EDX Medical Group Plc

Annual Report and Financial Statements

For the year ended 31 March 2024

Company registration number: 13277385 (England and Wales)

EDX MEDICAL GROUP PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

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ANNUAL REPORT AND FINANCIAL STATEMENTS
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COMPANY INFORMATION

DIRECTORS	C Evans J Holt M Hudson T Jones
COMPANY SECRETARY	ONE Advisory Limited 201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
REGISTERED NUMBER	13277385 (England and Wales)
REGISTERED OFFICE	211 Cambridge Science Park Milton Road Cambridge, England CB4 0WA
CORPORATE ADVISER AND BROKER	Oberon Investment Group Nightingale House, 65 Curzon St London W1J 8PE
INDEPENDENT AUDITORS	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus, Canary Wharf London E14 4HD
COMPANY WEBSITE	https://edxmedical.co.uk/

CHAIRMAN'S REPORT

Over the last twelve months of the reporting period year ending 31 March 2024, EDX Medical Group plc has continued to build upon its platform of leading in the niche market of clinical diagnostics development. We have done so confident in the knowledge that as we continue to assemble a best-in-class, market-ready product portfolio the demand for such innovation continues unabated. Hence, the focus for the Group this year has been to ready itself for the release and delivery of such products commencing in the financial year of 2024 / 2025 and onwards. The financial statements for the reporting period's pre-revenue phase mirror such a development strategy.

To do so the business has concentrated on the various diagnostic opportunities that have emerged this year. We have also busied ourselves with assembling the right leadership, commercial and scientific teams as well as raising the necessary capital that underpins such a strategy.

Of the notable highlights in this reporting period I am pleased to inform you these include the investment and placement of shares in the reportable period at 12p per share raising an aggregate of £5.7 million. I can also report to you of our successful collaboration agreement with Thermo Fisher EMEA Limited to jointly develop and commercialise proprietary qPCR assays that include novel and innovative cancer diagnostic solutions. In addition it is pleasing to note our acquisition and integration of Oxford-based Hutano Diagnostics Limited. This enables the Group to accelerate development of new point-of-care tests that detect and measure multiple markers of diseases utilising a single device. Lastly, the management continue to explore further diagnostic solutions through our own laboratory facilities in Cambridge and Oxford as well as in partnership with key global players in the life sciences sector.

We are grateful to investors who have invested over the last twelve months openly embracing the Company's vision of becoming a leading digital diagnostics company attending to the major healthcare challenges of our time. Not surprisingly, with such backing we were delighted to see the Group elevated to the Apex Segment of AQSE.

To end I would wish to pay tribute this year, as I did last, to our Senior Independent Director Professor Trevor Jones CBE for his wisdom and counsel as I do to my other board directors Professor Sir Chris Evans OBE and Dr Mike Hudson. Together they represent to our shareholders, partners and customers 150 years of scientific and commercial leadership that continues to guide the innovative development of opportunities ahead.

Finally, I look forward to working with you all as we move the Group forward together.

Jason Holt

Chairman

3 September 2024

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

The use of diagnostics and digital health tools to detect and characterise disease and guide the treatment of patients offers enormous potential economic and health benefits for patients, healthcare providers and to society.

The maturation of rapidly evolving biological science and data analytics provides a rich pool of innovation, creating a new global marketplace for digital diagnostics, a sector in which EDX Medical Group plc ("EDX") is positioned to become a leader. EDX is a pioneer in digital diagnostics, setting new standards of performance, aligned with increasing regulations which require a high level of digital integration. Digital diagnostics hold the potential to unlock the large-scale benefits of personalised medicine.

EDX is positioned to participate in and benefit from two significant trends in healthcare:

- Molecular biology and digitalisation in medicine; and
- Move of testing closer to the patient (point-of-care).

EDX provides healthcare professionals working in the public and private sector with a timely and unique understanding of patient biology, enabling the more efficient development of new treatments, savings in treatment costs and delivery of improved outcomes for patients with cancer, cardiovascular, neurological and infectious diseases globally. This commitment determines all that we do at EDX, providing clients with access to a portfolio of clinical diagnostic products and services, based on our own developments, in-licensed or acquired products or the distribution of key products from partners.

In executing our 'buy and build' strategy the Group has expanded its capabilities and operations during the last year, adding to its main ISO 15189-accredited laboratory facility in Cambridge, UK, through acquisitions and strategic partnerships.

The last 12 months have provided a valuable opportunity for EDX to establish and validate its strategy and to lay the foundations for rapid growth in the coming period. Significant expertise and resources have been added to the senior team in R&D, regulatory, quality, commercial and data management in order to prepare for and support the future commercialisation of innovative new products.

Building Foundations and Portfolio

Today's clinical diagnostics marketplace is largely dependent on laboratory assays, where a number of global players provide technologies and instrumentation to testing laboratories. EDX is establishing strategic partnerships to ensure preferred access to the best, proven technologies on which to build efficient, scalable operations including laboratory instrumentation and medical logistics. These relationships are now established and will provide the Company with competitive advantages.

In November 2023, EDX entered into a strategic collaboration agreement with Thermo Fisher Scientific EMEA Ltd ("Thermo"), in order to jointly develop a number of proprietary qPCR assays. During the covid pandemic qPCR was proven to be a scalable and cost-effective analytical method, of which Thermo is a leading provider. Both parties enjoy large networks of academic and clinical collaborators along with expertise in the analysis of biological samples, which can now be shared in order to provide potential product development and commercialisation resources for inventors of novel assays in the areas of EDX focus.

In contrast, low cost, 'Point-of-care' testing is an emerging sector with no dominant technology today. In this sector, EDX has acquired key businesses with proprietary assets and expertise which now form the basis of a specialist point-of-care innovation team to accelerate the development and validation of new tests where the speed or accuracy of results provides essential input to clinical decision-making for non-laboratory, medical staff. These innovative new products will create new markets for EDX.

CHIEF EXECUTIVE OFFICER'S REPORT

In September 2023, the Group acquired Hutano Diagnostics Ltd, a company based at the University of Oxford developing an innovative, multiplex 'point of care' test platform which now operates as a 100%-owned subsidiary. Working together with Torax Bioscience Ltd, this has firmly established our ability to provide unique 'point-of-care' tests that for the first time, can provide the level of both sensitivity and specificity previously associated with laboratory assays.

Through its networks, EDX is continually identifying and progressing a pipeline of potential product acquisitions, partnerships and licensing deals to create a portfolio of both laboratory-based tests and point-of-care tests to support our clients in the global clinical marketplace. With laboratories and experienced staff now working with collaborators in both Oxford and Cambridge Universities and associated hospitals, EDX is now aligned with two of the world's pre-eminent universities leading innovation in medicine and clinical care worldwide.

Trading results

The Group's loss for the year was £3,751,917 (2023: £3,709,363).

Outlook

Positioned in a new, high growth sector – Bioscience moving into revenues

The EDX business model combines the creation of highly valuable, proprietary bio-assets, with nearer term revenues from first-generation digital diagnostics products and services. This hybrid strategy will provide the Group with resilience and a commercial focus to its programmes and investment. The EDX portfolio will focus on the following key areas of need:

- **Early Disease Detection**, for primary care and screening, to treat early.
- **Disease Characterisation & therapy management**, to improve outcomes whilst saving lives, time, and money.
- **Hereditary genetic risks**: tests to assess family members of patients who may 'carry' genes associated with cancer or cardiovascular diseases.

The Group is building an attractive pipeline of advanced, clinical tests for which there is robust data supporting clinical utility, and which will be offered as both ISO-accredited services and in the future, as regulated (in-vitro diagnostic) IVDR tests that can be sold to 3rd party laboratories in territories where EDX itself does not operate its own laboratories. We remain committed to a balanced growth strategy, pursuing acquisition, licensing or distribution partnerships with the companies who have developed these assets. We expect to be announcing details of more deals and partnerships during the coming period.

The Group also progressed its interests as a provider of diagnostic and monitoring services to the operators of clinical trials, where an estimated 50 million patients with cancer, cardiovascular and infectious diseases gain controlled access to new medicines each year and require close monitoring.

Initially launching in the United Kingdom, expansion into the Nordic region has followed in mid-2024 as part of the expansion into Europe. Distribution Agreements around the distribution of 3rd party diagnostic tests both in the UK and Europe are underway as well as the building of a Commercial and Sales team. These actions can confidently be expected to generate growing revenues in the first half of 2025. The commercial plans for mainland Europe and North America are expected to be completed for board review in late 2024.

