Company Registration No. 01435584 (England and Wales)

N4 Pharma Plc

Annual Report and Consolidated Financial Statements

Year Ended 31 December 2024

N4 Pharma Plc

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N4 Pharma plc

Directors, Company Secretary and Advisors

Company Number 01435584 (England and Wales)

Directors:

Nigel Theobald (Chief Executive Officer)
Dr David Templeton (Executive Director) resigned on 8 January 2025
Luke Cairns (Executive Director)
Dr Christopher Britten (Non-Executive Chairman)
Dr Michael Palfreyman (Non-Executive Director) appointed on 9 September 2024
Dr Alastair Smith (Non-Executive Director) appointed 8 January 2025

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United Kingdom

Company Secretary
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Joint Broker
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Company's website www.n4pharma.com

N4 Pharma plc

Chairman's Report

N4 Pharma plc ("N4 Pharma" or the "Company"), is the Parent Company for N4 Pharma UK Limited ("N4 UK") and Nanogenics Limited ("Nanogenics") and together form the Group (the "Group").

N4 Pharma plc is a pre-clinical biotech company developing Nuvec®, its proprietary drug delivery system, to enable advanced therapies for cancer and other diseases.

RNA therapeutics are set to impact the treatment of a wide range of diseases and Nuvec® has several key advantages for RNA delivery including the ability to deliver multiple RNA therapeutics in a single particle, ease of manufacturing, protection of the RNA payload to allow for oral delivery, no unwanted immune response and excellent stability and storage.

N4 Pharma is building out its preclinical data set and working towards first-in-human clinical data to support significant licensing deals for its Nuvec® platform with pharmaceutical partners and, longer term, building its own novel therapeutic pipeline.

N4 Pharma's lead programme, N4 101, is an oral anti-inflammatory product candidate for IBD, which serves as a proof-of-concept programme showcasing all the benefits of the Nuvec® platform.

The Board has not presented a Strategic Report for the year. All relevant information on the strategy and performance of the Group is included in this Chairman's Statement, the Directors' Report and the Corporate Governance Statement.

Results Summary

During the financial year ended 31 December 2024, £7,282 of revenue was generated by the Group (31 December 2023: £1,953).

The Group's loss for the year before tax was £1,221,101 (31 December 2023: £1,424,594 loss). Expenditure was broadly in line with the budget and decreased compared to the prior year.

Cash at the year-end was £625,972 (31 December 2023: £1,027,112), supported by the Group's gross fundraise of £630,000 during the year. The cash position has increased significantly following the successful placing and subscription to raise £1,750,000 (before costs) in April 2025. Following this fundraising, N4 Pharma's strong cash position enables the Group to greatly accelerate its work programme during the rest of this year and into 2026.

Section 172 Disclosures

In discharging their duties, the Directors of the Group give due regard to their duties to promote the success of the Group under Section 172(1) of the Companies Act 2006.

Given the size and nature of the Group, all key decisions in the promotion of the success of the Group are taken at board level with delegation to the Executive Directors for the execution of such decisions.

All actions and decisions taken are in good faith with the long-term success of the Group and its shareholders in mind, and in doing so, the Directors have considered (amongst other matters):

- The likely consequences of any decision in the long term - all key decisions are taken at Board level and are focused on what is required to develop the Group's main value driver, Nuvec® and ECP105, the glaucoma product being developed by Nanogenics, to reach the commercial stage;
- The interests of the Group's employees - save for the Directors, the Company has no other employees. The interests of the Directors are very much aligned with the success of the Group and Company;

Section 172 Disclosures (Continued)

- The need to foster the Group's business relationships with suppliers, customers and others - the Group is reliant on third-party providers such as clinical research organisations ("CROs") and contract manufacturing organisations ("CMOs") to progress the business and maintains good work relationships with all its counterparties;
- The impact of the Group's operations on the community and the environment - all third-party providers are required to adhere to strict ethical standards, particularly in the use of animals in studies;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between stakeholders of the Group.

Where or to the extent that the purposes of the Group consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the Group for the benefit of its members were to achieve those purposes.

The duty imposed by this section has effect subject to any enactment or rule of law requiring Directors, in certain circumstances, to consider or act in the interests of creditors of the Group.

Operational Review

N4 Pharma has continued to generate further pre-clinical proof of concept data to add to the significant body of data accumulated in the prior periods, in respect of the potential use of Nuvec® by the Company in its proprietary drug pipeline and by potential partners under license arrangements. During 2024, the Company's focus was to develop its own lead products utilising the Nuvec® and a second platform, Liptide®, designed to address unmet clinical needs, whilst continuing to develop and expand a cohesive data pack with which to attract partners and collaborators to monetise these platform technologies.

The first product, using Nuvec®, N4 101, has the potential to deliver an oral inhibitor for the treatment of inflammation-related Gastro-intestinal disorders, including Inflammatory Bowel Disease ("IBD") and Ulcerative Colitis ("UC"). The second product opportunity, via our investment in Nanogenics Ltd, is exploring the use of Liptide® to deliver a product for the prevention of scarring following surgery to treat glaucoma. Since the fundraising earlier this year, the Company has decided to focus its resources on Nuvec®, which the Board regard as the main value driver for the Company, and specifically on generating sufficient marketing data to support the securing of significant commercial agreements for third parties to use the Nuvec® platform to deliver their own RNA therapeutics. In parallel, the Company awaits the outcome of the orphan drug designation application for ECP105 as outlined in more detail below.

As part of this work, N4 Pharma has expanded the Board and, more recently, appointed a new Senior Leadership Team of expert consultants focused on delivering the Nuvec® commercial data room and partnerships, details of which are set out below.

Nuvec®

N4 Pharma has now demonstrated several benefits of Nuvec®, including the following:

- Its unique spikey surface structure allows the binding of DNA/RNA;
- It is relatively straightforward to manufacture and scale up;
- In contrast to Lipid Nanoparticles, which are known to evoke an immune response, the data to date indicated that Nuvec® does not elicit an immune response at the doses used;
- The addition of specific peptides and other ligands enables targeting to specific cells and tissues;
- The therapeutic payload can be protected from enzymatic digestion and pH exposure;
- It is a simple process to load multiple siRNAs onto the same nanoparticle for combination therapies;
- There is quick and efficient cellular uptake and endosomal release, enabling delivery of large numbers of RNA copies into each cell; and
- It is capable of oral delivery of oligonucleotides, including siRNA, mRNA and DNA.

Operational Review (Continued)

In April 2024, the Company announced that, through its research program with the University of Queensland ("UQ"), it had undertaken further testing, *in vivo*, to show the successful delivery of a Nuvec® capsule into the intestine of mice, where it released its plasmid DNA payload to produce localised protein expression. This work has reinforced the potential of Nuvec® as an oral delivery system for multiple nucleotide payloads. Oral delivery, allowing gastro-intestinal disorders, including cancer, to be targeted, is very challenging for other nucleic acid delivery techniques.

In this experiment, an enterically-coated capsule containing PEGylated Nuvec® loaded with plasmid DNA expressing ovalbumin was administered on day one and subsequent capsules on day three, day six, day nine, with a booster capsule at day 21. Protein expression was measured to be significantly higher in the upper gastrointestinal tract of the subject than in controls (DNA alone and non-PEGylated DNA loaded Nuvec®) up until day 25. In addition, a significantly higher ovalbumin antibody response was measured at day 36 in the PEGylated Nuvec® sample compared to the control.

Following this work, the Company undertook further *in vitro* profiling studies with Nuvec® for the now named N4 101 proof-of-concept programme for an oral anti-inflammatory product for the treatment of IBD. In these *in vitro* experiments, mouse macrophage cells were used to establish the ability of Nuvec® delivered RNA to:

1. Reduce the production of TNF-alpha, which is a chemical produced by the immune system that causes inflammation, and
2. Increase the expression of IL-10, which is a molecule that has an anti-inflammatory role.

In the treatment of an inflammatory condition such as IBD, a reduction in TNF-alpha production and an increase in IL-10 is desirable.

Functionalisation of particles with mannose is known to enable targeting to macrophages, the cells that are believed to cause the problems associated with IBD. Cells were exposed to Nuvec®, with and without functionalisation with mannose that binds to the CD206 mannose receptor, which is expressed on the surface of macrophages.

Cells were treated separately in one experiment with Nuvec® loaded with an siRNA designed to reduce TNF-alpha production and in a separate experiment with Nuvec® loaded with an mRNA designed to increase IL-10 production. The mannose receptor-targeted Nuvec® siRNA treatment significantly reduced the production of TNF-alpha and showed faster and greater reduction compared to non-targeted Nuvec®. Targeted particles carrying the mRNA showed a faster and greater increase in IL-10 expression than non-targeted particles. These data demonstrate the ability to target active RNA therapeutics to a specific cell type using Nuvec® - an important goal for RNA therapeutics developers.

In a separate experiment, both the siRNA and mRNA were loaded on the same mannose-targeting Nuvec® particle in a controlled ratio. A qualitatively similar reduction in TNF-alpha and increase in IL-10 was observed in the single-loaded versions, showing that Nuvec® can be dual loaded with different molecules and can deliver active RNA therapies to the same cell simultaneously.

Following the successful completion of *in vitro* profiling in December 2024, the Company recently completed its first *in vivo* study using an industry-standard mouse model of IBD. The study explored the therapeutic potential of orally administered Nuvec® particles loaded with siRNA alone and combined with mRNA.

Over a nine-day dosing period, mice with chemically induced acute IBD received single (siRNA) or dual (siRNA and mRNA) Nuvec®-loaded formulations with the Nuvec® particles modified to specifically target cells involved in gut inflammation. Samples were collected for analysis on day 15.

