESTMENT IN SUBSIDIARY

	GBP'000
Balance as of 31 December 2022	60 387
Addition – new subscribed capital	288
Change in fair value recognised in OCI	10 165
Balance as aof 31 December 2023	70 840
Addition – new subscribed capital	804
Change in fair value recognised in OCI	43 945
Foreign currency translation adjustment	(2 999)
Balance as of 31 December 2024	112 590

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2024 GBP'000
Vidac Pharma Ltd	Israel	Biotechnology	100	112 590

On 6 July 2021, 100% of the shares of Vidac Pharma Ltd were contributed to the company's share capital at a fair value of GBP'000 48 023.

Vidac Pharma Holding Plc subscribed for additional shares in Vidac Pharma Ltd equity in 2023 and 2024, with a total net contribution of GBP'000 288 in 2023 and GBP'000 804 in 2024.

Based on the valuation performed as of the year ended 31 December 2024, the subsidiary's overall value is GBP'000 112 590 (2023: GBP'000 70 840).

The company has elected to measure the investment in the subsidiary at fair value through other comprehensive income (FVOCI).

The fair value was based on an independent valuation report as of 31 December 2024. The fair value of the subsidiary has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market (Level 3).

In 2024 the company's business model was updated in a way that it will license the product to a partner (e.g., Big Pharma) or enter a co-commercialization agreement.

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The fair value estimate is based on key assumptions:

- An assumed discount rate between 19.5% to 7.9% is calculated based on the capital assets pricing model (2023: 17.7%).
- The probability of approval for each of the two products, as the valuation is based on a risk-based approach, is 15% and 20% for Products 1 and 2 respectively, see explanation below (2023: Product 1- 25%, Product 2- 27%, Product 3-8%).
- For 2023 valuation, Cost of gross sales (COGS) margin was expected to be 30% of net sales based on the company's business plan.
- Royalty rates of 22% and 17% as a percentage of sales revenue generated by the licensed intellectual property.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as of the 31 of December 2024 and 2023, are shown below:

Sensitivity analysis and impact on Profit or loss and equity by changing the listed parameters below as apposed the parameters which were used in the valuation as mentioned above as of 31 December 2024:

Significant unobservable inputs		Profit or loss		Other comprehensive income (net of tax)	
		Increase GBP'000	Decrease GBP'000	Increase GBP'000	Decrease GBP'000
Discount rate*	21.5%-9.9%	-	-	-	(13 725)
	17.5%-5.9%	-	-	17 100	-
Probability of success*	20%;25%	-	-	9 812	-
	10%;15%	-	-	-	(9 895)
Royalties rate*	24%;19%	-	-	-	(9 975)
	20%;15%	-	-	9 975	-

Sensitivity analysis and impact on Profit or loss and equity and equity by changing the listed parameters below as apposed the parameters which were used in the valuation as mentioned above as at 31 December 2023:

Significant unobservable inputs		Profit or loss		Other comprehensive income (net of tax)	
		Increase GBP'000	Decrease GBP'000	Increase GBP'000	Decrease GBP'000
Discount rate*	14.5%	-	-	-	(10 409)
	11.5%	-	-	12 596	-
Peak market share rate*	20.5%	-	-	3 476	-
	17.5%	-	-	-	(3 702)
COGS margin rate*	35%	-	-	-	(8 292)
	25%	-	-	8 300	-

* Holding all other variables constant

In relation to the fair valuation of the investment in the subsidiary, the parent company is exposed to market risk. The market is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and liquidity risk.

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Interest risk

The parent company is exposed to the risk of changes in market interest rates, which relates primarily to their impact on the estimate of the discount rate used for the valuation of the investment in the subsidiary.

The parent company estimates that significant fluctuations in interest rates are unlikely under current market conditions. Base rates are expected to either remain unchanged or see a slight reduction in the foreseeable future. Even if there is a base rate change due to increased inflation, such changes are anticipated to be minor, as there is a global trend towards declining inflation. This aligns with the expectations of international capital markets.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the investment in the subsidiary will fluctuate due to changes in foreign exchange rates. The parent company is primarily exposed to this risk through the subsidiary's operating activities, where expenses are denominated in U.S. dollars and Israeli shekels. Despite the exposure to foreign currency risk from costs denominated in U.S. dollars and Israeli shekels, favourable exchange rate fluctuations could potentially reduce operating costs and improve the subsidiary's profitability.

Liquidity risk

Since its inception, the subsidiary has not generated any product revenue and has incurred operating losses and negative cash flows from operations. It anticipates incurring significant expenses and operating losses for the foreseeable future as it advances product candidates through clinical development. To date, the company has primarily funded its operations with proceeds from the sale of ordinary shares and shareholder loans.

