

**Unaudited Condensed Consolidated Interim Financial
Statements for the Six Months Ended 30 June 2024**

for

VIDAC PHARMA HOLDING PLC

Company Registration Number 13479728 (England and Wales)

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

**Condensed Consolidated Interim Statement of Comprehensive Income
for the Six Months Ended 30 June 2024**

	Note	Six months ended 30 June 2024 (Unaudited) GBP'000	Six months ended 30 June 2023 (Unaudited) GBP'000
Revenue		-	-
Research and development expenses	5	(65)	(81)
General and administrative expenses	6	(357)	(380)
Operating loss		(422)	(461)
Net finance income (expenses)		(8)	15
Loss before tax		(430)	(446)
Income tax expenses		-	-
Loss for the period		(430)	(446)
Other comprehensive income/(loss)		(3)	13
Total comprehensive loss		(433)	(433)

Dr. Max Herzberg PhD, Chairman and CEO _____

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**Condensed Consolidated Interim Statement of Financial Position
30 June 2024**

ASSETS	Note	30 June 2024 (Unaudited) GBP'000	31 December 2023 (Audited) GBP'000
Non-current assets			
Equipment		3	3
		3	3
Current assets			
Receivables		2	54
Cash at bank	7	70	60
Prepaid expenses		17	2
		89	116
Total assets		92	119
EQUITY AND LIABILITIES			
Equity deficiency			
Share capital	8	54 334	53 815
Share premium	8	51	51
Additional paid-in capital	8	6	6
Other reserves	8	(29 592)	(29 300)
Accumulated losses	9	(26 002)	(25 572)
Translation reserve		241	244
Total equity		(962)	(756)
Current liabilities			
Employee and payroll payable		1	14
Account payables		37	198
Related party liability		563	485
Accrued expenses		174	36
Loan payables		279	142
		1 054	875
Total equity deficiency and liabilities		92	119

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**Condensed Consolidated Interim Statement of Changes in Equity
for the Six Months Ended 30 June 2024**

	Share capital	Share premium	Additional paid-in capital	revaluation reserves	Accumulated losses	Translation reserve	Total equity
	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000	GPB'000
Balance at 1 January 2023 (Audited)	51 625	-	239	(28 538)	(24 297)	223	(748)
Loss and total comprehensive loss for the year	-	-	-	-	(1 275)	21	(1 254)
Issue of share capital	1 135	51	6	-	-	-	1 192
Transfer to share capital	1 055	-	(239)	(816)	-	-	-
Other movements				54	-	-	54
Balance at 31 December 2023 (Audited)	53 815	51	6	(29 300)	(25,572)	244	(756)
Loss and total comprehensive loss for the period	-	-	-	-	(430)	(3)	(433)
Issue of share capital	519	-	-	-	-	-	519
Transfer to share capital	-	-	-	(292)	-	-	(292)
Balance at 30 June 2024 (Unaudited)	54 334	51	6	(29 592)	(26 002)	241	(962)

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**Condensed Consolidated Interim Statement of Cash Flow
for the Six Months Ended 30 June 2024**

	Six months ended 30 June 2024 (Unaudited) GBP'000	Six months ended 30 June 2023 (Unaudited) GBP'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the period	(430)	(446)
Adjustments to reconcile net loss to net cash used in operating activities:		
Foreign exchange differences	7	(15)
Share based compensation expenses	-	-
Changes in operating assets and liabilities items:		
Increase (decrease) in trade payables	11	23
Increase in prepaid expenses	14	(4)
Increase (decrease) in accrued expenses	(37)	(16)
Increase (decrease) in employees and payroll accruals	(12)	16
Increase in investment in subsidiary	-	267
Net cash used in operating activities	(447)	(175)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in restricted bank deposits	-	-
Purchase of property and equipment	-	-
Proceeds from sale of property and equipment	-	-
Net cash provided by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan from the related parties	-	-
Issuance of shares in consideration of options' exercise	-	-
Issuance a share in consideration of investment of parent company	-	73
Issuance of shares in consideration to investment	234	-
Proceeds from issuance of convertible loan	154	-
Credit from related party	76	79
Net cash provided by financing activities	464	152
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(7)	9
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	10	(23)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	60	34
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	70	20

VIDAC PHARMA HOLDING PLC (Registered Number: 13479728 England and Wales)

Notes to the Condensed Consolidated Interim Financial Statements for the Six Months Ended 30 June 2024

1. CORPORATE INFORMATION

The Company VIDAC PHARMA HOLDING PLC was incorporated in England on 28 June 2021 as a private limited liability company and then re-registered as public limited company on 26 May 2022. Its registered office is at 20-22, Wenlock Road, London, England N1 7GU.