Digital Health and Personalised Medicine remain enormous opportunities

EDX clients are leading the adoption of personalised medicine and healthcare. Personalised medicine provides customised healthcare for patients based on their genetics, lifestyle, and environmental factors. Digitalisation in the healthcare industry, along with advances in molecular biology, medical & diagnostics devices and wearable

CHIEF EXECUTIVE OFFICER'S REPORT

sensors, enables clinicians to combine and analyse information to detect illness earlier and determine the most cost- and clinically-effective interventions – leading to improved outcomes. Many argue that in a world of escalating costs and limited trained medical staff, the use of digital diagnostic tools to enable personalised medicine is the only sustainable, economically viable way forward.

According to Global Data, key trends impacting personalised medicine include electronic medical records and genetic testing, as well as remote patient monitoring and wearable technologies. They value the global personalised medicine market size at USD 538.93 billion in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 7.20% from 2023 to 2030. (Report ID: 978-1-68038-443-7 Personalized Medicine Market Size and Share [2023 Report] (grandviewresearch.com)

Conclusions

Though currently cooling from its earlier peak years, investment into digital health companies exceeded US$ 13bn in 2023 according to CB Insights, with the USA remaining the clear leader in terms of cash, number and size of deals. As a consequence of this reduced funding and a 'closed' IPO market, M&A in the digital health sector nearly doubled in Q4'23, indicating that consolidation is an increasingly attractive option in the sector. With valuations reduced at the current time, EDX will selectively pursue its international M&A efforts with confidence.

The directors believe that as a small public company listed in the UK, and with key teams located in Oxford and Cambridge, EDX remains well-positioned to execute its proven 'buy and build' growth strategy and deliver a portfolio of innovative digital diagnostic products and services for global markets at scale.

Dr Michael Hudson

Chief Executive Officer
3 September 2024

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES
During the year under review, the principal activities of the Group consisted of building a portfolio of digital diagnostic assets through partnerships and own development and establishing the operations and infrastructure in order to commence initial commercial operations in the period.

POST BALANCE SHEET EVENTS
Post balance sheet events are included in Note 31.

PRINCIPAL RISKS AND UNCERTAINTIES
Principal risks & uncertainties are discussed on pages 14 to 18.

The Group's ISO 15189 accreditation and Torax Biosciences' ISO 13485 accreditations were maintained. Product development and validation, supply chain audits and M&A efforts were all active and generating results.

BUSINESS REVIEW AND STRATEGY
EDX Medical Group Plc operates in the emerging 'digital diagnostics' sector at the convergence of two high growth industries - molecular biology and digital health. Providing biological assays, interpretative analysis and digital data, enabling healthcare professionals to deliver timely and cost-effective personalised patient treatments, leading to improved patient outcomes as a result of early detection and the identification of most effective treatments.

The year to 31 March 2024 saw a significant set up phase including moving into the Apex segment of the AQSE Growth Market and the acquisition of Hutano Diagnostics Ltd. The loss for the year was £3,751,917 (2023: £3,709,363).

Our vision for digital diagnostics is to combine advanced biology, software and digital tools (AI) to obtain, analyse and report actionable data in real time, unlocking the *clinical* and *economic* benefits of *Personalised Medicine* whilst enhancing accuracy, traceability, regulatory compliance and environmental impact of our products.

As the EDX business enters it's commercial; growth phase, our strategic value will be based increasingly on the quality and scale of our solutions, the global potential of our innovative, proprietary assets, infrastructure to deliver secure digital services and the associated future profits and revenues.

The Group is an exceptionally strong digital diagnostics partner for clinical healthcare providers, payers and technology innovators, with the global ambition to deliver an integrated clinical diagnostics service on the world stage:

- ✓ Exclusive focus on 'data-rich' molecular diagnostics for clinical use
- ✓ Deploying biological testing in both laboratory and 'point of care' as needed
- ✓ Validating tests and technologies against clinical needs and future regulatory requirements
- ✓ Fully secure, digital data acquisition, analysis and reporting including digital traceability

Personal biology drives our product strategy, addressing three priority clinical needs:

- ✓ Safety: (avoidance of adverse drug reactions)
- ✓ Selection: (identification of the most effective treatments
- ✓ Surveillance: (drug resistance, recurrence and family screening) and priority diseases with major health and economic impact

STRATEGIC REPORT

Where our products and services are adding most value:

The EDX portfolio will focus on the following key areas of need:

- ✓ Early Disease Detection, for primary care and screening, to treat early
- ✓ Disease Characterisation & therapy management, to improve outcomes whilst saving lives, time and money
- ✓ Hereditary genetic risks**:** tests to assess family members of patients who may 'carry' genes associated with cancer or cardiovascular diseases

The diseases we understand best?

EDX provides critical biological data about individuals and their health status. In order to be clinically actionable- and therefore make a difference to treatments and outcomes, it is essential that healthcare providers have access to a suite of medicines and treatments that can be selected based on the patient-specific information for greatest impact.

- ✓ Cancer: variable survival rates & high treatment costs, require biological tests to diagnose early and select effective treatments fast
- ✓ Cardiology: many patients are dying from identifiable and/or modifiable risks
- ✓ Neurology: high care costs drive need for early diagnosis and/or personal treatment selection
- ✓ Infectious diseases: rapid differentiation of the cause of infection enables improved patient care and antibiotic stewardship, saving lives and saving money

<u>Business model and strategy</u>

EDX is an ambitious pioneer in digital diagnostics intending to grow by its own innovations, acquisition, licensing and strategic collaborations in order to provide a portfolio of digitally enabled clinical diagnostics for the public and private healthcare sector. EDX provides both 'laboratory tests' and 'point -of-care' tests the two largest sectors of the diagnostics industry:

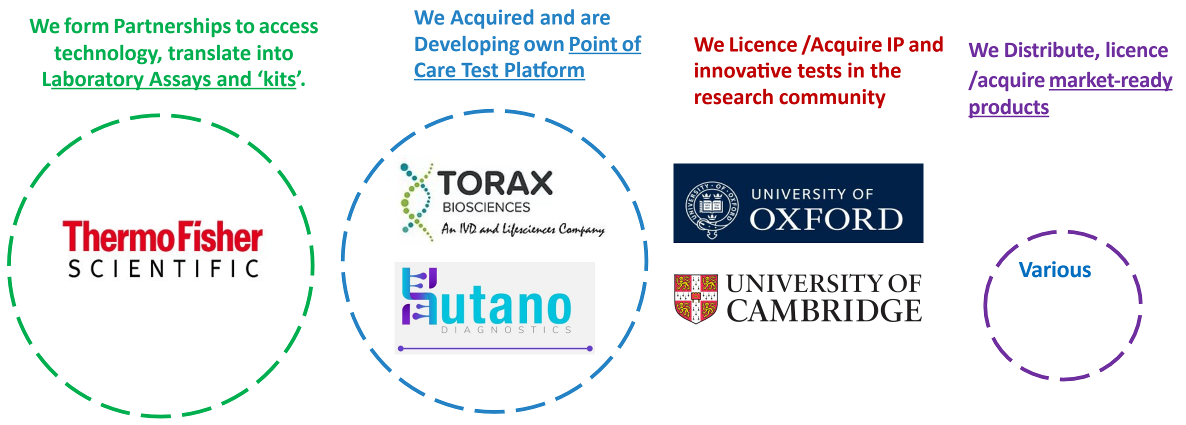
The Group is investing to secure a significant early 'bridgehead' in the UK and Europe based on providing innovative products and services for clinical healthcare providers & payers; whilst developing and validating a range of digital next generation 'Point-of-care' digital diagnostics for commercialisation in global markets.

The business model is based on the acquisition or licensing of proprietary and high performing test products with robust legacy clinical data and developing such assets into ISO-accredited laboratory services and IVDR-compliant market-ready test solutions. Commercial products and service based on qPCR technology will be developed in partnership with Thermo Fisher in order to de-risk and ensure scalability. Other partners will be secured in other areas of technology as required. Such strategic partnerships with technology providers will help translate classic laboratory tests into IVDR compliant 'kits' de-risking scale-up and enabling rapid, low-cost expansion to other laboratory sites globally.

The in-house development efforts to create the next generation of point-of-care tests combined with mobile phone digital reader will provide further opportunity to scale the business globally based on the integration of the acquired businesses, or Torax Biosciences Ltd and Hutano Diagnostics Ltd.

STRATEGIC REPORT

We Are Assembling a Portfolio of Innovative Laboratory and Point of Care Test Solutions



The laboratory tests market

Modern molecular testing is a highly specialised field deriving and analysing detailed information from patient blood or tissue samples. Laboratory tests are widely used to assist drug development and select patients for clinical trials, for neonatal screening and in cancer care due to the massive gains and cost savings of early diagnosis and selection of the optimal treatment in both cases.