Operational Review (Continued)

Key highlights from the study included:

- **Reduction in inflammation:** both single and dual-loaded Nuvec® particles demonstrated marked improvements compared with controls across all key indicators of colitis, including Disease Activity Index (DAI), colon length, and body weight loss.
- **Marked increase in efficacy achieved with targeting:** both the single and dual loaded Nuvec® combined with a targeting agent performed better and showed an even greater reduction in the inflammatory marker TNF alpha than the untargeted therapies.
- **Sustained therapeutic effect:** six days after the final administration, both single and dual-loaded targeted Nuvec® particles showed a near complete reduction in TNF alpha levels in intestinal tissues.
- **Effective oral delivery:** the study also provides clear *in vivo* evidence that Nuvec® particles successfully deliver therapeutic nucleic acid cargos (siRNA and mRNA) to the gut via oral administration, resulting in the sustained anti-inflammatory effects observed.

On the back of these strong data, the Company is moving into optimisation studies with a view to building a commercial data room to allow N4 Pharma to secure its first significant commercial deals for Nuvec®, which would represent a major value inflection point. The Company's plans for Nuvec® for the remainder of this financial year and beyond are detailed below under Summary and Outlook.

In addition to using mannose to target macrophages, the Company has also been exploring alternative cell and tissue targeting approaches with SRI International ("SRI"). These include investigating the binding chemistries of various ligands to Nuvec® and their functional utility in targeting specific cell types. Given the positive *in vivo* results seen using mannose as a targeting ligand, the Company is currently focused on this approach.

Nanogenics' Glaucoma product - ECP105

ECP105 represents a simple and effective anti-fibrotic therapeutic approach which maximises and increases surgical success in the treatment of Glaucoma by reducing post-surgical scarring whilst avoiding exposing patients to the risk of cytotoxic medication. Using Liptide® as a delivery system, ECP105 contains a siRNA sequence to silence the fibrotic gene MRTF-B without cytotoxic side effects.

One of the strategic decisions taken during the period was to apply for orphan drug designation in respect of ECP105, for which the Company submitted an application to the U.S. Food and Drug Administration ("FDA") in early July 2024, for the prevention of scarring following glaucoma surgery. Obtaining orphan drug status in the USA is expected to bring substantial cost and time savings on the development work, and if approved, seven years of exclusivity as well as making it attractive for potential investors and/or acquirers. There have been various exchanges of information with the FDA, and the application is still in progress.

Given that the application outcome could significantly influence ECP105's strategic direction, either unlocking the benefits outlined above or, if the market proves larger, substantially increasing the target market's value, the Board has decided to prioritise Nuvec® in the short term to strengthen its position for future commercial discussions. As soon as there is definitive clarification on ECP105's orphan drug designation, the Company will take a view as to which direction would be most beneficial for Nanogenics and ECP105.

Board and Management

In September 2024, the Company welcomed Dr Mike Palfreyman to the Board as a Non-Executive Director. Mike has more than four decades of successful drug discovery and development experience in several therapeutic areas with two major pharmaceutical companies (Marrion Meryl Dow, now Sanofi, and Beecham Pharmaceuticals, now GSK) and has co-founded and developed several biotechnology companies including, among others, Co-Founder of Scriptgen (Anadys) Pharmaceuticals which was sold to Roche in 2011 for US$230 million and Co-Founder and CSO of

Board and Management (Continued)

Amorsa Therapeutics, Inc. developing novel treatments for depression and pain where he oversaw a successful US$180 million exit.

In January 2025, David Templeton retired and stepped down from the Board. As stated at the time, on behalf of all Directors, we would like to thank him for his contributions over the years and wish him well for the future.

At the same time, the Company welcomed Dr Alastair Smith to the Board as a Non-Executive Director. Alastair was the founder and former Chief Executive Officer of Avacta Group plc ("Avacta"), an AIM-quoted biotech company established as a spin-out from Leeds University in 2005 and listed on the London Stock Exchange AIM market in 2006.

Over his tenure, Avacta grew into a leading biotech company comprising two divisions: a clinical-stage oncology drug company advancing its proprietary pre|CISION™ tumour targeting platform and a diagnostics business executing an M&A-led growth strategy in Europe focused on healthcare professionals.

As announced on 27 May 2025, the Company's newly configured Board is now supported by the formation of a Senior Leadership Team, reporting to Nigel Theobald, Chief Executive Officer, comprising leading expert consultants in drug development and research, commercial strategy, and pharmaceutical manufacturing. The team is made up as follows:

Dr Fiona McLaughlin - Head of Research and Development

Dr Fiona McLaughlin is a highly experienced oncology drug developer and independent consultant, bringing over 25 years of experience in research and translational drug development in the pharmaceutical and biotech sectors, having led teams from early research through to clinical development. Fiona started her career at GSK and has subsequently held leadership positions in multiple biotech companies, including CSO of Avacta Therapeutics, VP New Opportunities at Algeta ASA (now Bayer), VP Translational Research at Antisoma plc and Director of Pre-clinical Development at BTG plc (now part of Boston Scientific). She is also a non-executive director of Hox Therapeutics.

Fiona received a PhD from the Haematology Department at Cambridge University and has a BSc in Biochemistry from Glasgow University.

Mark Edbrooke - Head of Strategy

Mark Edbrooke, PhD is an independent scientific consultant with a broad experience in pharmaceutical research and development. During 25 years at GlaxoSmithKline, he ran a transnational functional genomics department, and then set up and led GSK's therapeutic nucleic acid unit. He then joined AstraZeneca's Oncology Division for three years, working with Ionis and Moderna. Mark currently has a portfolio of clients, including UK and US-based investment companies, UK and European-based universities, and small biotechs, including being Head of Translational Research at Argonaute RNA Ltd., and on the Senior Advisory Board for Deep Genomics.

Dr Simon Bennett - Commercial Director

Dr Simon Bennett is an independent consultant with over 28 years of experience in the bio-pharma industry. Over the last 15 years, Simon has worked with more than 70 clients of all sizes, from technology startups to Big Pharma, largely supporting business development and licensing, as well as technology scouting and fundraising. Simon has been involved in over 80 commercial deals and mentors and advises early-stage businesses and management teams, primarily in specialty pharma and biotech. Before moving into industry in 1997, Simon was a Wellcome Trust Research Fellow at the University of Oxford.

Board and Management (Continued)

Dr Margaret Courtney - Head of Chemistry, Manufacturing and Controls (CMC)

Dr Margaret Courtney is an independent consultant with over 25 years of experience in transitioning active substances and drug products from the research laboratory into clinical studies and commercialisation. Margaret has worked in management positions in small biotech companies to large pharmaceutical organisations, and following on from her pharmacy degree and doctoral studies, has developed specific expertise in drug delivery systems. Currently, she is working with a range of clients and providing CMC strategic advice as well as selection and management of contract organisations.

Intellectual Property

The Company has the exclusive worldwide rights for therapeutic uses in humans and animals for technology developed by The University of Queensland ("UQ"). During 2023, this technology had patents granted in Europe, Australia, Japan, China, and the US and in January 2024, the patent was also granted in India.

The Company has also filed its own patent on using Nuvec® to enhance the performance of viral vectors, which is now entering the national phases of patent execution.

In December 2024, the Company filed a new patent for its oral anti-inflammatory IBD product, which is in early pre-clinical development with the UK patent office.

Summary and Outlook

RNA therapeutics is a rapidly growing area of drug development with significant interest from large pharmaceutical companies and biotechs globally. The key challenge for all of these companies lies in delivering the drug safely and intact to the right tissues; this delivery challenge has not yet been solved. Nuvec® demonstrates all the key performance criteria to become the delivery platform of choice for the RNA therapeutics industry.

As the Company looks forward, we are therefore consolidating our efforts onto the Nuvec® platform. In the near term, our focus is to secure partnership agreements to monetise Nuvec® through licensing deals to get Nuvec® into third-party drug pipelines and, in the longer term, our strategy is to drive even greater value by developing our own pipeline of novel RNA therapeutics differentiated by the Nuvec® platform.

To deliver both of these opportunities, the Company needs to expand the commercial data pack supporting Nuvec®'s performance claims. This work has been made possible by the recent fundraise and is being executed over the coming 12-18 months with the support of the world-class operational leadership team that has been assembled.

The Company awaits the outcome of the FDA's consideration of our application for Orphan Drug Designation for ECP105 in order to finalise our decision-making on the strategy for this product.

Nuvec® has the potential to deliver a very significant increase in shareholder value, and on behalf of the Board, I would like to thank all of our shareholders for their continued patient support and look forward to providing further updates on our progress.

By order of the Board

Chris Britten

Chris Britten
Chairman

5 June 2025

N4 Pharma plc

Board of Directors

Nigel Theobald (Chief Executive Officer)

Nigel has over 25 years' experience in healthcare and in building businesses, strategy development and its implementation and a strong network covering all aspects of pharmaceutical product development and commercialisation. He was the head of healthcare brands at Boots Group Plc in 2002 before leaving to set up a series of successful businesses, including Oxford Pharmascience Group Plc, which he grew over five years into an AIM quoted company with a market capitalisation of £40 million upon departure. Nigel formed N4 Pharma UK Limited in 2014.

Luke Cairns (Executive Director)

Luke has spent over 20 years working in corporate finance and is a former head of corporate finance and managing director at Northland Capital Partners, an FCA regulated stockbroking firm. Having left Northland in 2014, Luke founded LSC Advisory Limited to provide advisory and consultancy services to growth companies. He has worked with many growth companies across a number of sectors and regions on a wide range of transactions, including IPOs, secondary fundraisings, corporate restructurings and takeovers. He is an Associate of the Chartered Institute of Secretaries.

Christopher Britten (Non-Executive Chairman)

Dr Christopher Britten is an experienced pharmaceutical executive and is currently Senior Vice President and Head of Global Business Development at Grunenthal GmbH a mid-sized specialty pharmaceutical company. He has over 25 years' experience in R&D, corporate development and investment banking. Previous roles include Global Head of M&A at both Neuraxpharm and Sandoz, Managing Director at Torreya Partners, Head of Business Development at Sanofi Pasteur MSD and Director, Life Sciences at Deloitte Corporate Finance. Christopher also spent many years at GSK in both drug discovery and corporate development.