These condensed consolidated financial statements present the financial information of VIDAC PHARMA HOLDING PLC (the 'parent company' or the 'Company') and its subsidiary (the 'Group') for six months ended 30 June 2024 and as of 30 June 2024.

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

Principal activities

The principal activities of the Group are biotechnology activities, including research and development.

Group structure

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

Adoption of new or revised standards and interpretations

During the current period the Group adopted all the new and revised International Financial Reporting Standards ('IFRS') that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation

The consolidated financial statements are prepared in accordance with the international accounting standards as adopted by the European Union ('EU'), with requirements of the Companies Act 2006 (the 'Act').

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

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

Accounting policies

The Group's accounting policies in these condensed consolidated interim financial statements are the same as the policies applied to the Annual Financial Statements.

Going concern

The Group is engaged in research and development with no revenue from operations. The Group incurred a pre-tax loss of GBP'000 433 for the period. The accumulated losses were GBP'000 26 002 as at 30 June 2024 and GBP'000 25 572 as at 31 December 2023. Management expects operating losses and negative operating cash flows to continue for the foreseeable future because of additional costs and expenses related to product development activities. The Group's continued operation depends on the future infusion of funds as the group meets their day-to-day working capital requirements by support of investors.

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

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

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

Foreign currencies

The Group's consolidated financial statements are presented in GBP, which is considered to be the Group's functional currency. For each entity the Group determines the functional currency and items included in the functional statements of each entity are measured using that functional currency which is the currency of the primary economic environment in which the entity operates.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

New standard not yet adopted

IFRS 18, Presentation and Disclosure in Financial Statements

This standard supersedes IAS 1, Presentation of Financial Statements. The objective of the standard is to provide improved structure and content to the financial statements, specifically the statement of profit and loss. The standard includes new disclosure and presentation requirements, and requirements which have been retained from IAS 1 with slight changes in wording. Generally, expenses in the statement of profit and loss shall be classified into three categories: operating income, investment income, and finance income. The standard also includes requirements to provide separate disclosure in the financial statements regarding the use of Non-GAAP measures, and specific guidance on aggregation and disaggregation of items in the financial statements and the notes. The standard will be initially applied for annual periods commencing on January 1, 2027; early application is permitted.

The Group is studying the effects of the standard on the financial statements.

3. SEGMENT INFORMATION

It is the opinion of the directors that the operations of the Group represent one segment, as they are treated as such when evaluating performance.

4. GROUP INFORMATION

The consolidated financial statements of the Group include

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

On 6 July 2021, the Group acquired 100% of the share capital Vidac Pharma Ltd. ('Vidac Pharma'). Vidac Pharma has been acquired to gain access to biotechnology market for the Group.

5. RESEARCH AND DEVELOPMENT EXPENSES

	For the six months ended 30 June 2024 (Unaudited) GBP'000	For the six months ended 30 June 2023 (Unaudited) GBP'000
Salaries and related expenses	22	56
Patents	13	22
Materials, subcontractors and consultants	24	-
Rent, maintenance and office expenses	6	3
Total expenses	65	81

6. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2024 (Unaudited) GBP'000	For the six months ended 30 June 2023 (Unaudited) GBP'000
Professional fees	340	358
Salaries and related expenses	11	12
Maintenance, office and sundries	4	5
Depreciation	-	1
Others	2	4
Total expenses	357	380

7. CASH AT BANK

Cash balances are analysed as follows:

	30 June 2024 (Unaudited) GBP'000	31 December 2023 (Audited) GBP'000
Cash at bank and in hand	70	60
	70	60

8. SHARE CAPITAL

	30 June 2024 (Unaudited) GBP'000	31 December 2023 (Audited) GBP'000
Authorised		
Ordinary shares	54 334	53 815
Issued		
Issue of shares	54 334	53 815
Balance	<u>54 334</u>	<u>53 815</u>

On 21 August 2021 the share capital of the Company was increased from GBP 20 000 divided into 40 000 ordinary shares with a nominal value GBP 0,5 each to GBP 22 222 divided into 44 444 ordinary shares with a nominal value GBP 0,5 each.