The current diagnostic spend in this sector is estimated to be around $2.5bn, forecast to reach over $15bn annual spend by 2030 (Source: Research and Markets) due to the growth of out-sourcing by pharma, increasing acceptance of biomarker data by regulators and continued cost reduction via technology innovation, especially in the genomics sequencing sector. The laboratory testing sector is dominated by a few large companies who both provide products and technology to smaller laboratories as well as offering laboratory services themselves. EDX provides its clients with access to a combination of its own and 3rd party products which are most appropriate to meet their needs and is unusual in providing such choice as well as de-risking the EDX business model. Invariably, EDX holds a position of trust with its clients which enables longer term supply of products and services drawn from global innovation, appropriately regulated and delivered within a secure data service.

The point-of care test market

Lateral flow testing is the dominant 'point-of-care' testing technology today and has grown globally but modestly over the years prior to the Covid pandemic. Patient testing outside the hospital accounted for approximately 90% of the pre-covid market, with use in infectious diseases and fertility accounting for over $5bn annual sales, predicted to grow to over $10bn by 2025. (Lateral Flow Assays Market - Global Forecast to 2025 | MarketsandMarkets.). Despite improvements in some components, innovation and performance has been modest due to the historic self-certification of tests by manufacturers, leading to variable quality and a fragmented marketplace. New regulations requiring improved product quality, post-marketing surveillance, traceability and digital reporting provide an opportunity for consolidation and rationalisation in the sector as barriers to entry increase. The main areas of use for lateral flow tests currently include testing for: Pregnancy & Fertility, Infectious Diseases, Cardiovascular & Cholesterol, Drugs-of-Abuse, Food Safety & Environmental Testing.

The prominent players in the global lateral flow testing market are either US-domiciled (Abbott Laboratories, Hoffman-La Roche Ltd (Switzerland), Danaher Corporation, Becton, Dickinson, Thermo Fisher Scientific) or more recent post-covid entrants from China including Orient Gene, AN Biotech, Xiamen Boson and Getein Biotech, though these have not yet demonstrated their plans for ongoing market participation following the covid pandemic.

STRATEGIC REPORT

Competition and market

Whilst most players only provide laboratory OR 'point-of-care' tests, EDX competes in both sectors of the global in vitro diagnostics business, with the ambition to secure a significant market position in Europe over the next five years. EDX is building capabilities to compete strongly with different players in each sector.

The market is seen as attractive but facing a period of change driven by three main factors:

a. increased regulatory requirements leading to rationalisation of the range of available (approved) tests in the UK and Europe within 2-3 years;

b. increased familiarity with testing and its benefits and cost effectiveness at both individual and population levels is encouraging broad uptake and confidence amongst governments, private healthcare providers and individuals; and

c. significant technical improvements, reliability and ESG credentials of tests combined with personal digital device interface for reading and reporting data.

It is inevitable that others will also seek to consolidate in the diagnostics sector and there will be competition for good assets going forward.

Innovation & new product development - key driver of business growth

With laboratories and experienced staff now working with collaborators in both Oxford and Cambridge Universities and associated hospitals, EDX is now aligned with two of the world's pre-eminent universities leading innovation in medicine and clinical care worldwide.

EDX is committed to providing its clients with innovative products enabling them to deliver high quality, cost-effective personalised patient care by investing in the following areas:

Laboratory testing innovation

- Improved sampling and extraction and processing for laboratory tests

  The ability to optimise and standardise the extraction of biological material from human samples such as blood will provide savings in time (flexibility) and costs by standardising laboratory procedures that will also meet future regulatory requirements.

- Translation of assays into IVDR-compliant 'kits' with strategic technology partner

  EDX and Thermo Fisher are working to enhance several of the assays that EDX is in-licensing or acquiring such that laboratory tests from EDX can be commercialised as ISO-accredited tests from EDX and sold as 'kits' meeting the pending EU and UK IVDR regulations, enabling rapid, cost-effective scale-up at 3rd party or Group's own laboratories.

Point of care testing innovation

- Improving the performance, accuracy, and reliability of tests

  The acquisition of Torax Biosciences and its subsequent integration with the acquisition of Hutano Diagnostics Ltd has secured an important foundation in our journey to radically improve the performance and utility of 'point of care' tests. The patent-pending multiplex test platform will deliver a new standard in sensitivity and specificity to be achieved enabling rapid testing outside of the laboratory in global markets.

STRATEGIC REPORT

- Digitalisation - the growing importance of timely and accurate data – mobile solution

  Over the next 3 or so years, the 'digital reader' segment is forecast to grow at the highest rate in the lateral flow assays market. The use of mobile phones is the obvious next stage in making such test results universally accessible given that mobile cameras provide greater accuracy and consistency than the human eye and with the Hutano platform can also provide a quantitative readout. Given prior experience in this field, EDX expects to be able to rapidly design and develop an internationally scalable mobile phone digital reader solution for a number of next generation 'point-of-care' tests based on the Hutano multiplex test platform

- Reducing the environmental impact of lateral flow testing ("LFT")

  The expansion in use of LFTs demands greater consideration of the environmental liability and disposal of such devices. In October 2020, the NHS set itself the challenge of becoming the world's first '*net zero*' national health service to reduce use of plastics, reduce carbon impact and to increase re-useable and biodegradable materials. Used tests cannot be recycled, focussing attention on the use of alternative primary materials with improved ESG credentials. The next generation 'point-of-care' tests from EDX will combine environmentally acceptable components with the above performance and digital improvements.

Meeting and exceeding regulatory requirements

Covid-testing 'emergency use' legislation led to delays in the adoption of planned new regulatory standards for in-vitro diagnostics in UK and Europe, but we are now entering a new era. In Europe, the former 'In-Vitro Diagnostics Device Directive' ("**IVDD**") under which manufacturers primarily provided self-declaration of conformity and registered tests by notification to national health agencies, will be replaced by new 'In-Vitro Diagnostics Regulations' ("**IVDR**"), which requires manufacturers or distributors to apply for approval based on the submission of data on the clinical performance of tests under controlled conditions and to provide appropriate post-marketing surveillance measures. The final implementation of the IVDR in Europe is now delayed until 2028, allowing legacy CE-marked tests to continue to be sold during a transitional period. EDX is selectively adapting its product validation and development efforts to satisfy the future IVDR standards where early digital integration and performance improvements can deliver cost-effective benefits for clients.

Key strengths of the business

The Directors believe that the strengths of the EDX business are based on:

- its focus on clinical testing and understanding of key diseases;
- risk-mitigation strategy based on both own developed and 3rd party tests and the provision of both 'laboratory tests' and 'point of care' testing;
- A close working relationship and collaboration agreement with Thermo Fisher to develop commercial qPCR assays;
- integration of advanced biology with digital tools to meet future performance and regulatory requirements;
- prior experience of scale-up of laboratory and point-of-care tests supply lines and capabilities;
- prior experience of digital integration with mobile device technology and CE-mark (European conformity) approval;
- early and first-mover advantage in the consolidating the European diagnostics sector;
- experience across a range of technologies including genomic sequencing by its in-house team; and
- experienced management and industry access and knowledge to secure products and partnerships as well as finance and company development.

STRATEGIC REPORT

Key performance indicators ("KPI")

The Directors consider that the strategic goals of the business during the period were substantially met, with the acquisition of Hutano Diagnostics Ltd, the collaboration agreement with Thermo Fisher the and the establishment of revenues in Q4 2023 being notable contributors.

The loss for the year to 31 March 2024 was £3,751,917 (2023: £3,709,363). 2024/25 will see more partnerships and revenue generation.

The future goals and KPIs are expected to be:

- Growing revenues with a number of private and public sector clients, with own products contributing increasingly during 2025.
- Completing further in-licensing deals providing access to additional points of care and laboratory.
- Securing additional exclusive distribution agreements for specialised cancer tests.
- Establishing core IT partnerships to be operational in the UK during H3, 2024.
- Establishing an efficient patient sample collection partnership for UK and Nordics, H3, 2024.
- Completing Nordics business plan and establishing commercial revenues by end Q1, 2025.

Section 172 statement

The Directors understand the importance for the business and its stakeholders to act in good faith in a way that best promotes the success of EDX and the benefit of shareholders as a whole, in line with its responsibilities under Section 172 of the Companies Act 2006. In applying this, they have had regard for the interest of EDX stakeholders, whilst preserving EDX's reputation and ensuring long-term sustainability of the Company.

The Board believes that considering our stakeholders in key business decisions is fundamental to our ability to drive value creation over the longer term. The Board considers its major stakeholders to be its employees, its suppliers, customers, and shareholders. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions.

Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term. In today's challenging economic environment, balancing the needs and expectations of our stakeholders has never been a more important task.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

Our directors are bound by their duties under the Companies Act 2006 (the **Act**) to promote the success of the company for the benefit of our members as a whole taking into account the factors listed in Section 172 of the Act as follows:

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

STRATEGIC REPORT

Key decisions taken during the year under review, following consultations with key stakeholders, include:

- Collaboration with Thermo Fisher from November 2023 – with this partnership, EDX will bring new proprietary assays to Thermo for technical input and forward development input as the potential long-term supplier of key components and kits. Thermo are additionally making reciprocal introductions of their client with emerging new assays to EDX. The relationship is based on mutual benefits and is working well.

- The acquisition of Hutano Diagnostics Ltd in September 2023 – the Board considered the best interests of its shareholders, including achieving value for money. We also considered our internal stakeholders, such as employees, in terms of how such an acquisition would affect the culture and skillsets of the Company, in particular the synergies with Torax Biosciences subsidiary and the R&D team at EDX.

The table below acts as our s172(1) statement by setting out the key stakeholder groups, their interests and how EDX has engaged with them over the reporting period. However, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	Their interests	How we engage
Our suppliers	• Workers' rights • Supplier engagement and management to prevent modern slavery • Fair trading and payment terms • Sustainability and environmental impact • Collaboration • Long-term partnerships • Supplier payment	• Initial meetings and negotiations • Seek preferred partnerships and collaborative development of new materials and assays • Enter into equitable, mutual non- disclosure undertakings • Feedback from suppliers • Board approval on significant changes to suppliers • Direct engagement between suppliers and specified company contact • Prompt payment of suppliers in line with supplier payment policy
Our investors	• Comprehensive review of financial performance of the business • Business sustainability • High standard of governance • Success of the business • Ethical behaviour • Awareness of long-term strategy and direction	• Regular reports and analysis on investors and shareholders • Investor roadshows • Annual Report • Company website • Shareholder circulars • AGM • Stock exchange announcements • Press releases • Investor relations strategy for shareholder liaison
Our clients	• Timely and informative end to end service • Ease of access to information • Legal expertise	• Customer support service • Company reports • Press engagement • Marketing and communications

STRATEGIC REPORT

	• Timeliness • Safety • Data security	• Customer surveys • Annual Report • AGM • Company Website
Regulatory bodies	• Compliance with regulations • Worker pay and conditions • Gender Pay • Health and Safety • Treatment of Suppliers • Brand reputation • Waste and environment • Insurance	• Audits and inspections • Company website • Stock exchange announcements • Annual Report • Direct contact with regulators • Compliance updates at Board Meetings • Consistent risk review
Community and environment	• Sustainability • Human Rights • Energy usage • Recycling • Waste Management • Community outreach and CSR	• Oversight of corporate responsibility plans • Introduction of CSR initiatives • Workplace recycling policies and processes

The Strategic Report was approved by the Board of Directors on 3 September 2024.

Dr Michael Hudson – Chief Executive Officer

3 September 2024

RISK MANAGEMENT REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

1. Early-stage business

EDX is at a pivotal but early stage of its development and still faces a number of operational, strategic and financial risks frequently encountered by pioneering companies creating new markets or bringing new products to market. There is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. Any one or more of these risks could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Group's strategy is to generate value through the application of digital technology in combination with diagnostics, in most cases based on the accelerated development and validation of novel products being developed with third parties. The Group's future growth and prospects thus depends on its ability to develop, source or acquire products which have commercial appeal; to secure arrangements with suppliers and manufacturing partners on appropriate terms; to secure arrangements with contract sales organisations; to manage the growth of the business; and to continue to expand and improve operational, financial and management information, quality control systems and its commercialisation function on a timely basis whilst at the same time maintaining effective cost controls.

In addition, if the Group is unable to convince key opinion leaders or customers within its target market of the efficacy and economic benefits of its products, it may not achieve widespread adoption, which might have a material adverse effect on the Group, its business, financial situation, growth and prospects, including delays to anticipated revenues and profits.

While the Directors believe that there is a significant potential market for the Group's products and solutions, there can be no guarantee of commercial success which will be affected by various factors, some of which are beyond the Group's control, including: (i) the emergence of newer, more advanced products or technologies; (ii) the cost of the products (as well as competitors' products); (iii) regulatory requirements; (iv) clinician and patient perceptions of the validity and utility of the products; and (v) reluctance to adopt a new clinical approach. If the market fails to develop or develops more slowly than anticipated, the Group's commercial operations may not become successful and profitable.

2. High reliance on founders and other key individuals

The Group will continue to be dependent upon the contribution of founders, Professor Sir Christopher Evans and Dr Michael Hudson, who have been and are being joined by an enlarged group of highly experienced managers with required skills. In order to be able to achieve its plans the Group must recruit and retain suitably qualified personnel. Failure to retain key staff or to recruit suitability experienced staff when needed may have a material adverse effect on the Group's business, financial condition and results of operations.

3. Reliance upon intellectual property and know-how

The Group's future success may in part depend on its ability to monetise protected intellectual property rights, particularly patents relating to proprietary products. Obtaining and exploiting patents in the life sciences industry is legally and technically complex. EDX has engaged an external law firm with intellectual property expertise to review its patent strategy and to review such rights of 3rd party product development partners prior to commercial engagement.

The Directors are not aware of any infringement by the Group's existing or planned products of the intellectual property rights of any third parties. However, it is not economically viable to establish the existence all third-party intellectual property rights and no formal freedom to operate search has been conducted on behalf of EDX.

Adverse judgments against the Group may give rise to significant liabilities in monetary damages, legal fees and/or an inability to develop, market or sell products, either in all or in particular territories using the affected Intellectual Property. All commercial agreements with product partners include clear limitation to such liability exposure for EDX.

RISK MANAGEMENT REPORT

Some of the Group's intellectual property rights are not capable of registration, such cases being embodied in 'know-how', trade secrets or software copyright. Therefore, the Group is reliant on internal processes and systems to protect such rights as far as possible. Whilst the Directors believe that our systems and processes afford adequate protection, there is a risk that they may not prevent misappropriation of the Group's intellectual property. No assurance is given that the Group will be able to acquire or develop products which are capable of being protected, or that any protection gained will be sufficiently broad in scope to exclude competitors from producing similar competing technology.

There can be no guarantee that third parties will not manage to independently develop products with similar functionality as the Group's products without infringing the Group's intellectual property rights, and there can be no guarantee that any such competing products would not have a material adverse effect on prospects of the Group.

4. Product development

The Group will primarily engage in product development and validation in order to meet the needs of customers and regulators and will itself conduct limited research. The Group will be involved in complex scientific areas in which the founders and senior team have significant experience delays or failure to produce results are commonplace in this industry.

The majority of the Group's products may require regulatory approvals. If approval is required and is not successful or takes longer than anticipated, there may be an adverse impact on the Group's business, financial condition and results of operations. Clinical validation trials are costly and cannot be guaranteed to be successful.

5. Business development and growth

EDX intends to grow its business through the development and acquisition of new products, Intellectual Property or technologies. However, the Group may be unable to find suitable opportunities on attractive terms, or it may be unable to consummate such opportunities as a result of competition from other prospective acquirers, or due to its inability to finance such acquisitions.

Failure to complete any such acquisitions may have an adverse effect on the Group's business, results of operations, financial condition and future prospects.

Should such acquisitions proceed, there can be no assurance that the benefits from such acquisitions or licensing opportunities will be realised to the extent, or within the time frame, that the Directors may have anticipated.

In addition, these opportunities may involve a number of risks, including the diversion of management's attention to unforeseen difficulties in relation to an acquired product, unanticipated costs and liabilities, the implementation of new operating procedures and disruption of the Group's ongoing business at that point in time.

Any delays or unexpected costs incurred in connection with product acquisitions including significant one-time capital expenditures, may result in dilutive issues of equity securities, increased debt or other contingent liabilities, adverse tax consequences, deferred consideration charges and the recording and later amortisation of amounts related to deferred consideration and certain purchased intangible assets. Any of which items could have an adverse effect on the Group's business, results of operations, financial condition and future prospects.

The Group is negotiating a number of agreements or collaborations with third parties and may also in the future enter into further ventures, partnerships or other collaborative arrangements with third parties. There is a risk that such arrangements may not be commercially successful, and it is possible that the working relationship between the parties may break down, that substantial costs and/or liabilities may be incurred in attempting to deliver the product or service in question, and/or that the arrangement may not yield the returns expected.