10. SHARE CAPITAL

	2024	2024	2023	2023
	Number of shares	GBP'000	Number of shares	GBP'000
Authorised				
Ordinary shares of £1 each	56 946 204	56 946	53 815 142	53 815
Issued				
Issued and paid ordinary shares	56 946 204	55 051	53 815 142	53 778
Unpaid ordinary shares		1 895		37
Balance at the 31 December	56 946 204	56 946	53 815 142	53 815

Company receivables as of 31 December 2023 include GBP'000 37 for share capital and GBP'000 15 for share premium payable to the company for issued shares.

Events in 2023

Following the company's listing on the Hamburg Stock Exchange on 27 March 2023, holders of the company's Simple Agreements for Future Equity (SAFEs) and Convertible Loan Agreements elected to convert these instruments into share capital on 14 May 2023. Consequently, Vidac Pharma Holding PLC, in accordance with the conditions of these agreements, issued and distributed 1 795 886 new shares with a nominal value of GBP 1 each to shareholders. This was achieved through a combination of transferring additional paid-in capital, revaluation reserve to share capital, and issuing new share capital.

In 2023, following a resolution by the Shareholders and acting as an agent in accordance with an agency agreement, a company's Director and shareholder sold his shares on the stock market at the nearest market price, as requested by the Board. All net proceeds were deposited into the company's bank account. Subsequently, the company issued 394,194 replacement shares to a Director, equal to the number of shares sold by him, each with a nominal value of GBP 1. This transaction is treated as an equity transaction, with the proceeds recognized in equity. The issuance of replacement shares increased the share capital by GBP 394,000 and the share premium by GBP 51,000. See Note 6 regarding the issuing of shares to the service provider.

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Events in 2024

In 2024, following a resolution by the Shareholders and acting as an agent in accordance with an agency agreement, a company's Director and shareholder sold his shares on the stock market at the nearest market price, as requested by the Board and the Shareholders. The net proceeds were deposited into the company's bank account. Subsequently, the company issued 3 131 062 replacement shares to a director, equal to the number of shares sold by him, each with a nominal value of GBP 1. This transaction is treated as an equity transaction, with the proceeds recognized in equity. The issuance of replacement shares increased the share capital by GBP 3 131 062. The shares above have been paid in cash and by service in an amount equal to GBP 1 164 204 in 2024. The GBP 1 895 128 remained unpaid as of 31 December 2024. In 2025 as of 16 September 2025 GBP 1 009 457 has been transferred to the company to pay the above shares. The outstanding GBP 857 401 is aimed to be paid by the shareholder until 31 March 2026.

See Note 6 regarding the issuing of shares to the service provider.

See Note 23 regarding the issuing of replacements shares in 2025 .

ADDITIONAL PAID-IN CAPITAL

	2024 GBP'000	2023 GBP'000
Additional paid-in capital	6	6
	<u>6</u>	<u>6</u>

Additional paid-in capital pertains to a Convertible Loan Agreement, a financial instrument that includes a contractual option for converting the loan into an equity interest in the company.

OTHER RESERVES

	2024 GBP'000	2023 GBP'000
Other reserves	(29 272)	(29 300)
	<u>(29 272)</u>	<u>(29 300)</u>

This reserve pertains to an acquisition under common control and represents the difference between the acquirer's investment cost and the acquiree's equity. In the consolidated financial statements, it is presented as a separate reserve, described as "Other Reserve", within equity. The reserve is used to cover the differences between the face value of each issued share and the amount received for it, which is lower than its face value.

11. FAIR VALUE RESERVE THROUGH OCI, NET OF TAX

	2024 GBP'000	2023 GBP'000
Items that will not be classified to profit or loss:		
<i>Fair value through other comprehensive income:</i>		
Valuation gains on fair value through other comprehensive income investment in subsidiary	43 945	10 165
Tax relating items that will not be reclassified	(10 236)	(2,849)
	<u>33 709</u>	<u>7 316</u>

12. DEFERRED TAX LIABILITIES

Deferred tax is calculated in full on temporary differences under the liability method using a UK corporation tax

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rate of 25%.

	2024 GBP'000	2023 GBP'000
Deferred tax liabilities		
As at the 1 January	(4 429)	(1 580)
Reversal due to reclassification from revaluation to share capital	-	-
Additional tax on revaluation increase	(10 236)	(2 350)
Effect of change in corporate tax rate		(499)
As at the 31 December	(14 665)	(4 429)

Deferred tax liability has been recognised in respect of temporary differences due to fair value revaluation of investment in a subsidiary recognised through other comprehensive income.