Dr Michael Palfreyman (Non-Executive Director)

Dr Michael Palfreyman has more than four decades of successful drug discovery and development experience with two major pharmaceutical companies and several biotechnology companies and is currently the senior R&D advisor at Cybin Inc. Previous roles include co-founder of Scriptgen (Anadys) Pharmaceuticals, which was sold to Roche in 2011 for USD$230 million, and co-founder and CSO at Amorsa Therapeutics, Inc., developing novel treatments for depression and pain, where he oversaw a successful US$180 million exit. Dr. Palfreyman is a co-inventor on 55 issued US and European patents, multiple pending patents, and has co-authored over 150 scientific articles and book chapters.

Dr Alastair Smith (Non-Executive Director)

A scientist with extensive experience of building early stage businesses within the Avacta Group, which he founded, with over 18 years as a public company CEO. Alastair has extensive management, strategic planning and transactional experience, having led the public and private M&A activities of Avacta since its IPO on AIM, which was completed via a reverse merger. Over his tenure, Avacta grew into one of the leading AIM biotech companies comprising two divisions: a clinical stage oncology drug company advancing its proprietary pre|CISIONTM tumour targeting platform and a diagnostics business executing an M&A-led growth strategy in Europe focused on healthcare professionals.

Directors' Report

The Directors present their report together with the Consolidated Financial Statements of the Group.

N4 Pharma Plc ("N4 Pharma" or the "Company"), is the Parent Company for N4 Pharma UK Limited ("N4 UK"), and Nanogenics Limited ("Nanogenics"), together form the group (the "Group").

Performance review

The Group reported a total comprehensive loss of £1,221,101 during the year ended 31 December 2024 (2023: total comprehensive loss of £1,424,594). It is expected the Group and the Company will continue to be loss making in 2025.

Background and principal activities

The Company was incorporated and registered in England and Wales on 6 July 1979 as a public limited company and its shares are admitted to trading on AIM (LSE: N4P). The Company's registered office is located at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

The Company is the holding company for N4 UK and Nanogenics and provides funding for the Group to enable business activity.

N4 UK is a specialist pharmaceutical company engaged in the development of nanoparticle silica delivery systems to improve the cellular delivery and potency of cancer treatments and vaccines. The nature of the business is not deemed to be impacted by seasonal fluctuations and as such performance is expected to be consistent.

Nanogenics is a specialist pharmaceutical company engaged in the development of a Liptide@ platform to deliver a proprietary siRNA sequence to silence a fibrotic gene. The nature of the business is not deemed to be impacted by seasonal fluctuations and as such performance is expected to be consistent.

Further information on the research and development work and future developments is detailed in the Chairman's Report on page 4.

Detail of the Group's exposure to risk management and control is detailed in the Corporate Governance statement on page 15.

Dividends

The Board do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

Carbon reporting

As a low energy user, the Company has not presented a report under Streamlined Energy and Carbon Reporting.

Directors

The Directors who held office during the year and up to the date of this report were listed on page 3.

Directors' Report (Continued)

Directors' remuneration and interests

The below remuneration relates to the Directors of the Group. There is no other Key Management Personnel.

2024	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Nigel Theobald	82,500	220	82,720	16,981,319	6,000,000
David Templeton*	49,500	-	49,500	-	1,434,286
Luke Cairns	44,000	110	44,110	142,857	5,109,588
Christopher Britten	24,000	110	24,110	-	3,717,143
Michael Palfreyman	7,467	110	7,577		3,000,000
	207,467	550	208,017	17,124,176	19,261,017

* - David Templeton resigned on 8 January 2025.

2023	Remuneration			Interests	
Director	Cash-based payments	Share-based payments	Totals	Shares	Options
	£	£	£	No.	No.
Nigel Theobald	82,500	-	82,500	16,981,319	-
David Templeton	49,500	1,715	51,215	-	1,434,286
Luke Cairns	44,000	1,716	45,716	142,857	2,109,588
Christopher Britten	24,000	-	24,000	-	717,143
John Chiplin*	14,000	-	14,000	-	717,143
	214,000	3,431	217,431	17,124,176	4,978,160

* - John Chiplin resigned on 1 August 2023

Significant shareholders

The below details the significant shareholders of the Company.

Shareholder	Number of shares held	Percentage of issued share capital
Tracarta Limited	150,000,000	18.02%
Marc Mathenz	74,000,000	8.89%
Patrick Byrne	43,162,500	5.19%
David Farrier	28,000,000	3.36%

Going concern

These Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a going concern.

The Group currently has no significant source of operating cash inflows, other than royalty, and has incurred net operating cash outflows after tax for the year ended 31 December 2024 of £971,500 (2023: £1,209,098 outflow). At 31 December 2024, the Group had cash balances of £625,972 (2023: £1,027,112) and a surplus in net working capital (current assets, including cash, less current liabilities) of £651,402 (2023: £1,132,431).

Going concern (Continued)

The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. Forecasts are adjusted for reasonable sensitivities that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge. In those cases, where scenarios deplete the Group's cash resources too rapidly, consideration is given to the potential actions available to management to mitigate the impact of one or more of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds.

As the Group did not have access to bank debt and funding is reliant on issues of shares in the Parent Company, the Board had derived a mitigation plan for the scenarios modelled as part of the going concern review. The outcome of which was the issuance of shares to raise gross proceeds of £1,750,000 by the Parent Company on 1 April 2025 providing sufficient working capital to allow the Group to meet its obligations and fund value enhancing studies for a period of at least 12 months from the signing of these Financial Statements. On this basis, the Board are satisfied with the adoption of the going concern basis in preparing the financial statements.

Directors' confirmation

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditors

Gravita II LLP has indicated that it will not seek re-appointment as the Company's auditor at the forthcoming Annual General Meeting as, following a business reorganisation, its audit services will be provided by another Gravita entity. A resolution to appoint Gravita Audit II Limited as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law and AIM Rules require the Directors to prepare Consolidated Financial Statements for each financial year. Under that law, they have elected to prepare the Consolidated Financial Statements in accordance with UK-adopted International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006. Under company law, the Directors must not approve the Consolidated Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the results of the Group for that period. In preparing these Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping proper 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 Company and enable them to ensure that the Consolidated Financial Statements comply with the Companies Act 2006 and AIM Rules. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Directors' responsibilities (Continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Consolidated Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

On behalf of the Board

Nigel Theobald
Director
5 June 2025

Corporate Governance Statement

The Company's ordinary shares are admitted to trading on AIM, a market operated by the London Stock Exchange and the Company is subject to the continuing requirements of the AIM Rules. During the period under review the Board sought to apply the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies ("QCA Guidelines") to the extent appropriate and practical for a company of its nature and size. With effect from September 2018, the Company adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). This section provides general information on the Group's adoption of the QCA Guidelines and the QCA Code. In addition, further detail about how the Company complies with the ten principles of the QCA Code can be found on the Company's website.

The Board

The Board consists of five Directors, three of whom are Non-Executive and are considered to be independent in character and judgement, and there are no relationships or circumstances which could materially affect or interfere with the exercise of their judgement save only in respect of their holding of ordinary shares and options in the Company as set out on page 9. The ordinary shares and options held by these directors are not thought to be material, and therefore are not considered to affect the independence of the Directors. The names of the Directors, together with their biographical details, are set out on page 9.

The roles of Chairman and Chief Executive Officer are held by separate directors and there is clear division of responsibilities between them. The Chairman is responsible for the leadership of the board and is pivotal in fostering a culture that adopts good corporate governance. The Chairman together with the rest of the board sets direction for the Company through a formal schedule of matters reserved for its decision. The executive directors have particular roles and areas of responsibility and continually engage with the Company's shareholders and stakeholders. The Board has a schedule of matters reserved for its review and approval, such items include strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets, dividend policy and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the executive directors and the senior management team.

In 2024, the Board met formally seven times (2023: seven) and each Director at the time appointed attended each board meeting. In addition, the Board has ad hoc meetings as required and regular management meetings. Each of the Directors is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Any Directors appointed by the Board are subject to election by shareholders at the first Annual General Meeting ("AGM") after their appointment.

Non-executive directors are expected to devote such time as is necessary for the proper performance of their duties. This includes attendance at Board meetings, the AGM, meetings with the Directors, meetings with shareholders, and committee meetings.

Luke Cairns is a part time Executive Director. Nigel Theobald is a full-time Executive Director.

The Board composition is reviewed from time to time as appropriate. The Board considers that, collectively the Directors have the necessary mix of experience, skills, personal qualities and capabilities, with the appropriate balance of executives and non-executives, to deliver the strategy of the Company for the benefit of its Shareholders over the medium term. As work continues on Nuvec® and ECP105, it is the Directors' intention to broaden the Board's skill set particularly in the areas of oncology delivery systems. The non-executive director uses the board meetings to review and assess the performance of the executive directors.

The Directors acknowledge that succession planning is also a vital task for boards, and the management of succession planning will represent on ongoing key responsibility of the Board.

Corporate Governance Statement (Continued)

Risk management and internal control

The Directors are aware of their responsibility for establishing and communicating a system to manage risk and implement internal controls.

Operational risks are identified and assessed by management and any significant risks are reported to the Board. Financial and commercial risks are reviewed by the Board on a regular basis.

The Company's internal control systems are designed to provide the Directors with reasonable assurance that any problems are identified on a timely basis and dealt with appropriately. The Board considers the internal controls to be effective, but no system of internal control can provide absolute assurance against material misstatement or loss.

The key risks facing the Company together with any mitigation taken are considered further in the Principal risks and uncertainties section of this statement and notes 2 and 12 of the consolidated financial statements.