There is a risk that parties with which the Group has business relationships, including its partners and those with which it collaborates, may become insolvent or may otherwise become unable or unwilling to fulfil their obligations as part of the arrangement. This could detrimentally affect projects upon which the parties are collaborating and could adversely affect the Group's ability to deliver the products or services in question, which may in turn have a negative impact upon its business, financial position and prospects. It may also result in the Group having to input further capital into the project in order to ensure that delivery of the project remains unaffected. This extra cost could in turn adversely affect the business, revenues and profitability of the Group.

RISK MANAGEMENT REPORT

6. Potential liabilities

EDX's activities expose it to potential product liability and professional indemnity risks that are inherent in the development and manufacture of medical products and devices. EDX operates under a rigorous quality management system in accordance with its UKAS accreditation under ISO-15189, which is partly designed to mitigate such risks. Under such accreditation, the Group has a validated Business Continuity Plan' in place, the objectives of which are to re-establish a normal business activity level or a sustainable on-going business level in as short a period as possible following any business interruption. In order to achieve this, EDX maintains an accurate and current record of:

- the critical equipment, functions and activities of the organisation
- required responses to anticipated risks to the operations of the organisation
- detailed, prioritised and timetabled response to an emergency situation
- the key roles, responsibilities and contacts to respond to an emergency.

If the Group produces any products which are defective, or which are alleged to be defective, it may face a product liability claim in respect of those products. In the UK and in member states of the European Union, consumers who suffer property damage or personal injury because of a defective product may be able to recover compensation (up to certain prescribed limits) from the producer of that product, without needing to prove the producer was at fault for the defect.

Any serious quality or safety incident may result in adverse reporting in the media, which in turn may damage the Group's public relations and could potentially interrupt its business. This in turn could affect the Group's financial condition, operational results and prospects, including damage to the Group's reputation and/or its brands.

The Group could incur costs in connection with any such proceedings. The Group's existing and future relationships and reputation could also be adversely affected with consequential adverse effects on its business development, growth and revenue prospects.

In addition, any product liability claim brought against the Group, with or without merit, could result in the increase of the Group's product liability insurance rates or the inability to secure cover in the future. There can be no assurance that future necessary insurance cover will be available to the Group at an acceptable cost, if at all, or that, in the event of any claim, the level of insurance carried by the Group or in the future will be adequate or that a product liability or other claim would not have an adverse impact on the Group's business, prospects, results of operations and financial condition.

7. Regulatory risks

EDX customers generally provide regulated healthcare services, and the Group will therefore be subject to relevant industry regulation in the countries in which it operates. When expanding beyond the UK, its activities in its new locales will be subject to any relevant regulations of those countries. Should the requirements of any country in which the Group is looking to market its products not be satisfied, the Group may be restricted from expanding its business in that country. The regulations governing the Group's activities in the countries in which it operates may also be subject to change without prior notice. Any such changes or amendments may significantly impact the business of the Group.

Where regulatory approval is required, the timescales for regulatory approval being given can be affected by various factors, some of which are outside the Group's control, such as: changes to regulatory requirements, trial recruitment rates, and the results of clinical tests. Delays in regulatory approval could impact upon the timeline for delivery of the product and ultimately have a financial impact upon the Group and its prospects.

If any of the Group's partners or customers, or the Group itself, were to breach applicable regulations, the Group may incur substantial additional costs to remedy the breach and ensure future compliance with the regulatory requirements in order to avoid breaching the agreement with that partner or customer. The failure of a third party properly to comply with their contractual duties or regulatory obligations could have an adverse effect on the Group's ability to generate profits as well as its ability to source premium products. Further, any action taken by a third party that is detrimental to the Group's reputation could have a negative impact on the Group's ability to register its trademarks and other forms of Intellectual Property protection, and/or market and sell its products.

RISK MANAGEMENT REPORT

8. Reputational risk

EDX's reputation is central to its future success in terms of the products and services it provides, the relationships it currently has and intends to develop in the future with distributors, partners and customers, the way in which it conducts its business and the financial results which it achieves. The Group may face reputational risk arising from a number of factors, including failure to deal appropriately with legal and regulatory requirements, ethical practices, fraud, privacy, record-keeping and other trading practices, as well as market risks inherent in the Group's business.

The failure, or allegations or perceptions of failure, of the Group to deal appropriately with legal and regulatory requirements, privacy, record-keeping, sales and trading practices or its failure to meet the expectations of the press and the general public, as well as its customers, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Enlarged Group's reputation, business, results of operations, financial condition and future prospects.

9. Additional financing

The Group expects to incur significant costs in connection with development, commercialisation and Intellectual Property protection of its products and technology. The Group's financing requirements depend on numerous factors, including the rate of market acceptance of its products, its ability to attract distributors and customers and other factors that may be outside of the Group's control. The Group may require additional financing in the medium to long term, whether from equity or debt sources, to finance working capital requirements or to finance its growth through future stages of development.

Any additional share issue may have a dilutive effect on Shareholders, particularly if they are unable to, or choose not to, subscribe by taking advantage of rights of pre-emption that may be available. Debt funding may require the lender to take security over the assets of the Group, which may be exercised if the Group were to be unable to comply with the terms of the relevant debt facility agreement. Failure to obtain adequate future financing on acceptable terms, if at all, could cause the Group to delay, reduce or abandon its development programmes or hinder commercialisation of its product portfolio and could have a material adverse effect on the Group's business.

10. Counterparty risk

There is a risk that parties with whom the Enlarged Group trades or has business relationships may become insolvent, in which case this could have an adverse impact on the Group's business, revenue, financial condition, profitability, results, prospects and/or future operations. This risk may be higher where the counterparty is located or registered outside the United Kingdom, as the costs of enforcing the Group's rights to payment or performance may be higher than would be the case in the United Kingdom.

11. Competition

The life sciences market has become more competitive. Established categories are becoming crowded as they mature and there has been a significant increase in smaller companies who are entering the industry. Even though the Existing Directors and Proposed Directors believe that the Enlarged Group has a competitive advantage in this space, the Enlarged Group may face competition from organisations which have greater capital resources. This could hinder the Enlarged Group's ability to compete successfully in the market. In addition, the Directors anticipate that the Enlarged Group will face increased competition in the future as new companies enter the market and alternative products, strategies and technologies become available. Increased competition from new and existing companies, including as a result of their aggressive pricing, may have a material adverse effect on the Enlarged Group's financial results. If the Enlarged Group's business model is successful it may be replicated by other organisations, some of which may have greater resources than the Enlarged Group.

RISK MANAGEMENT REPORT

12. Reliance on information technology systems

EDX is highly reliant on its information technology systems for the processing, transmission and storage of electronic data relating to its research, operations and financial reporting. A significant portion of communications among the Group's personnel, partners, customers and suppliers relies on the efficient performance of information technology systems. The success of the Group is dependent on its technical capabilities, and it relies to a significant extent on the efficient and uninterrupted operation of its own and the systems of its suppliers and partners. Despite the Group's security measures and back-up systems, its information technology and infrastructure may be vulnerable to attacks by hackers, computer viruses or malicious code or may be breached due to employee error, malfeasance or affected by other disruptions, including as a result of natural disasters or telecommunications breakdown or other reasons beyond the Group's control. If one or more such events occur, it could cause material disruptions or delays to the Group's operations and result in the loss of revenues as well as confidential information and know-how, which could expose the Group to liability and cause its business and reputation to suffer. The Group may also be required to expend significant capital and other resources to alleviate problems caused by such breaches or failures. Any of the foregoing could have a material adverse effect on the Group's prospects, results of operations and financial condition.

The Group mitigates this risk by having robust systems including firewalls, multi factor authentication and other internal controls.

CORPORATE GOVERNANCE REPORT

Governance

Overview

As Chairman of the Board of Directors, it is my responsibility to ensure that EDX has both sound corporate governance and an effective Board. As Chairman, my responsibilities include effectively leading the Board, supervising the Group's corporate governance approach, engaging with shareholders, and ensuring that excellent information flows freely and in a timely way between the Executive and Non-Executive Directors. EDX has agreed to follow the Corporate Governance Principles of the Quoted Companies Alliance (QCA Code), which requires companies to adopt a 'comply or explain' explain approach in respect of the application of guidance contained within. This report refers to the framework of these recommendations and describes how we used them. The Board believes that the Company conforms with the QCA Code in every way.

The Board will be considering and implementing the new QCA Code next year in line with the legislation.

The Board believes that corporate governance is more than just a set of guidelines; rather it is a framework which underpins the core values for running the business in which we all believe, including a commitment to open and transparent communications with stakeholders. We believe that good corporate governance improves long-term success and performance. We will provide annual updates on our compliance with the QCA Code.