13. ACCUMULATED LOSSES AND RESERVES

GROUP	Accumulated losses GBP'000	Translation reserves GBP'000	Total GBP'000
As of 31 December 2022	(24 297)	223	(24 074)
Loss for the year	(1 275)	-	(1 275)
Change Exchange differences on translation of foreign operations	-	21	21
As of 31 December 2023	(25 572)	244	(25 328)
Loss for the year	(1 386)	-	(1 386)
Change Exchange differences on translation of foreign operations	-	228	228
As of 31 December 2024	(26 958)	472	(26 486)
COMPANY	Accumulated losses GBP'000	Translation reserves GBP'000	Total GBP'000
As of 31 December 2021	(2)	-	(2)
Loss for the year	(204)	-	(204)
As of 31 December 2022	(206)	-	(206)
Loss for the year	(802)	-	(802)
As of 31 December 2023	(1 008)	-	(1 008)
Loss for the year	(851)	-	(851)
Foreign currency translation adjustment		(2786)	(2786)
As at 31 December 2024	(1 859)	(2786)	(4 645)

14. EMPLOYEES AND DIRECTORS

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	2024 GBP'000	2023 GBP'000
Salaries	35	92
Social security costs	7	23
	42	115

The group's average number of employees during the year was as follows:

	2024	2023
Directors	4	4
Administrative and managing personnel	1	1
Research and development staff	1	1
	6	6

All staff costs are incurred by the group component. The parent company has no employees, except four Directors.

No remuneration, fees, pension contributions or other benefits were paid or are payable to the directors of the company for the years ended 31 December 2024 and 2023.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE AND MORE THAN ONE YEAR

Amounts falling due within one year

	Group		Company	
	2024 GBP'000	2023 GBP'000	2024 GBP'000	2023 GBP'000
Trade payables	72	198	71	181
Convertible loans	320	142	320	142
Related party liabilities	661	485	-	-
Accrued expenses	62	36	49	-
Employee and payroll payables	2	14	-	-
	1 117	875	440	323

Amounts falling due within more than one year

	Group		Company	
	2024 GBP'000	2023 GBP'000	2024 GBP'000	2023 GBP'000
Deferred tax liabilities	-	-	14 665	4 429

16. FINANCIAL ASSETS AND LIABILITIES

	Group				Company			
Financial assets	2024 GBP'000		2023 GBP'000		2024 GBP'000		2023 GBP'000	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Cash and cash equivalents	-	440	-	60	-	1	-	10
Account receivables	-	24	-	2	-	-	-	52
	-	464	-	62	-	1	-	62
Financial liabilities	Group				Company			

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	2024 GBP'000		2023 GBP'000		2024 GBP'000		2023 GBP'000	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Convertible loans	38	282	122	20	38	282	122	20
Account payables	-	72	-	198	-	71	-	181
Related party		661		485		-		-
Accrued expenses	-	62	-	36	-	49	-	-
Employee and payroll payables	-	2	-	14	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
	38	1 079	122	753	38	402	122	201

17. LOSS PER SHARE

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	For year ended 31 December 2024 GBP'000	For year ended 31 December 2023 GBP'000
Loss attributable to ordinary equity holders, GBP'000	(1 386)	(1 275)
Weighted average number of shares outstanding	54 579 468	52 821 074
Basic and diluted earnings per share (GBP'000 per share)	(0.000025)	(0.000024)

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the period multiplied by a time weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they were issued at the start of the year and presented as comparative figures.

No diluted loss per share is required to be calculated for the year because the company incurred a loss, and including potential dilutive instruments would have an anti-dilutive effect.

18. RELATED PARTIES TRANSACTIONS

On 15 March 2023, VIDAC PHARMA HOLDING PLC formalised Convertible Loan and Warrant Agreements with Directors and investors, securing a total of GBP'000 205.

On 14 May 2023, Directors and investors converted the Convertible Loan and Warrant Agreements into shares, as detailed in Note 10

On 19 December 2023, the company entered into additional Convertible Loan and Warrant Agreements with Directors and investors totalling GBP'000 123. The outstanding balance as of 31 December 2024 was GBP'000 134.

During 2023 and 2024, a company's Director and shareholder acted as an agent to sell shares, with proceeds deposited into the company's bank account, followed by the issuance of replacement shares. For further details, please refer to Note 10

On 1 May 2024 the company entered into additional Convertible Loan and Warrant Agreements with Directors totalling GBP'000 90. The outstanding balance as of 31 December 2024 was GBP'000 122.