Committees

The Audit Committee is chaired by Christopher Britten. The Audit Committee, *inter alia*, determines and examines matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the annual audit. It receives and reviews reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and internal control systems in use throughout the Group. It also monitors and is responsible for ongoing compliance by the Company with the AIM Rules for Companies. The audit committee met once during the year (2023: once) and had full attendance at this meeting.

The Remuneration Committee is chaired by Christopher Britten. The Remuneration Committee *inter alia*, reviews and makes recommendations in respect of the Directors' remuneration and benefits packages, including share options and the terms of their appointment. The remuneration committee didn't meet during the year (2023: none).

Given the Company's current size, the Board has not considered it necessary to constitute a nomination committee and the Board, as a whole, will consider the appointment of directors and other senior employees of the Company as and when required.

In light of the size and stage of the Company the Board has reviewed and still considers it is not appropriate to publish an audit committee or remuneration committee report in this annual report and accounts but will again consider the matter annually as the Company grows.

Communication with shareholders and stakeholders

Details of the Company's current strategy and business model can be found in pages 4 to 9 of the Consolidated Financial Statements and is reflective of where the Company sits in the research and development cycle with Nuvec® and the newly acquired Nanogenics IP.

As an AIM company, the Company seeks to update investors on material matters through announcements via RNS supplemented by presentations and the engagement of a PR firm. Historical company documents can be found on the Company's website.

In addition, all shareholders can attend the Company's Annual General Meeting, where there is an opportunity to question the Directors as part of the agenda, or more informally after the meeting. Communication with shareholders is seen as an important part of the Board's responsibilities, and care is taken to ensure all price-sensitive information is made available to all shareholders at the same time, in accordance with the AIM Rules, which, by definition, means the Board may not always be able to answer questions as directly or immediately as shareholders may like.

Principal risks and uncertainties

The Group is exposed to a variety of financial risks including market risk, liquidity risk, tax risk and credit risk.

Overview
The Group has exposure to the following risks:

- Credit risk;
- Liquidity risk;
- Tax risk;
- Market risk;
- Operational risk; and
- Regulatory and legislative risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework
The Board has overall responsibility for the establishment and oversight of the risk management framework and developing and monitoring the Group's risk management policies. Key risk areas have been identified and the Group's risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's bank deposits and receivables. See Note 12 for further detail. The risk of non-collection is considered to be low. This risk is deemed low at present due to the Group not yet trading and generating revenue but is a consideration for future risks.

There is an intercompany debtor balance between the Company and N4 UK. The recoverability of this debtor is dependent on the future profitability of the entity. As N4 UK has sustained losses and the Statement of Financial Position is in deficit it is currently not in a position to repay this amount and this therefore poses a credit risk to the Company, but not to the Group. As a result of this credit risk the Directors have considered that a 100% credit loss provision should be raised against the loan.

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

Tax risk
Any change in the Group's tax status or in taxation legislation or its interpretations could affect the value of the investments held by the Group or the Group's ability to provide returns to shareholders or alter post-tax returns to shareholders.

Corporate Governance Statement (Continued)

Market risk and competition

The Group operates as a specialist pharmaceutical company engaged in the development of nanoparticle silica delivery systems to improve the cellular delivery and potency of cancer treatments and vaccines. The Group is entering into a market with existing competitors and the prospect of new entrants entering the current market. There is no guarantee that current competitors or new entrants to the market will not appeal to a wider portion of the Group's target market or command broader band awareness.

In addition, the Group's future potential revenues from product sales will be affected by changes in the market price of pharmaceutical drugs and could also be subject to regulatory controls or similar restrictions.

Market risk is monitored continuously by the Group and the Board reacts to any changes in market conditions as and when they arise.

Operational risk
The Group is at an early stage of development and is subject to several operational risks. The commencement of the Group's material revenues is difficult to predict and there is no guarantee the Group will generate material revenues in the future. The Group has a limited operational history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. The risks include the uncertainty as to which areas of pharmaceuticals to target for growth.

Operational risk is managed by adapting the future plans of the Group based on results and feedback from employees, suppliers, potential licensing partners and contractors.

Regulatory and legislative risk
The operations of the Group are such that it is exposed to the risk of litigation from its suppliers, employees and regulatory authorities. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though monetary consequences may not be significant.

Any changes to regulations or legislation are reviewed by the Board on a regular basis and the Group applies any that are relevant accordingly.

Changes to legislation, regulations, rules and practices may change and is often the case in the pharmaceutical industry which is highly regulated and susceptible to regular change. Any changes may have an adverse effect on the Group's operations.

Protection of intellectual property
The Group's ability to compete significantly relies upon the successful protection of its intellectual property, in particular its licenced patents and owned patent applications for Nuvec®. The Group seeks to protect its intellectual property through the filing of worldwide patent applications, as well as robust confidentiality obligations on its employees. However, this does not provide assurance that a third party will not infringe on the Group's intellectual property, release confidential information about the intellectual property or claim technology which is registered to the Group.

Capital management
The Group has no loans or borrowings and has sufficient resources for its current work streams albeit further funds may be required to expand its work streams.

The Group manages its capital through the preparation of detailed forecasts, and tracks actual receipts and outlays against the forecasts on a regular basis, to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Group consists of cash and cash equivalents and equity comprising, capital, reserves and accumulated losses.

N4 Pharma plc

Corporate Governance Statement (Continued)

Capital management (Continued)

Financial instruments and associated risks:

The Board of Directors is committed to effective risk management and is responsible for ensuring that the Group has an appropriate framework in place to identify and effectively manage business risks and to monitor business performance and the Group's financial position. The Board is also responsible for overseeing compliance with regulatory, prudential, legal and ethical standards. These risks are discussed in detail in Note 12.

By order of the Board

Chris Britten

Chairman

5 June 2025

N4 Pharma plc

Independent auditor's report to the members

Opinion

We have audited the financial statements of N4 Pharma Plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 31 December 2024 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and UK-adopted International Accounting Standards (IFRSs) as applied in accordance with the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards (IFRS);
- the Company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards (IFRS) as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

We tailored the scope of our audit work to ensure we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the industry in which the Group operates.

As Group auditor we carried out the audit of the Company financial statements and, in accordance with ISA (UK) 600, obtained sufficient appropriate evidence regarding the audit of the Group's subsidiaries N4 Pharma UK Limited and Nanogenics Limited. These subsidiaries were deemed to be significant to the Group financial statements due to their size. Audit work on the subsidiaries was performed at a materiality level of £30,000, which is lower than Group materiality.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Treatment of Research and Development expenditure The key focus of the Group is in progressing its research activities in respect of Nuvec and ECP105. The Group recorded all expenditures relating to these projects within profit or loss on the basis that the projects do not meet the capitalisation criteria of IAS 38. Where the criteria of IAS 38 are met, qualifying expenditures shall be capitalised as a development asset. Given that progressing the Group's R&D activities is the main objective of management, we consider this matter to be a Key Audit Matter.	We noted the R&D projects which were actively pursued by the Group during the year and sought explanations from management of the basis on which such expenditures are not capitalised. We challenged management to understand their expectations for the future development of the projects and the expected routes to commercialisation. We selected a sample of research expenditures and agreed payments to underlying research contracts and project scopes. We noted the continued R&D activities in the year and examined indicators arising from those activities which could indicate a material change in the likelihood of successful commercialisation of those projects. We considered evidence of the intellectual property rights held by the Group in respect of its R&D work performed. We concluded that there is a sufficient justification not to capitalise R&D expenditures and that the Board's policy is formed on a reasonable basis.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Our application of materiality (Continued)

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group	Company
Overall materiality	£60,000	£35,000
How we determined it	Based on 5% of gross expenses.	Based on 5% of gross assets.
Rationale for benchmark used	The Group's principal activity is a pharmaceutical company engaged in research and development with no revenue being generated. For this reason, a materiality measure based on gross expenses was considered the most appropriate.	The Company principally acts as a holding company and therefore gross assets is an appropriate measure.

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceed materiality for the financial statement as a whole. Performance materiality was set at £30,000 and £17,500 for the Group and Company respectively.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £3,000 and £1,750 for the Group and Company audits respectively as well as misstatements below this amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a detailed review of the Group's forecasts in comparison to cash balances held at the date of these financial statements and actual expenses in the recent period to assess the reasonability of the estimates made.

We have further performed a review of the cash proceeds from the Company's fundraise in April 2025 and the cash balances shortly before sign off to assess the accuracy of the starting point for cash flow forecasts.

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

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

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

Independent auditor's report to the members (Continued)

Other information (Continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company including company law, taxation legislation, anti-bribery, AIM Rules, employment laws and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the Group and Company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
    - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
    - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
    - agreeing financial statement disclosures to underlying supporting documentation;
    - reading the minutes of meetings of those charged with governance;
    - enquiring of management as to actual and potential litigation and claims;
    - reviewing the available correspondence with HMRC and the Group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent auditor's report to the members (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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

Joseph Brewer
Senior Statutory Auditor
For and on behalf of
Gravita II LLP (Statutory Auditors)
Aldgate Tower
2 Leman Street
London
E1 8FA

5 June 2025

N4 Pharma Plc
Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	Notes	2024	2023
		£	£
Revenue		7,282	1,953
Gross profit		**7,282**	**1,953**
Research and development costs		(390,387)	(619,392)
General and administration costs		(837,996)	(717,980)
Costs of purchase of investments		-	(89,175)
Loss for the year before tax	4	(1,221,101)	(1,424,594)
Taxation	5	101,112	147,816
Loss and total comprehensive loss for the year after tax		(1,119,989)	(1,276,778)
Total comprehensive loss for the year is attributable to:			
Equity owners of N4 Pharma Plc		(1,058,622)	(1,269,331)
Non-controlling interest		(61,367)	(7,447)
		(1,119,989)	**(1,276,778)**
Loss per share attributable to owners of the parent	11		
Weighted average number of shares:			
Basic		340,386,906	242,889,938
Diluted		340,881,486	242,889,938
Basic loss per share		**(0.31)**	**(0.52)**
Diluted loss per share		**(0.31)**	**(0.52)**

All results were derived from continuing operations.
The notes on pages 33 to 52 are an integral part of the Financial Statements

N4 Pharma Plc
Consolidated Statement of Financial Position as at 31 December 2024

	Notes	2024 £	2023 £
Assets			
Non-current assets			
Goodwill	6	-	61,210
		-	61,210
Current assets			
Trade and other receivables	7	149,797	187,045
Cash and cash equivalents		625,972	1,027,112
		775,769	1,214,157
Total assets		775,769	1,275,367
Liabilities			
Current liabilities			
Trade and other payables	8	(28,796)	(26,224)
Accruals		(95,571)	(55,502)
Total liabilities		(124,367)	(81,726)
Net current assets		651,402	1,132,431
Total assets less current liabilities		651,402	1,193,641
Net assets		**651,402**	**1,193,641**
Equity			
Share capital	10	9,849,946	9,345,946
Share premium	10	14,940,829	14,874,469
Share option reserve	10	114,775	107,385
Reverse acquisition reserve	10	(14,138,244)	(14,138,244)
Merger reserve	10	279,347	279,347
Retained earnings	10	(10,399,006)	(9,341,267)
Non-controlling interest	14	3,755	66,005
Total equity		**651,402**	**1,193,641**

The notes on pages 33 to 52 are an integral part of the Financial Statements.