QCA COMPLIANCE PRINCIPLES

1.– ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

The Board of Directors has determined that the Group's growth strategy will deliver the greatest medium and long-term value to its shareholders.

EDX provides individuals and organisations with reliable, high-performance tools and services for predicting and managing disease. The Company creates, develops and validates digitally enabled diagnostic products and services to help predict disease risk, inform clinical decision-making and accelerate the development of new medicines in the areas of cancer, heart disease, neurology and infectious diseases.

The Company's plan for growth is centred on extending and improving the quality of life through smart testing. In addition, EDX is actively introducing a range of innovative new diagnostic tests to address a range of illnesses. These digitally enabled products and services will set new standards in risk assessment enable better clinical decision-making and accelerate the development of new medicines in the areas of cancer, heart disease, and infectious disease.

EDX will also continue to create value through acquisition, partnerships and strategic investments. In September 2023, we were pleased to acquire Hutano Diagnostics Limited. The acquisition will enable EDX to accelerate and expand its point-of-care testing capabilities with a range of innovative tests capable of accurately measuring a combination of multiple disease markers on a single device within minutes. In November 2023, we announced a collaboration with Thermo Fisher Scientific EMEA Ltd the world leader in serving science and supplier of analytical instruments, life sciences solutions, specialty diagnostics, laboratory, pharmaceutical and biotechnology services. The collaboration agreement will enable EDX and Thermo Fisher to jointly develop and potentially commercialise a number of proprietary qPCR assays - including novel and innovative cancer diagnostic solutions. We will continue to seek additional strategic opportunities to add value and scale.

CORPORATE GOVERNANCE REPORT

2 – SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

We believe that a mutually trusting relationship between shareholders and the Board is vital for a well-governed organisation to fulfil its commercial goals. As a result, the Board provide clear and transparent information to shareholders about our financial position and strategy.

EDX seeks to provide effective shareholder communications through periodic financial reports, along with Regulatory News Service announcements and trading updates published on our website: https://edxmedical.co.uk/news-media/.

The Board prioritises reviewing the efficacy of shareholder interactions on a regular basis and ensuring that efforts are taken to increase engagement based on shareholder feedback. The Board also interacts with shareholders through official meetings such as the Annual General Meeting (AGM), which allow the Board to meet, listen to, present and provide information to shareholders. We are looking forward to welcoming shareholders to our forthcoming AGM and encourage shareholders to attend and ask questions of the Board.

3. – TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

We recognise that the Board is responsible not only to its shareholders, but to a wider group of internal (members of staff) and external (customers, suppliers, regulators and others) stakeholders. EDX acts with integrity and values its people, from its members of staff to those who form the communities with which it engages. The Board has put in place a range of processes and systems to ensure there is close oversight and contact with its key resources and relationships.

The Board is kept up to date on wider stakeholder engagement feedback in order to be informed about stakeholder viewpoints on crucial issues for them and our business. Due to the current size and stage of development of the Company, we consider our impact on our stakeholder network and wider society to be minimal. Further information on stakeholders is included in the s. 172 statement in the Strategic Report.

At Board meetings, the Directors consider their responsibilities under s.172 of the Companies Act 2006 in all decisions taken, as set out in the s. 172 statement in the Strategic Report.

4. – EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board is responsible for determining the nature and extent of significant risks that may have an impact on our operations, and for maintaining a risk management framework.

The Board has carried out a robust assessment of the principal risks and uncertainties affecting our business, considered how these could affect operations, performance and solvency and what mitigating actions, if any, can be taken. The Risk Management Report in this Annual Report outlines the principal risks to the business.

The Audit Committee has been delegated responsibility for monitoring risk management systems, to ensure an effective system of financial controls is maintained to support timely and accurate reporting of financial information for review by the Board and the Group's external auditors.

CORPORATE GOVERNANCE REPORT

5.– MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board is currently comprised of a non-executive Chairman, Jason Holt, two Executive Directors, Michael Hudson and Christoper Evans, and a Senior Independent Director, Trevor Jones, who has no business dealings or material relationship with the Group apart from this appointment and is therefore deemed independent by the Board. Biographies of the Board can be found on the company website at https://edxmedical.co.uk/wp- content/uploads/2022/11/Company-Directors-2022-11-14.pdf.

We note that the QCA Code advises that there be two independent non-executive directors, however we feel that the current composition of the Board is appropriate and suitable given the size and stage of development of the Company. As EDX grows, we will consider the merits of an additional independent non-executive director.

EDX is an equal opportunities employer and we offer career opportunities without discrimination. Job vacancies are filled by the candidates who have the most relevant skills and competencies to succeed. Our policy is to treat all employees fairly and equally regardless of gender, sexual orientation, marital status, race, colour, nationality, religion, ethnic or national origin, age, disability or union membership status.
Actions:

Equal opportunities and diversity are embedded in our approach to diversity and inclusion in the business.

- we currently have a 50:50 ratio of male to female employees;
- we will continue to allow flexibility to parents;
- we are looking to recruit a female board member(s) by the end of 31 March 2025

The Board of Directors has a duty and legal obligation to further the Company's interests while also establishing corporate governance frameworks. The Chairman is ultimately responsible for the strategy and quality of corporate governance.

Directors are required to commit as much time as deemed reasonably appropriate to conduct their duties. Both Executive Directors are full-time employees of the Company. For the year to 31 March 2024, the Directors' attendances at Board and Committee meetings were as follows:

	Board	*Audit Committee*	*Remuneration Committee*
Prof Sir Christoper Evans	*15/15*	*2/2*	-
Jason Holt	*15/15*	*2/2*	*2/2*
Dr Michael Hudson	*15/15*	-	-
Prof Trevor Jones CBE	*12/15*	-	*2/2*

Conflicts of interest are monitored and dealt with effectively. The Board is aware of its Directors' other responsibilities and interests, and any changes are communicated to and, where appropriate, agreed upon by the rest of the Board.

6.– ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Company believes that the Directors have wide-ranging experience in relevant sectors, providing the ability to deliver the Company's strategy for the benefit of shareholders over the medium and long term. They also have an extensive network of relationships to reach key decision-makers to help achieve their strategy.

EDX's Company Secretary, ONE Advisory Limited, assist with ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, as well as helping the Chairman maintain excellent standards of corporate governance. ONE Advisory also provides support and assistance with MAR compliance and shareholder meetings.

CORPORATE GOVERNANCE REPORT

There is no formal process to keep Directors' skill sets up to date, however Directors are encouraged to undertake additional training where required. The Company's lawyers, auditors, company secretary and corporate advisor provide regular updates on governance, financial reporting and the AQSE Growth Market Apex Rulebook and the Board is able to obtain advice from other external bodies when necessary.

The Executive Directors will be evaluated against predefined targets and their personal and professional development requirements will be addressed as part of our performance and development assessment process. The Chairman will be encouraged to discuss any personal growth or training requirements with the Board of Directors

7. – EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Remuneration Committee is responsible for internal evaluation of the Board, the Committees and individual Directors which will be undertaken on a regular basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. As a part of the appraisal, the appropriateness and opportunity for continuing professional development, whether formal or informal, are discussed and assessed. Only informal reviews were carried out in this financial year, formal reviews are planned for the upcoming year.

In accordance with the Matters Reserved for the Board, the Board (rather than the Remuneration Committee) are responsible for undertaking a formal annual evaluation of the Board's performance, that of its committees, the chair and individual directors, and the division of responsibilities.

8. – PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole, which in turn will impact the Company's performance. The Directors are aware that the tone and culture set by the Board will impact all aspects of the Company and the way that advisers or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, advisers, and representatives alike throughout the organisation.

The Company strives to achieve and maintain an open and respectful dialogue with its professional advisers, regulators, suppliers, and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate strategy. The Directors consider that, at present, the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on the AQSE Growth Market and is in accordance with the requirements of the UK Market Abuse Regulation.

In accordance with the QCA Code the Board monitors and promotes a healthy corporate culture and assesses the state of the culture at present through weekly team meetings as well as annual one to one meetings between a Board Member and each employee – last such meetings were held in the last quarter of 2023.

CORPORATE GOVERNANCE REPORT

9.– MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION- MAKING BY THE BOARD

The Company's governance structures are appropriate for a company of its size. The Board also meets regularly, and the Directors continuously maintain an informal dialogue between themselves. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while the execution of the Company's investment strategy is a matter for all Board members. The Board delegates authority to two Committees to assist it with accomplishing its business objectives and maintain a strong system of internal control and risk management. The Committees meet separately from the Board. The current Governance structure is outlined below:

Audit committee

The audit committee comprises of Jason Holt as chairperson and Sir Christopher Evans as a member. The committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on.