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In 2024, the parent company invested GBP'000 804 as new subscribed capital in its subsidiary and GBP'000 288 in 2023.

The subsidiary entered into an agreement with a related party to secure an investment, under which the related party waived its right to receive compensation for services rendered. As at 31 December 2024, related party payables amounted to GBP'000 661 (2023: GBP'000 485), with the year-on-year increase representing accruals.

Related party transactions were conducted on an arm's length basis and were in the ordinary course of business.

19. CONTINGENT LIABILITIES

In 2019, the subsidiary modified payment and performance terms with some of its service providers to restructure payment terms following the board of Directors' decision to cease and close its business operations. As a result, liabilities to these service providers amounting to GBP'000 169, as it stands as of 31 December 2024, were reversed and will be paid and recognised upon the occurrence of certain future equity events. As of the date of approval of the financial statements, these equity events had not occurred.

The company had no other contingent liabilities, except for those mentioned above, as of 31 December 2024 and 31 December 2023.

20. FINANCIAL COST, NET

	Group		Company	
	2024	2023	2024	2023
	GBP'000	GBP'000	GBP'000	GBP'000
Bank commissions	16	1	6	
I Interest (income) expenses on loan hosts (amortized cost)	67	(10)	67	(10)
Fair value changes on conversion features/warrants (FVTPL)	(27)		(27)	
Foreign exchange loss			202	64
	220	74		
	276	65	248	54

21. CONVERTIBLE LOANS

On December 19, 2023, the company entered into a Convertible Loan and Warrant Agreements (CLA) with investors, totalling GBP'000 123 which carry an interest rate of 7% % per annum ("CLA 12.23"). The loan shall become due and repayable after one year if not converted earlier according to the following terms. In case the company's shares will be admitted to a regulated EU Stock Exchange (Direct Listing), Every investor has the right to convert its respective portion of the loan amount into shares of the company at a conversion price reflecting a discount of 25%.

In addition, the Company granted each investor a warrant to purchase the company's shares for an aggregate amount equal to 100% of its principal amount at an exercise price per share equal to the lower of: (i) the price per share of the company's shares at the time of the Direct Listing, as applicable; and (ii) a price per share reflecting a 25% discount over the closing price of the 7 trading days average prior to date of Warrant exercise, during the Warrant Period of one year.

On January 24, 2024, the company entered into a CLA with investors, totaling GBP'000 59 ("CLA1.24"). The terms of this agreement are aligned with those of the agreement signed on December 2023

On May 1, 2024, the company entered into a CLA with investors, totalling GBP'000 90 ("CLA 5.24"). The terms of this agreement are aligned with those of the agreement signed on December 2023.

The Group did not incur any directly attributable transaction costs on the issue of these instruments.

The conversion component and warrant were measured at fair value by an independent valuator which used the Monte Carlo model assuming in each scenario the investors will prefer to convert the option into company shares instead of

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receiving the loan and assume the expected the conversion date during 2025 and key inputs (volatility-30.07%, risk-free rate-3.65%, expected conversion date-30.8.25) (Level 3). The loan component was initially recognized at residual value and subsequently measured using the effective interest rate method.

The annual effective interests of the loans component are as follows:

- CLA 12.23- 46%
- CLA 1.24- 36%
- CLA 5.24- 51%

Through 2024 none of the loans were converted or paid and all changes are related to changes in fair value and accrued interest which recognised in Profit and Loss (see Note 20).

Management has considered reasonably possible changes in the key assumptions used in valuing derivative financial liabilities and the investment in the subsidiary. Given the immaterial impact of such changes, no sensitivity analysis has been presented.

	2024 GBP'000	2023 GBP'000
Amortized loans components	283	24
Warrant	17	22
Conversion components	20	96
	320	142

22. COMMITMENTS

In 2012, the subsidiary signed a license agreement with Ramot at Tel Aviv University Ltd ("TAU"), granting the subsidiary an exclusive, worldwide, royalty-bearing license. In March 2012, the company signed a similar agreement with B.G. Negev Technologies and Applications Ltd and the National Institute of Biotechnology in the Negev ("BGU"), granting an exclusive, worldwide, royalty-bearing, sub-licensable license. Both agreements grant the subsidiary the right to use patents and know-how. Under these agreements, the subsidiary is committed to pay royalties and milestone fees to TAU and BGU according to the terms specified in the agreements.