The Financial Statements were approved by the Board of Directors on 5 June 2025 and signed on its behalf:

Nigel Theobald

Nigel Theobald

N4 Pharma Plc
Company Statement of Financial Position as at 31 December 2024

	Notes	2024 £	2023 £
Assets			
Non-current assets			
Investments	6	106,614	478,843
		106,614	478,843
Current assets			
Trade and other receivables	7	17,082	20,625
Intercompany loan receivable	7	20,000	-
Cash and cash equivalents		563,810	697,850
		600,892	718,475
Total assets		707,506	1,197,318
Liabilities			
Current liabilities			
Trade and other payables	8	(8,019)	(2,146)
Accruals		(48,079)	(38,835)
Total liabilities		(56,098)	(40,981)
Total assets less current liabilities		651,408	1,156,337
Net assets		**651,408**	**1,156,337**
Equity			
Share capital	10	9,849,946	9,345,946
Share premium	10	14,940,829	14,874,469
Share option reserve	10	114,775	107,385
Merger reserve	10	279,347	279,347
Retained earnings	10	(24,533,489)	(23,450,810)
Total equity		**651,408**	**1,156,337**

The Company recorded a loss of £1,082,579 for the year (31 December 2023: £8,636,550).

The notes on pages 33 to 52 are an integral part of the Financial Statements.

The Company Financial Statements were approved by the Board of Directors on 5 June 2025 and signed on its behalf:

Nigel Theobald

Nigel Theobald

N4 Pharma Plc
Consolidated Statement of Changes in Equity for the year ended 31 December 2024

Year ended 31 December 2024	Share capital	Share premium	Share option reserve	Reverse acquisition reserve	Merger reserve	Retained earnings	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 January 2024	**9,345,946**	**14,874,469**	**107,385**	**(14,138,244)**	**279,347**	**(9,341,267)**	**66,005**	**1,193,641**
Total comprehensive loss for the year	-	-	-	-	-	(1,058,622)	(61,367)	(1,119,989)
NCI shares gifted back	-	-	-	-	-	883	(883)	-
Share issue	504,000	126,000	-	-	-	-	-	630,000
Share issue costs	-	(59,640)	-	-	-	-	-	(59,640)
Share based payment charge	-	-	7,390	-	-	-	-	7,390
At 31 December 2024	**9,849,946**	**14,940,829**	**114,775**	**(14,138,244)**	**279,347**	**(10,399,006)**	**3,755**	**651,402**

Year ended 31 December 2023	Share capital	Share premium	Share option reserve	Reverse acquisition reserve	Merger reserve	Retained earnings	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 January 2023	**9,205,946**	**14,698,569**	**103,954**	**(14,138,244)**	**279,347**	**(8,061,414)**	**-**	**2,088,158**
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	62,930	62,930
Shares in subsidiary issued to NCI	-	-	-	-	-	(10,522)	10,522	-
Total comprehensive loss for the year	-	-	-	-	-	(1,269,331)	(7,447)	(1,276,778)
Share issue	140,000	210,000	-	-	-	-	-	350,000
Share issue costs	-	(34,100)	-	-	-	-	-	(34,100)
Share based payment charge	-	-	3,431	-	-	-	-	3,431
At 31 December 2023	**9,345,946**	**14,874,469**	**107,385**	**(14,138,244)**	**279,347**	**(9,341,267)**	**66,005**	**1,193,641**

The notes on pages 33 to 52 are an integral part of the Financial Statements.

N4 Pharma Plc
Company Statement of Changes in Equity for the year ended 31 December 2024

Year ended 31 December 2024	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance at 1 January 2024	**9,345,946**	**14,874,469**	**107,385**	**279,347**	**(23,450,810)**	**1,156,337**
Total comprehensive loss for the year	-	-	-	-	(1,082,579)	(1,082,579)
Share issue	504,000	126,000	-	-	-	630,000
Share issue costs	-	(59,640)	-	-	-	(59,640)
Share based payment charge	-	-	7,390	-	-	7,390
At 31 December 2024	**9,849,946**	**14,940,829**	**114,775**	**279,347**	**(24,533,489)**	**651,408**

Year ended 31 December 2023	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance at 1 January 2023	**9,205,946**	**14,698,569**	**103,954**	**279,347**	**(14,814,260)**	**9,473,556**
Total comprehensive loss for the year	-	-	-	-	(8,636,550)	(8,636,550)
Share issue	140,000	210,000	-	-	-	350,000
Share issue costs	-	(34,100)	-	-	-	(34,100)
Share based payment charge	-	-	3,431	-	-	3,431
At 31 December 2023	**9,345,946**	**14,874,469**	**107,385**	**279,347**	**(23,450,810)**	**1,156,337**

The notes on pages 33 to 52 are an integral part of the Financial Statements.

N4 Pharma Plc
Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Notes	2024 £	2023 £
Operating activities			
Loss after tax		(1,119,989)	(1,276,778)
Share based payment charge		7,390	3,431
Taxation credit		(101,112)	(147,816)
Impairment of Goodwill		61,210	-
Operating cash outflow before changes in working capital		**(1,152,501)**	**(1,421,163)**
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(9,456)	44,230
Increase in trade, other payables and accruals		42,641	3,838
Cash used in operations		(1,119,316)	(1,373,095)
Taxation credit received		147,816	163,997
Net cash flows used in operating activities		**(971,500)**	**(1,209,098)**
Investing activities			
Net cash on acquisition of Subsidiary		-	781
Net cash flows from investing activities		**-**	**781**
Financing activities			
Proceeds of ordinary share issue		630,000	350,000
Costs of share issue		(59,640)	(34,100)
Net cash flows from financing activities		**570,360**	**315,900**
Net decrease in cash and cash equivalents		**(401,140)**	**(892,417)**
Cash and cash equivalents at beginning of the year		1,027,112	1,919,529
Cash and cash equivalents at year end		**625,972**	**1,027,112**

The notes on pages 33 to 52 are an integral part of the Consolidated Financial Statements

N4 Pharma Plc
Company Statement of Cash Flows for the year ended 31 December 2024

	2024 £	2023 £
Operating activities		
Loss after tax	(1,082,579)	(8,636,650)
Interest receivable	(334,180)	(305,416)
Share based payment charge	7,390	3,431
Impairment of investment in subsidiaries	372,129	866,004
Impairment of loan to subsidiary	734,180	6,459,000
Operating cash outflow before changes in working capital	**(303,060)**	**(1,613,631)**
Movements in working capital:		
Decrease/(increase) in trade and other receivables	3,543	1,277,116
Increase in trade and other payables	15,117	7,135
Cash used in operations	(284,400)	(329,380)
Net cash flows used in operating activities	**(284,400)**	**(329,380)**
Investing activities		
Acquisition of investment	-	(250,000)
Loan to subsidiaries	(420,000)	(800,000)
Net cash flows used in investing activities	**(420,000)**	**(1,050,000)**
Financing activities		
Proceeds of ordinary share issue	630,000	350,000
Costs of share issue	(59,640)	(34,100)
Net cash flows from financing activities	**570,360**	**315,900**
Net decrease in cash and cash equivalents	**(134,040)**	**(1,063,480)**
Cash and cash equivalents at beginning of the year	697,850	1,761,330
Cash and cash equivalents at year end	**563,810**	**697,850**

The notes on pages 33 to 52 are an integral part of the Consolidated Financial Statements

1. Accounting policies

1.1 Reporting entity

N4 Pharma Plc (the "Company"), is the holding Company for N4 Pharma UK Limited ("N4 UK"), and Nanogenics Limited ("Nanogenics"), and together form the Group (the "Group"). N4 Pharma UK Limited is a specialist pharmaceutical company engaged in the development of mesoparticulate silica delivery systems to improve the cellular delivery and potency of vaccines. The nature of the business is not deemed to be impacted by seasonal fluctuations and as such performance is expected to be consistent.

Nanogenics is a specialist pharmaceutical company engaged in the development of a Liptide platform to deliver a proprietary siRNA sequence to silence a fibrotic gene. The nature of the business is not deemed to be impacted by seasonal fluctuations and as such performance is expected to be consistent.

The Company was incorporated and registered in England and Wales on 6 July 1979 as a public limited company and its shares are admitted to trading on AIM (LSE: N4P). With effect from 15 May 2025 the Company's registered office was changed from 6th Floor, 60 Gracechurch Street, London, EC3V 0HR to C/o Arch Law Limited, Huckletree Bishopsgate, 8 Bishopsgate, London, EC2N 4BQ.