CORPORATE GOVERNANCE REPORT

Remuneration committee

The remuneration committee is chaired by Professor Trevor Jones, with Jason Holt as a member. The committee reviews the performance of the Board and make recommendations to the Directors on matters relating to their remuneration and terms of employment.

The remuneration committee is also responsible for making recommendations to the Directors on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme, LTIP or equity incentive scheme in operation from time to time.

Considering the size of the board of directors of the Company, the Directors do not consider it necessary to establish a nomination committee, however the Directors will keep this under review.

10. – COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS.

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on AQUIS Stock Exchange which operates the AQSE Growth Market. Shareholders are encouraged to attend the Company's Annual General Meeting, where they will be given the opportunity to interact with the Directors.

Investors also have access to current information on the Company through its website, https://edxmedical.co.uk and via any of the Directors, who are available to answer investor relations enquiries.

The Board maintains that if a resolution is passed by a general meeting with 20% or more votes against it, the Board will investigate the reason for the result and take appropriate action if necessary.

Jason Holt
Chairman
3 September 2024

AUDIT COMMITTEE REPORT

The Audit Committee comprises Jason Holt as chairman and Professor Sir Christopher Evans as the other member. The Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. The Committee is expected to meet at least twice a year to review annual reporting and interim reporting and at any other times as deemed necessary.

Role and responsibilities

Pursuant to its terms of references, the Committee is responsible for, inter alia, the following:

- Ensuring the Company has followed appropriate accounting standards and made appropriate estimates and judgments.
- Reviewing the adequacy and effectiveness of internal controls.
- Reviewing the effectiveness of the external auditor, including their appointment or removal.
- Determining the remuneration of the external auditor.
- Monitoring any significant changes to accounting policies.

Significant issues considered by the Audit Committee

Significant issues considered by the Audit Committee along with the CEO, included the acquisition and integration of Hutano Diagnostics Ltd which included but not limited to review of due diligence work, review of Shareholder docs and implications on financial aspects of the business.

Additionally, the Committee oversaw on behalf of the Board the compiling, completion and review of the yearly audited accounts undertaken by PKF Littlejohn LLP.

The Committee continually reviews any risks financial or macro-economic or otherwise to the organisation.

Risk management and internal controls

The Committee reviews the effectiveness of the Company's internal financial controls and risk management systems. On at least an annual basis, it will review the practical implementation of such controls. As the Company laboratory activities are regulated under ISO accreditation, the Head of Quality, Regulatory Affairs and Compliance provides ongoing internal supervision of operational risks and mitigation, and reports are submitted to the Audit Committee on a routine basis.

Whilst there is currently not considered a need for an internal audit function due to the size and stage of development of the Company and the adequacy of present controls, the Committee will keep under continual review the necessity of such a role.

External audit

The Committee meets periodically with the Company's external auditor, without the presence of management, to discuss key audit matters and review audit findings reports. Any recommendations made by the external auditor are considered and, if appropriate, acted upon.

PKF Littlejohn LLP were appointed as auditor in 2022. In line with guidance, EDX will rotate auditor through an audit tender process no later than 2031 and rotate audit partner by 2027.

AUDIT COMMITTEE REPORT

Auditor independence

The Committee maintains responsibility for reviewing and monitoring the external auditor's independence and objectivity as well as their qualifications, expertise and the effectiveness of the audit process, taking into consideration relevant UK and other relevant professional and regulatory requirements. The Committee have considered the auditor's independence and continues to believe that PKF Littlejohn LLP is independent within the meaning of all UK regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff are not impaired.

Jason Holt
Chairman of the Audit Committee

3 September 2024

DIRECTOR'S REPORT

The Directors present their report with the financial statements of the company for the year ended 31 March 2024.

Principal activities and business review

The principal activities of the Group during the year under review consisted of building a portfolio of digital diagnostic assets through partnerships and own development and establishing the operations and infrastructure in order to commence initial commercial operations in the period.

The requirements of the business review have been considered within the Strategic Report.

Results and dividends

An analysis of the Group's performance is contained within the Strategic Report. The Group's income statement is set out in the consolidated statement of comprehensive income and shows the result for the year.

The Directors have not recommended the payment of a dividend in respect of the financial year to 31 March 2024 (2023: £0.00 per Ordinary Share).

Directors

The Directors and brief biographies are detailed on the company website at https://edxmedical.co.uk/wp-content/uploads/2022/11/Company-Directors-2022-11-14.pdf.

The Directors of the Company who served during the year were:

Prof Sir Christopher Evans OBE
Jason Holt
Michael Hudson
Prof Trevor Jones CBE

In line with the provisions of the updated QCA Code, which will come into force for accounting periods commencing on or after 1 April 2024, all Directors will put themselves forward for re-election by shareholders at the Company's forthcoming AGM.

Director's emoluments

Directors' emoluments during the year under review are set out in the remuneration committee report.

Directors' interests

The beneficial interests of the Directors in the Ordinary Shares of the Company on 31 March 2024 are set out below:

	Ordinary shares			
	No.	%	No.	%
	31-Mar-24		31-Mar-23	
Prof Sir Christopher Evans	130,250,000	37.50	124,000,000	42.48
Dr Michael Hudson	20,400,000	11.22	20,000,000	6.85
Jason Holt	4,400,000	1.27	4,400,000	1.37
Prof Trevor Jones	289,074	0.04	-	-

DIRECTOR'S REPORT

Substantial shareholders

In addition to the Directors' shareholdings, the Company had been notified of the following shareholding of 3% or more in the ordinary share capital of the Company as at 31 March 2024:

	Number of shares	Percentage of issued share capital
Bridgemere Securities Limited	38,970,000	11.22%
Countywide Developments Ltd	24,166,667	7.00%
West Coast Capital Holdings Ltd	18,849,583	5.40%
Intrinsic Capital	16,861,986	4.90%

As at the period end, 31 March 2023:

	Number of shares	Percentage of issued share capital
Bridgemere Securities Limited	7,720,000	3.08%
Countywide Developments Ltd	20,000	7.97%
West Coast Capital Holdings Ltd	16,000,000	6.38%
Intrinsic Capital	15,966,897	6.37%

Share capital

Details of the changes in the share capital of the Company during the period are set out in Note 23.

Employees

Given the limited number of employees, the Company undertakes a tailored approach to employee engagement based on the needs and skills of each employee and having regard to employees' interests in decisions taken by the Board. As the Company grows, EDX will look to introduce more formal employee engagement mechanisms.

Engagement with suppliers, customers and others in a business relationship with the company

Details of the Company's engagement with its stakeholders during the year are set out in the Section 172 statement in the Strategic Report.

Energy and carbon reporting

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint and intends to do so in time for its next annual report. The company will, once relevant, work on and implement targets and initiatives aimed at reducing any adverse impact of our business on the environment and the communities in which we operate.

Statement of corporate governance arrangements

The Company has adopted the QCA Code. See the Corporate Governance Report for more details.

Political and charitable donations

The Company made £80,000 of charitable donations during the year ended 31 March 2024 (2023: £25,000).

The Company made no political donations during the year ended 31 March 2024 (2023: £0).

DIRECTOR'S REPORT

Post-balance sheet events

See Note 31.

Share buy backs

The Company did not acquire any of its own shares during the year under review.

Financial instruments

Disclosures in respect of the Company policy regarding financial instruments and risk management are contained in Note 26 to the financial statements.

Directors' third-party indemnity provisions

The Company has taken the opportunity to purchase Director's & Officers Liability Insurance.

Statement of disclosure to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware.

Each Director has taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

PKF Littlejohn LLP has expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

DIRECTOR'S REPORT

Going concern basis

The Board continues to adopt the going concern basis to the preparation of the financial statements as it is confident of the Group continuing operations into the foreseeable future.

The Board's forecasts for the Group include due consideration for contracted minimum revenues, potential future capital in-flows, continued operating losses, projected increase in cash-burn of the Group for a minimum period of at least twelve months from the date of approval of these financial statements.

However, the Group forecasts assume that further equity fundraising will be required in the next twelve months in order to implement its growth strategy and operate as a going concern. Although the entity has had past success in fundraising and continues to attract interest from investors, making the Board confident that such fundraising will be available to provide the required capital, there can be no guarantee that such fundraising will be available and, accordingly, this constitutes a material uncertainty over going concern, which the auditors have made reference to in their audit report.

Notwithstanding the above, the Board has considered various alternative operating strategies should these be necessary in the light of fundraising not being available and actual trading performance not matching the Group's forecasts given current macro-economic conditions and is satisfied that such revised operating strategies could be adopted, if and when necessary. This includes the ability to call upon Sir Christopher Evans, a director of the Company, to extend sufficient loans. Therefore, the Directors consider the going concern basis of preparation is appropriate.