In the early years of the subsidiary's operations, it received and utilised research and development grants from the State of Israel, following the guidelines and procedures established by the Israel Innovation Authority (IIA). Under the agreement, the company is obligated to pay royalties on its sales, with total royalties not exceeding the amount of the grants, which are linked to the U.S. Dollar and accrue annual interest. Repayment is conditional on generating future sales, the timing and likelihood of which remain uncertain.

In 2019, the subsidiary's Board approved a monthly compensation for a related party serving as an executive officer. This compensation will be accrued and payable once the subsidiary secures a specified investment through investments, loans, R&D collaborations, or other financing (see Note 18).

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital risk management

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The group's objectives when managing capital are:

- to safeguard the group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support group's growth; and
- to provide capital for the purpose of strengthening the group's risk management capability.

The group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure, taking into consideration the future capital requirements of the group and capital efficiency, prevailing and projected operating cash flows, projected capital expenditures and projected strategic investments opportunities. Management regards total equity as capital and reserves for capital management purposes.

For the purposes of capital management, the Group defines capital as total equity, which amounted to GBP'000 650 at 31 December 2024 (2023: GBP'(000 756)). There were no changes in the Group's objectives, policies, or processes for managing capital during the year ended 31 December 2024 compared with the prior year.

Financial Risk Factors

The group is exposed to market risk, foreign currency risk, credit risk and liquidity risk. Within the operating subsidiary, the entities' senior management oversees the management of these risks for their operations and periodically identifies, measures, and manages these risks. These risks are summarised below:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Given that the group is not yet selling any final products this risk is not a risk that affects the group in the current year, however, when the group does begin to sell products, it is a risk that will have to be considered.

Foreign currency risk

Foreign currency risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The group is primarily exposed to this risk through its subsidiary, which operates in Israeli Shekels, conducts transactions in U.S. Dollars, and has operational currency in Euros, while the group's presentation currency is British Pounds.

31 December 2024 GBP'000	GBP	USD	EUR	NIS	Total
Receivables				24	24
Cash at bank		3	421	16	440
Employee and payroll payables				(2)	(2)
Trade payables			(18)	(54)	(72)
Related party liabilities		(661)			(661)
Accrued expenses	(28)		(21)	(13)	(62)
Convertible loans		(320)			(320)
Net exposure	(28)	(978)	382	(29)	(653)

A 10% strengthening/weakening of Euro against each currency at the reporting date would have the following approximate effect on profit or loss:

Currency	+10% movement impact	-10% movement impact
		GBP'000
USD	98	(98)
GBP	(3)	3
NIS	3	(3)

Credit risk

Credit risk that a counterparty will not meet its obligations under a customer contract leading to financial loss. The group is exposed to credit risk from its operating activities and from its financial activities, including taxes

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receivables, foreign exchange transactions and other financial instruments.

	2024	2023
	GBP'000	
Receivables	24	54
Cash at bank	440	60
Total maximum exposure	464	114

The group does not have trade receivables since it is in research and development stage. Other receivables are not considered substantial. The Group's principal credit risk arises from cash balances held with banks. Management considers the credit risk associated with these balances to be low as they are placed with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses.

As of 31 December 2024, the group is not facing imminent liquidity risks due to its cash reserves, financing commitments from shareholders, and funding plans. The group maintains its liquidity by attracting additional investments from both existing and potential investors as needed to support its operations. However, there is some inherent uncertainty because the group relies on external financing rather than operational income. Despite this, management is confident in their ability to secure the necessary financing to sustain the group's business activities over the next 12 months.

	<3m	3–12m	Total
	GBP'000		
Employee and payroll payables	2		2
Trade payables	72		72
Related party liabilities		661	661
Accrued expenses	62		62
Convertible loans		320	320
Total	136	981	1 117

Fair value measurement

The Group's financial instruments measured at fair value relate to its investment in a subsidiary, which is classified as a Level 3 fair value measurement under IFRS 13.

The valuation technique, significant unobservable inputs, and the reconciliation of movements in Level 3 instruments are disclosed in Note 9 – Investment in Subsidiary and Note 21 Convertible loans.

24. SUBSEQUENT EVENTS

Subsequent to the reporting date, and up to the date these financial statements were authorised for issue, a shareholder sold 2 650 532 of the company's shares on the stock market at the nearest market price. Under the terms of a pre-existing agreement, the company is required to issue an equivalent number of new shares to that shareholder during 2025. This transaction is a non-adjusting event after the reporting period and no adjustments have been made to these financial statements in respect of this arrangement.

25. ULTIMATE CONTROL PARTY

The ultimate controlling parties of VIDAC PHARMA HOLDING PLC are Max Herzberg and Yochai Richter.