The Consolidated and Company Financial Statements have been prepared in accordance with UK-adopted International Financial Reporting Standards and applied to the Company Accounts in accordance with the provisions of the Companies Act 2006.

The Consolidated and Company Financial Statements are presented in Great British Pounds ("GBP" or "£"), rounded to the nearest £.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Consolidated Financial Statements.

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 from presenting its own Statement of Comprehensive Income. The loss incurred by the Company is disclosed under the Company Statement of Financial Position.

1.2 Measurement convention

The Consolidated Financial Statements are prepared on the historical cost basis, except for the following items:

- Share-based payments related to investment acquisition are measured at fair value shown in the Merger Reserve.
- Share-based payments related to employee costs are measured at fair value at the date of grant shown in the Statement of Comprehensive Income.
- Share-based payments related to share issue costs are measured at fair value at the date of grant shown in Share Premium.
- The associated Share Options and Warrants are measured at fair value at the date of grant using the Black Scholes model (see note 9).

1.3 Going concern

These Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a going concern.

The Group currently has no significant source of operating cash inflows, other than royalty, and has incurred net operating cash outflows after tax for the year ended 31 December 2024 of £971,500 (2023: £1,209,098 outflow). At 31 December 2024, the Group had cash balances of £625,972 (2023: £1,027,112) and a surplus in net working capital (current assets, including cash, less current liabilities) of £651,402 (2023: £1,132,431).

1. Accounting policies (Continued)

1.3 Going concern (Continued)

The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. Forecasts are adjusted for reasonable sensitivities that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge. In those cases, where scenarios deplete the Group's cash resources too rapidly, consideration is given to the potential actions available to management to mitigate the impact of one or more of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds.

As the Group did not have access to bank debt and funding is reliant on issues of shares in the Parent Company, the Board had derived a mitigation plan for the scenarios modelled as part of the going concern review. The outcome of which was the issuance of shares to raise gross proceeds of £1,750,000 by the Parent Company on 1 April 2025 providing sufficient working capital to allow the Group to meet its obligations and fund value enhancing studies for a period of at least 12 months from the signing of these Financial Statements. On this basis, the Board are satisfied with the adoption of the going concern basis in preparing the financial statements.

1.4 Basis of consolidation

The Group financial statements consist of the financial statements of the Company together with the entities controlled by the Company (its subsidiaries), N4 UK and Nanogenics.

The financial statements for N4 UK and Nanogenics are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of N4 UK and Nanogenics to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the Group's financial statements from the date that control commences until the date that control ceases.

1.5 Revenue

The Group generates license fees for the licencing of its intellectual property. Fee income is recognised on the accruals basis.

1. Accounting policies (Continued)

1.6 Expenses

Research and development
Research costs are charged against the Consolidated Statement of Comprehensive Income as they are incurred. Certain development costs will be capitalised as intangible assets when it is probable that the future economic benefits will flow to the Group. Such intangible assets will be amortised on a straight-line basis from the point at which the assets are ready for use, over the period of the expected benefit, and are reviewed for impairment at each year end date. Other development costs are charged against the Consolidated Statement of Comprehensive Income as incurred since the criteria for their recognition as an asset is not met.

The criteria for recognising expenditure as an asset are:

- It is technically feasible to complete the product;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources are available to complete the development, use and sale of the product; and
- Expenditure attributable to the product can be reliably measured.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third-party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

To date, the criteria for recognition of an internally generated intangible asset have not been met as explained in note 1.16.

General and administration costs are recognised on an accruals basis in the Consolidated Statement of Comprehensive Income.

1.7 Taxation

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax
Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date.

Deferred tax
Deferred tax is recognised in respect of all taxable temporary differences that have originated but not reversed at the Consolidated Statement of Financial Position date.

Taxable temporary differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Consolidated Financial Statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. Accounting policies (Continued)

1.8 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the rate of exchange ruling at the Consolidated Statement of Financial Position date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses are included in the Consolidated Statement of Comprehensive Income.

1.9 Earnings per share

The Group presents basic and diluted earnings or loss per share data for its ordinary shares. Basic earnings/loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings/loss per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise of share options granted.

1.10 Operating segments

The Group operated in one business segment, that of the development and commercialisation of medicines via its delivery system called Nuvec® and its liptide platform called ECP105.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group.

1.11 Presentation and classification of financial instruments issued by the Group

In accordance with IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Consolidated Financial Statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1.12 Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents and trade and other payables.

Investments

Investments are investments held in subsidiaries accounted for at cost less provision for impairment under IAS 27.

1. Accounting policies (Continued)

1.12 Non-derivative financial instruments *(Continued)*

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost less provisions for expected credit losses.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents are basic financial assets and comprise of cash at bank. Any overdrafts are shown within borrowings in current liabilities.

1.13 Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Consolidated Statement of Comprehensive Income.

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generated units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. Accounting policies (Continued)

1.14 Share based payment arrangements

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Share-based payment transactions, other than those with employees, are measured at the value of goods or services received where this can be reliably measured. Where the services received are not identifiable, their fair value is determined by reference to the grant date fair value of the equity instruments provided. Should it not be possible to measure reliably the fair value of identifiable goods and services received, their fair value shall be determined by reference to the fair value of the equity instruments provided measured over the period of time that the goods and services are received.

The expense is recognised in the Consolidated Statement of Comprehensive Income or capitalised as part of an asset when the goods are received or as services are provided, with a corresponding increase in equity.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no "true-up" for differences between expected and actual outcomes.

1.15 Adoption of new and revised International Financial Reporting Standards

The following IFRS standards, amendments or interpretations became effective during the year ended 31 December 2024 but have not had a material effect on this Consolidated Financial Information:

Standard	Effective date
Amendments to IAS 1 Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current)	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements (Amendment to Non-current liabilities with covenants)	1 January 2024
Amendments to IFRS 16 Leases (Amendment, Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to IAS 7 and IFRS 7 in respect of Supplier Finance Arrangements	1 January 2024

All new standards and amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2024 that are applicable to the Group have been applied in preparing these Consolidated Financial Statements.

The standards and interpretations that are issued and relevant to the Group, but not yet effective, up to the date of issuance of the Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments) - Lack of exchangeability	1 January 2025

1. Accounting policies (continued)

1.15 Adoption of new and revised International Financial Reporting Standards (Continued)

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, have not been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed.

Standard	Effective date
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS18 Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Directors are continuing to assess the potential impact that the adoption of the standards listed above will have on the Consolidated Financial Statements for the year ended 31 December 2024.

The Board are currently assessing the impact of these new amendments on the Group's financial reporting for future periods. However, the Board does not expect any of the above to have a material impact on future reporting except for IFRS 18 which is expected to result in changes in the presentation of certain primary financial statements. A full assessment will be performed once the standard is adopted in the UK.

1.16 Use of estimates and judgements

The preparation of Consolidated Financial Statements in conformity with IFRSs requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses during the period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, the Directors have decided the following estimates and assumptions are material to the carrying amounts of assets and liabilities recognised in the Consolidated Financial Statements.

Critical judgements

Research and development expenditure
The key judgements surrounding the Research & Development expenditure is whether the expenditure meets the criteria for capitalisation. Expenditure will only be capitalised when the recognition criteria is met and is otherwise written off to the Consolidated Statement of Comprehensive Income. The recognition criteria include the identification of a clearly defined project with separately identifiable expenditure where the outcome of the project, in terms of its technical feasibility and commercial viability, can be measured or assessed with reasonable certainty and that sufficient resources exist to complete a profitable project. In the event that these criteria are met, and it is probable that future economic benefit attributable to the product will flow to the Group, then the expenditure will be capitalised.

Impairment of investments and intercompany debtors
N4 UK has sustained losses and the Statement of Financial position is in deficit. The recoverability of the intercompany debtor and the cost of investment is dependent on the future profitability and success of the entity, which is in a research phase and has not therefore generated any revenue to date. Having considered research progress during the year and future prospects of N4 UK, the Directors consider that there are indicators of impairment in respect of these balances. This is a significant judgement. Further detail is given in Note 13.

2. Risk management

Overview
The Group has exposure to the following risks:

- Credit risk;
- Liquidity risk;
- Tax risk;
- Market risk; and
- Operational risk
- Regulatory and legislative risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework
The Board has overall responsibility for the establishment and oversight of the risk management framework and developing and monitoring the Group's risk management policies. Key risk areas have been identified and the Group's risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's bank deposits and receivables. See Note 12 for further detail. The risk of non-collection is considered to be low. This risk is deemed low at present due to the Group not generating material revenue but is a consideration for future risks.

There is an intercompany debtor balance between the Company and N4 UK. The recoverability of this debtor is dependent on the future profitability of the entity. As N4 UK has sustained losses and the Statement of Financial Position is in deficit it is currently not in a position to repay this amount and this therefore poses a credit risk to the Company, but not to the Group.

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

Tax risk
Any change in the Group's tax status or in taxation legislation or its interpretations could affect the value of the investments held by the Group or the Group's ability to provide returns to shareholders or alter post-tax returns to shareholders.

Market risk and competition
The Group operates as a specialist pharmaceutical Company engaged in the development of mesoparticulate silica delivery systems to improve the cellular delivery and potency of vaccines and development of a Liptide platform to deliver a proprietary siRNA sequence to silence a fibrotic gene for the treatment of glaucoma. The Group is entering into a market with existing competitors and the prospect of new entrants entering the current market. There is no guarantee that current competitors or new entrants to the market will not appeal to a wider portion of the Group's target market or command broader band awareness.

2. Risk management (Continued)

Market risk and competition (Continued)

In addition, the Group's future potential revenues from product sales will be affected by changes in the market price of pharmaceutical drugs and could also be subject to regulatory controls or similar restrictions.

Market risk is monitored continuously by the Group and the Board reacts to any changes in market conditions as and when they arise.