On 31 December 2021 the share capital of the Company was increased from GBP 22 222 divided into 44 444 ordinary shares with a nominal value GBP 0,5 each to GBP 50 000 divided into 100 000 ordinary shares with a nominal value GBP 0,5 each

On 19 May 2022, the Company was re-registered as a public limited company. The Company's share capital comprised GBP 50 000 divided into 50 000 ordinary shares with the nominal value of GBP 1 each. Moreover, on the 19 May 2022, the Company executed a resolution agreement which stipulated the capitalisation and subsequent distribution of GBP'000 51 575 among the owners of ordinary shares. This amount was previously included within the share premium (GBP'000 48 024) and revaluation reserve (GBP'000 3 511).

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

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

During the six months ended 30 June 2024 the issuance of replacement shares increased the share capital by GBP'000 519 .

	30 June 2024 (Unaudited) GBP'000	31 December 2023 (Audited) GBP'000
Additional paid-in capital	<u>6</u>	<u>6</u>

The Company signed with multiple investors SAFE Notes, issuing to investors the right to certain shares of the Company's Share Capital at discount rate. These are presented as part of equity within the Additional paid-in capital. Another element of additional paid-in capital is a portion of convertible loan agreements as described above.

The difference between the acquirer's cost of investment and the acquiree's equity presented as a separate reserve - Other reserve - within equity on consolidation.

	30 June 2024 (Unaudited) GBP'000	31 December 2023 (Audited) GBP'000
Other reserves	<u>(29 592)</u>	<u>(29 300)</u>

9. RETAINED EARNING'S AND RESERVES GROUP

	Retained earnings GBP'000	Translation reserves GBP'000	Total GBP'000
At 1 January 2023	(24 297)	223	(24 074)
Loss for the year	(1 275)	-	(1 275)
Foreign exchange gain on consolidation	-	21	21
At 31 December 2023	<u>(25 572)</u>	<u>244</u>	<u>(25 328)</u>
Loss for the year	(430)	-	(430)
Foreign exchange gain on consolidation	-	(3)	(3)
30 June 2024	<u>(26 002)</u>	<u>241</u>	<u>25 761</u>

10. RELATED PARTIES

For the period of six months ended 30 June 2024 the Company received loans from individuals Max Herzberg and Yochai Richter, each amounting in total to USD'000 108. Additionally, a management fee of USD'000 90 has been accrued for Max Herzberg during six months ended 30 June 2024.

11. CONTINGENT LIABILITIES

In 2019, the subsidiary modified payment and performance terms with some of its service providers to restructure payment terms following the board of Directors' decision to cease and close its business operations. As a result, liabilities to these service providers amounting to GBP'000 164, as it stands as of 31 December 2023, were reversed and will be paid and recognised upon the occurrence of certain future equity events. As of the date of approval of the financial statements, these equity events had not occurred.

The Company had no other contingent liabilities, except for those mentioned above as at 30 June 2024.

12. COMMITMENTS

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

In the early years of the subsidiary's operations, it received and utilised research and development grants from the State of Israel, following the guidelines and procedures established by the Israel Innovation Authority (IIA). Under the agreement, the Company is obligated to pay royalties on its sales, with total royalties not exceeding the amount of the grants, which are linked to the U.S. Dollar and accrue annual interest. There is uncertainty regarding the future sales revenue that would trigger these royalty payments.

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

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital risk management

The Group is exposed to market risk, foreign currency risk, credit risk and liquidity risk. When each of the operating subsidiaries, the entities senior management oversees the management of these risks for their operations and periodically identify measure and manage these risks. These risks are summarized below:

Financial Risk Factors

The Group is exposed to market risk, foreign currency risk, credit risk and liquidity risk. When each of the operating subsidiaries, the entities senior management oversees the management of these risks for their operations and periodically identify measure and manage these risks. These risks are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices.

Given that the Group is not yet selling any final products this risk is not a risk that affects the Group in the current year, however, when the Group does begin to sell products, it is a risk that will have to be considered.

Foreign currency risk

Foreign currency risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's subsidiary company operating in Israeli shekel while Group's presentation currency is that of GBP.

Credit risk

Credit risk that a counterparty will not meet its obligations under a customer contract leading to financial loss. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financial activities, including taxes receivables, foreign exchange transactions and other financial instruments.

Liquidity risk

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

The Group does not face liquidity risks and uncertainties as group holds enough cash position as at 30 June 2024 and liquidity is being maintained in the way of raising additional investments from existing and new investors based on the group's needs.

14. ULTIMATE CONTROL PARTY

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