Operational risk
The Group is at an early stage of development and is subject to several operational risks. The commencement of the Group's material revenues is difficult to predict and there is no guarantee the Group will generate material revenues in the future. The Group has a limited operational history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. The risks include the uncertainty as to which areas of pharmaceuticals to target for growth.

Operational risk is managed by adapting the future plans of the Group based on results and feedback from employees, suppliers and contractors.

Regulatory and legislative risk

The operations of the Group are such that it is exposed to the risk of litigation from its suppliers, employees and regulatory authorities. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though monetary consequences may not be significant.

Any changes to regulations or legislation are reviewed by the Board on a regular basis and the Group applies any that are relevant accordingly.

Changes to legislation, regulations, rules and practices may change and is often the case in the pharmaceutical industry which is highly regulated and susceptible to regular change. Any changes may have an adverse effect on the Group's operations.

Regulatory and legislative risk will become more significant once the current research generates revenue.

Protection of intellectual property
The Group's ability to compete significantly relies upon the successful protection of its intellectual property, in particular its licenced and owned patent applications for Nuvec® and ECP105. The Group seeks to protect its intellectual property through the filing of worldwide patent applications, as well as robust confidentiality obligations on its employees. However, this does not provide assurance that a third party will not infringe on the Group's intellectual property, release confidential information about the intellectual property or claim technology which is registered to the Group.

Capital management
The Group has no loans or borrowings and has sufficient resources, in the view of the Directors, to meet its working capital requirements for the next 12 months.

The Group manages its capital through the preparation of detailed forecasts, and tracks actual receipts and outlays against the forecasts on a regular basis, to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Group consists of cash and cash equivalents and equity comprising, capital, reserves and accumulated losses.

3. Employees and directors

The average monthly number of employees during the year was 4 (2023: 5). The Directors of the Group are employed by both the Company and N4 UK and as such are included in the employee figure. Total Directors' remuneration is detailed in Note 13 of these Consolidated Financial Statements.

There are no employees other than the Directors (2023: none).

Group

	2024 £	2023 £
Wages and Salaries	207,467	214,000
Social security costs	17,761	17,778
	225,228	231,778

Company

	2024 £	2023 £
Wages and Salaries	67,315	89,907
Social security costs	2,056	2,056
	69,371	91,963

4. Expenses by nature

	2024 £	2023 £
Administrative expenses include the following:		
Fees payable to the Group's auditor for the audit of the Group and Company Financial Statements	35,000	26,985
Fee payable for audit of subsidiaries	-	10,015
Impairment of goodwill	61,210	-
Salary costs	225,227	231,778

5. Taxation

	2024 £	2023 £
Current tax		
Research and development tax credit receivable for the current period	(101,112)	(147,816)
	(101,112)	(147,816)
Deferred tax		
Origination and reversal of temporary differences	-	-
Tax in Statement of Comprehensive Income	(101,112)	(147,816)

The tax charge for the year can be reconciled to the loss in the Consolidated Statement of Comprehensive Income as follows:

	2024 £	2023 £
Loss before taxation	(1,068,299)	(1,276,778)
Tax at the UK corporation tax rate of 25% (2023: 25%)	(267,181)	(319,195)
Net Research and development tax credits	(101,112)	(147,816)
Changes in unrecognised deferred tax asset	267,181	319,195
Adjustments in respect of prior periods	-	-
Tax credit for the year	(101,112)	(147,816)

At the year end the Group had trading losses carried forward of £11,356,029 (2023: £11,357,986) for use against future profits. There are no other factors which may impact future tax charges. A deferred tax asset has not been recognised on unrelieved trading losses as the timing, extent and availability of future profits is not yet certain.

6. Investments

Investment in subsidiaries

Cost	N4 Pharma UK	Nanogenics Limited	Total
	£	£	£
Balance at 31 December 2022	1,094,747	-	1,094,747
Additions	-	250,000	250,000
Impairment	(866,004)	-	(866,004)
Balance at 31 December 2023	228,743	250,000	478,743
Impairment	(135,174)	(236,955)	(372,129)
Balance at 31 December 2024	93,569	13,045	106,614

6. Investments (continued)

In respect of the Company's investment in its subsidiaries of £106,614 (2023: £478,743) an impairment charge of £372,129 has been recorded to reflect the Board's assessment that, given the early stage of the development of the subsidiaries' R&D projects, and therefore the uncertainty over future cash flows, the best estimate of the recoverable amount is based on the subsidiaries' respective net assets at the reporting date.

Details of the Company's subsidiaries at 31 December 2024 are as follows:

	Registered Office	Principal activity	Proportion of ownership and voting rights held
N4 Pharma UK Limited	The Mills, Canal Street, Derby, DE1 2RJ	Delivery of vaccines and therapeutics	100%
Nanogenics Limited	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Research and experimental development on biotechnology	71.21%

During the year, minority shareholders in Nanogenics Limited gifted back 301 shares back to the company. Therefore, the Group's interest in Nanogenics increased from 70.82% to 71.21% in the year.

Goodwill

	2024	2023
	£	£
At 1 December	61,210	-
Additions	-	61,210
Impairment	(61,210)	-
At 31 December	-	61,210

At the year end the Group held goodwill of £nil (2023: £61,210) in respect of the 2023 acquisition of Nanogenics Limited.

As required by IAS 36, the Board performed an impairment assessment based on the greater of value in use or fair value less costs to sell. In light of the early stage of development of Nanogenics' R&D portfolio and therefore the limited predictability of any future cash flows arising from commercialisation of the portfolio, the Board elected to impair the goodwill in full. An impairment charge of £61,210 was recognised in the Consolidated Statement of Comprehensive Income.

7. Trade and other receivables

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Prepayments	15,130	10,613	11,572	9,916
VAT receivable	25,714	24,972	5,510	10,709
R&D tax credits receivable	101,112	147,816	-	-
Other debtors	7,841	3,644	-	-
	149,797	187,045	17,082	20,625

The carrying value of trade and other receivables is considered to approximate to their fair value.

The Company's loans to subsidiaries were as follows:

	2024 £	2023 £
At 1 December	7,648,026	6,542,610
Brought forward credit loss provision	(7,648,026)	-
Additional loans made	420,000	800,000
Interest charged	334,179	305,416
Addition to credit loss provision	(734,179)	(7,648,026)
At 31 December	20,000	-

The Company funds the activities of its subsidiaries through loans. The Company held a loan receivable from N4 Pharma UK Limited at year end of £6,859,000 (2023: £6,459,000). Additional funds of £400,000 were advanced during the year. Interest is charged at 5% and so interest income of £334,179 was recorded in the Company's income statement in the year. In forming an assessment of expected credit losses, based on the maturity at the year end of 31 December 2025, the Board determined that a 100% provision should be raised against loan capital and accrued interest in light of the limited predictability of the timing of future cash flows.

During the year the Company made loans to Nanogenics Limited of £20,000. The loan is repayable in September 2025 and if not repaid on that date it can be converted to equity of Nanogenics by reference to the lower of £100 per share or the most recent amount paid by N4 Pharma plc to subscribe for shares in that company.

8. Trade and other payables

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade payables	23,324	20,202	6,871	961
Other payables	5,472	6,022	1,148	1,185
	28,796	26,224	8,019	2,146

The carrying value of trade and other payables is considered to approximate to their fair value.

9. Share-based payments

Options

The Company has the ability to issue options to Directors to compensate them for services rendered and incentivize them to add value to the Group's longer-term share value. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the vesting period based on the Group's estimate of the number of shares that will vest.

The vesting period is defined as the period in which the options are unable to be exercised. The period commences on the date the options are issued. For the options to vest, the holder must remain an employee of the group throughout the vesting period. Once the vesting period is complete the options may be exercised on any date up to the lapse date.

Cancellations of equity instruments are treated as an acceleration of the vesting period and any outstanding charge is recognised in full immediately.

Fair value is measured using a Black Scholes pricing model. The key assumptions used in the model at the grant date were adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

As at 31 December 2024, there were 22,046,513 (2023: 7,046,513) options in existence over ordinary shares of the Company. Options in existence during the current and/or previous financial year are as follows:

Name	Date of Grant	Ordinary shares under option	Vesting Date	Expiry Date	Exercise Price £
2015 Options					
Gavin Burnell	14.10.15	1,351,210	14.10.15	14.10.25	0.0280
Luke Cairns	14.10.15	675,302	14.10.15	14.10.25	0.0280
2017 Options					
Luke Cairns	03.05.17	717,143	03.05.20	03.05.27	0.0700
David Templeton	03.05.17	717,143	03.05.20	03.05.27	0.0700
Paul Titley	03.05.17	717,143	03.05.20	03.05.27	0.0700
2019 Options					
John Chiplin	21.05.19	717,143	21.05.22	21.05.29	0.0355
Christopher Britten	21.05.19	717,143	21.05.22	21.05.29	0.0355
2020 Options					
David Templeton	18.05.20	717,143	18.05.23	18.05.30	0.0480
Luke Cairns	18.05.20	717,143	18.05.23	18.05.30	0.0480
2024 Options					
Nigel Theobold	27.11.24	2,000,000	27.11.25	27.11.34	0.0075
Michael Palfreyman	27.11.24	1,000,000	27.11.25	27.11.34	0.0075
Christopher Britten	27.11.24	1,000,000	27.11.25	27.11.34	0.0075
Luke Cairns	27.11.24	1,000,000	27.11.25	27.11.34	0.0075
Nigel Theobold	27.11.24	2,000,000	27.11.26	27.11.34	0.0075
Michael Palfreyman	27.11.24	1,000,000	27.11.26	27.11.34	0.0075
Christopher Britten	27.11.24	1,000,000	27.11.26	27.11.34	0.0075

9. Share-based payments (continued)

Options (continued)

Luke Cairns	27.11.24	1,000,000	27.11.26	27.11.34	0.0075
Nigel Theobold	27.11.24	2,000,000	27.11.27	27.11.34	0.0075
Michael Palfreyman	27.11.24	1,000,000	27.11.27	27.11.34	0.0075
Christopher Britten	27.11.24	1,000,000	27.11.27	27.11.34	0.0075
Luke Cairns	27.11.24	1,000,000	27.11.27	27.11.34	0.0075
Total options		22,046,513			

The weighted average remaining contractual life of the share options outstanding as at 31 December 2024 was 7.7 years (2023: 3.93 years).

Weighted average exercise price of options outstanding as at at 31 December 2024 was £0.02 (31 December 2023: £0.05).

Each option entitles the holder to subscribe for one ordinary share in the Company. Options do not confer any voting rights on the holder.

An amount of £550 has been recognised in the Consolidated Statement of Comprehensive Income and in the Share Option Reserve in relation to the share options (2023: £3,431).

The aggregate fair value of the share options in issue was £95,941 (2023: £95,391).

Warrants

As part of the placing in June 2024 which raised £630,000 before fees and expenses, the Company issued 7,560,000 warrants at an exercise price of 0.5p per warrant to the Company's brokers on the transaction as part of their fees.

The warrants entitle holders to subscribe for new ordinary shares at any time in the period of three years following the grant of the warrants. The expiry date for the warrants is 6 June 2027.

Fair value is measured using a Black Scholes pricing model.

An amount of £6,840 was recognised in the year ended 31 December 2024 in the Share Option Reserve in relation to the warrants. There was no amount in the year ended 31 December 2023 in the Share Option Reserve in relation to the warrants.

The weighted average remaining life of warrants at year end was 2.0 years (2023:1.9 years)

The weighted average exercise price of warrants ar the year end was 0.9p (2023:2p)

The number of warrants exercisable at year end was 10,722,000 (2023: 3,162,000)

The number of options exercisable at year end was 7,046,513 (2023: 7,046,513)

10. Capital and reserves

Issued, allotted and fully paid	2024	2023
	£	£
394,780,349 Ordinary Shares of 0.4p each *(2023: 268,780,349)*	1,579,121	1,075,121
137,674,431 Deferred Shares of 4p each	5,506,977	5,506,977
279,176,540 Deferred Shares of 0.99p each	2,763,848	2,763,848
	9,849,946	9,345,946

All ordinary shares rank equally in all respects, including for dividends, shareholder attendance and voting rights at meetings, on a return of capital and in a winding-up.

Authorised ordinary shares at 31 December 2024 totalled 394,780,349 (2023:334,682,497).

During the year 126,000,000 new ordinary shares of 0.4p each were issued through a placing in June 2024 at a share price of 0.5p per share.

The 137,674,431 deferred shares of 4p, have no right to dividends nor do the holders thereof have the right to receive notice of or to attend or vote at any general meeting of the Company. On a return of capital or on a winding up of the Company, the holders of the deferred shares shall only be entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received their return on capital.

The 279,176,540 deferred shares of 0.99p shall be entitled to receive a special dividend, which is payable upon the repayment to the Company of any amount owed under certain loan agreements, after which the Company shall, in priority to any distribution to any other class of share, pay to the holders of the Special Deferred Shares an aggregate amount equal to the amount repaid pro rata according to the number of such shares paid up as to their nominal value held by each shareholder. They shall be entitled to no other distribution save for a special dividend and shall not be entitled to receive notice of or attend or vote at a general meeting of the Company. On a return of capital on a winding up of the Company, they shall only be entitled to receive the amount paid up on such shares up to a maximum of 0.9 pence per share after the holders of the Ordinary Shares and the Deferred Shares have received their return on capital.

Reserves
The equity structure presented in the Consolidated Financial Statements reflects the equity structure of the Group, including the equity instruments issued as part of the Reverse Takeover transaction which occurred in 2017 and followed accounting treatment in accordance with IFRS 3.

The reverse acquisition reserve and the merger reserve are derived as part of the Reverse Takeover transaction and the balances within these reserves have had no movement since the point of the Reverse takeover in 2017.

Share premium reserve
The share premium reserve comprises the excess of consideration received over the par value of the shares issued, plus the nominal value of share capital at the date of redesignation at no par value.

Share option reserve
The share option reserve comprises the fair value of options granted, less the fair value of lapsed and expired options.

Retained earnings
Retained earnings comprises of accumulated results to date.

11. Earnings per share

The calculation of basic loss per share at 31 December 2024 was based on the loss of £1,058,622 (2023: £1,269,331), and a weighted average number of ordinary shares outstanding of 340,386,906 (2023: 242,889,938), calculated as follows:

	2024 £	2023 £
Losses attributable to ordinary shareholders	(1,058,622)	(1,269,331)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	268,780,349	233,780,349
Effect of shares issued during the year	71,606,557	9,109,589
Weighted average number of shares at 31 December	340,386,906	242,889,938

	2024 pence per share	*2023 pence per share*
Basic loss per share	(0.31)	(0.52)

Diluted loss per share

As the Group reported a loss for the year, there is no dilutive effect of options and warrants in issue. Therefore Diluted Earnings Per Share is the same as Earnings Per Share for both the current and comparative period.

	2024 pence per share	*2023 pence per share*
Diluted loss per share	(0.31)	(0.52)

12. Risk management and analysis

(a) Credit risk

Financial risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and cash and cash equivalents. The carrying amount of cash, cash equivalents and term deposits represents the maximum credit exposure on those assets. The cash and cash equivalents are held with UK banks and financial institution counterparties which are rated by S&P at least A-2.

There is an intercompany debtor balance between the Company and N4 UK. The recoverability of this debtor is dependent on the future profitability of the entity. As N4 UK has sustained losses and the Statement of Financial Position is in deficit it is currently not in a position to repay this amount and this therefore poses a credit risk to the Company, but not to the Group.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date of the Group was £760,639 (2023: £1,203,544), being the total of the carrying amount of financial assets, shown in the Consolidated Statement of Financial Position.

12. Risk management and analysis (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Group:

Financial liabilities	Carrying amount £	Contractual cash flows £	6 months or less £	6-12 months £	1 -2 years £
31 December 2024					
Trade and other payables	28,796	28,796	28,796	-	-
31 December 2023					
Trade and other payables	26,224	26,224	26,224	-	-

Company:

Financial liabilities	Carrying amount £	Contractual cash flows £	6 months or less £	6-12 months £	1 -2 years £
31 December 2024					
Trade and other payables	8,019	8,019	8,019	-	-
31 December 2023					
Trade and other payables	2,146	2,146	2,146	-	-

(c) Currency risk

The Group does not have significant exposure to foreign currency risk at present. The Group does not have any monetary financial instruments which are held in a currency that differs from that entity's functional currency.

(d) Interest rate risk

Profile
At the reporting date the interest rate profile of interest-bearing financial instruments was:

	Carrying amount	
Group:	**2024 £**	**2023 £**
Variable rate instruments		
Cash and cash equivalents	625,972	1,027,112

	Carrying amount	
Company:	**2024 £**	**2023 £**
Variable rate instruments		
Cash and cash equivalents	563,810	697,850

12. Risk management and analysis (continued)

Cash flow sensitivity analysis for variable rate instruments
The Group's interest-bearing assets at the reporting date were invested with financial institutions in the United Kingdom with a S&P rating of A-2 and comprised solely of bank accounts.

A change in interest rates would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2023.

Group:	2024		2023	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	6,260	(6,260)	10,271	(10,271)

Company:	2024		2023	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	5,838	(5,838)	6,979	(6,979)

13. Related parties

Key management personnel

The below remuneration relates to key management personnel, there are no key management personnel employed by the Group in addition to the Directors.

	2024	2023
	£	£
Short-term employee benefits	207,467	214,000
Social security costs of short-term employee benefits	17,761	17,778
Share based payments	550	3,431
	225,778	235,209

Directors' remuneration

The below remuneration relates to the Directors of the Group.

2024	Remuneration		
Director	Cash-based payments	Share-based payments	Totals
	£	£	£
Nigel Theobald	82,500	220	82,720
David Templeton	49,500	-	49,500
Luke Cairns	44,000	110	44,110
Christopher Britten	24,000	110	24,110
Michael Palfreyman	7,467	110	7,557
	207,467	550	208,017

13. Related parties (continued)

Directors' remuneration

2023	Remuneration		
Director	Cash-based payments	Share-based payments	Totals
	£	£	£
Nigel Theobald	82,500	-	82,500
David Templeton	49,500	1,715	51,215
Luke Cairns	44,000	1,716	45,716
Christopher Britten	24,000	-	24,000
John Chiplin	14,000	-	14,000
	214,000	3,431	217,431

No contributions are paid by the Group to a pension scheme on behalf of the Directors.

Nigel Theobald is the Group's highest paid director (2023: Nigel Theobald). His remuneration in each year is disclosed above.

N4 Pharma Plc made loans to its subsidiaries in the year. Details are given in Note 7.

There are no further related party transactions identified.

There is no ultimate controlling party of the Company or Group.

14. Non-controlling interest

Below is financial information for Nanogenics given that it has non-controlling interest that is material to the group. The amounts disclosed are before inter-company eliminations and the prior period comparative relates to results after 27 September 2023.

Statement of Financial Position	2024	2023
	£	£
Current Assets	47,365	239,833
Current liabilities	(34,320)	(13,633)
Current Net assets	13,045	226,200
Accumulated NCI	3,756	66,005

Statements of Comprehensive Income	2024	2023
	£	£
Revenue	7,282	1,953
Expenses	(235,164)	(27,475)
R&D Tax credit	14,727	-
Loss for the period	(213,155)	(25,522)
Loss allocated to NCI	(61,367)	(7,447)

15. Subsequent events

On 1 April 2025 the Company announced a placing and subscription for 437,500,000 new ordinary shares at an issue price of 0.4p to raise gross proceeds of £1,750,000. Each share carries one warrant, exercisable at 0.8p for a period of three years from the second admission date.