The financial statements have been prepared on a going concern basis and do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

This report was approved by the Board on 3 September 2024 and signed on its behalf.

Jason Holt
Chairman
3 September 2024

REMUNERATION COMMITTEE REPORT

Chairman's introduction

I am pleased to present our Remuneration Committee report for the year ended 31 March 2024.

The Remuneration Committee comprises of myself, Prof Trevor Jones CBE, as Chairman and Jason Holt as the other member. Other Directors may attend by invitation of the Committee, but it is a fundamental principle that no individual should be able to participate in discussions about their own remuneration. The Committee's main responsibilities are to make recommendations to the Board as to the remuneration of the Directors and the terms of their services. The Committee also makes recommendations to the Board relating to incentive schemes for all employees pursuant to share options schemes or otherwise.

No significant review or changes in the year as the Group focuses on commencing commercial trading.

Role and responsibilities

The Committee aims to meet at least twice a year and at any other times as required. Pursuant to its terms of reference, its responsibilities include:

- Determining the broad framework for the remuneration of the Directors.
- Determining the policy for and scope of pension arrangements of the Directors.
- Approving the implementation of share options schemes, subject to the approval of the Board, granting new share options and overseeing other incentive arrangements for the Directors.
- Determining the base salary and bonus arrangements of the Directors.

Share options

No Share Options nor Long-Term Incentive Plan (LTIP) issued during the year. No options at the date of this report yet granted.

Directors' remuneration

For the year to 31 March 2024

Director	Salary	Fees	Pension contributions	Other benef its	Bonus	Share-based payments	Total
	£		£	£	£	£	£
Prof Sir Christopher Evans	36,000	240,000	-	-	-	-	276,000
Jason Holt	70,000	-	-	-	-	-	70,000
Michael Hudson	15,000	240,000	-	-	-	-	255,000
Prof Trevor Jones	36,000	-	-	-	-	-	36,000

REMUNERATION COMMITTEE REPORT

For the year to 31 March 2023

Director	Salary	Pension contributions	Other benefits	Bonus	Share-based payments	Total
	£	£	£	£	£	£
Prof Sir Christopher Evans	361,253	-	-	-	-	361,253
Jason Holt	46,734	-	-	-	-	46,734
Michael Hudson	222,471	-	-	-	-	222,471
Prof Trevor Jones	13,931	-	-	-	-	13,931
Donald Stewart	17,896	-	-	-	-	18,636
Alexander Barblett	18,636	-	-	-	-	18,636
John Taylor	18,636	-	-	-	-	18,636

Remuneration policy

EDX's remuneration policy is designed to promote the long-term strategy and sustainable success of the business. We are committed to applying the recommendations of the QCA Code, QCA Remuneration Committee Guide and the Investment Association's Principles of Remuneration. Clawback provisions are in place in the event of financial misstatement or misconduct.

The policy of the Remuneration Committee is to ensure that the Executive Director, Michael Hudson is fairly rewarded for his individual contribution to the Company's overall performance and to provide a competitive remuneration package to employees.

Directors' remuneration is made up of basic salary, benefits, a discretionary cash bonus and pension arrangements.

We consider feedback from investors and encourage engagement from our shareholders on remuneration matters.

Non-executive director's fee policy

The policy for the remuneration of the Non-Executive Directors ("NED") is to attract NED with a broad range of relevant experience and skills to oversee the implementation of the Company's strategy and are paid in 12 equal monthly instalments during the year. Notice periods are 1 month, and notice can be given by the Company or the NEDs pursuant to their service contracts.

Executive directors' service contracts

The executive directors have entered into service contracts with the Company which contain notice periods of 1 month. The service contracts are available to inspect at the Company's registered office.

REMUNERATION COMMITTEE REPORT

Conclusion

This report is intended to provide shareholders with sufficient information to judge the impact of decisions taken by the Remuneration Committee and to assess whether remuneration packages for Directors are fair in the context of the performance of the Company.

The Remuneration Committee is mindful of shareholder views, and we believe that our Directors' remuneration Policy is aligned with the achievement of the Company's business objective and the interest of shareholders

The Directors' Remuneration Policy and Statement of Remuneration were approved by the Remuneration Committee and by the Board on 15 September 2023 and this Remuneration Committee Report approved on 3 September 2024.

Professor Trevor Jones CBE
Chairman of the Remuneration Committee

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the directors' report, strategic report, annual report and the financial statements in accordance with applicable laws and regulations.

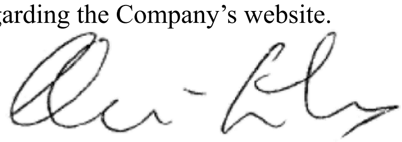
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare Company financial statements in accordance with UK adopted international accounting standards ("UK-IAS") and in accordance with the requirements of the Companies Act. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the EDX Medical Group Plc website. The Company is compliant with the Aquis Growth Market Rulebook regarding the Company's website.



Professor Sir Christopher Evans

3 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDX MEDICAL GROUP PLC

Opinion

We have audited the financial statements of EDX Medical Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 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;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that conditions exist that may cast doubt on the group's ability to continue as a going concern. The group incurred a net loss of £3,752,000 (2023: £3,709,000), incurred operating cash outflows of £3,179,000 (2023: £1,278,000) and is not expected to generate positive cash outflows in the 12 months from the date at which these financial statements were signed. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

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

- Reviewing the cashflow forecast and budgets for the period to 31 March 2026 and the corresponding key assumptions used. This included but was not limited to consideration of the following: funding arrangements and related cashflows, planned expansion projects and capital expenditures;
- Evaluating the group's procedures and controls for preparing and reviewing the budgets and cash flow forecasts covering at least the going concern period;
- Assessing and challenging the key assumptions in the underlying cashflow forecasts, including performing a sensitivity analysis on plausible changes to the cashflow forecasts;
- Discussions with management regarding future plans and funding to support the operations of the group and parent company;
- Reviewing the group's post year end performance to assess the accuracy of the cashflow forecast; and
- Reviewing management's going concern paper and ensuring the underlying key assumptions are congruent to the cashflow forecast provided, including testing the mathematical accuracy and appropriateness of the assumptions used to prepare the cashflows and agreeing the cashflows to supporting documentation or reasonableness in comparison to historic cashflows.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

The materiality applied to the group financial statements as a whole was £89,000 (2023: £100,000). This was calculated based upon 2.5% of group expenditure (2023: 2.5% of group expenditure), which was considered to be the most appropriate benchmark as the entity is not yet revenue generating and the majority of activity is research which is expensed.

We use performance materiality to reduce to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Performance materiality of £62,300 (2023: £70,000) was set at 70% of materiality due to the assessed risk and our accumulated audit knowledge and experience of the group.

Materiality for the parent company financial statements as a whole was set at £63,500 (2023: £70,000). This was calculated based upon 2.5% of the parent company's gross assets and capped below group materiality. Gross assets was chosen as the benchmark as the investments in the subsidiaries are the most significant balances within the parent company financial statements. Performance materiality was set at £44,450 (2022: £49,000) based on 70% of materiality (2023: 70%) for the same reasons as for the group.

Whilst materiality for the financial statements as a whole was set at £89,000 (2023: £100,000), each significant component of the group was audited to an overall materiality of between £62,300 and £70,000 (2023: £70,000), with performance materiality set at 70% (2023: 70%).

We agreed to report to the audit committee any corrected or uncorrected identified misstatements exceeding £4,450 (2022: £5,000) for the group and £3,175 (2022: £3,500) for the parent company, in addition to other identified misstatements that warranted reporting on qualitative controls.

We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement. No significant changes have come to light during the audit which required a revision of our materiality for the financial statements as a whole

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

The group includes the parent company and its subsidiaries EDX Medial Limited, Torax Biosciences Ltd, Hutano Diagnostics Ltd and EDX Medical Ireland Ltd.

The scope of our audit was based on the significance of components operations and materiality. Each component was assessed as to whether they were significant or not to the group by either size or risk. The parent company and EDX Medical Ltd were identified as the significant components and as a result a full scope audit was carried out on these entities. The other subsidiaries were not determined to be significant and as a result material balances only were tested.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included:

- the recoverability of internally generated intangible assets and investments in subsidiary undertakings, as the future research and development results are inherently uncertain;
- the accounting for the acquisition in the year and key judgements used in this regard; and
- the accounting for equity instruments including the convertible loan notes which was assessed as an area which involved significant judgements by management.

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

Key Audit Matter	How our scope addressed this matter
Valuation of investments and intra-group receivables (Company) (Note 15, 16)	
Investments in subsidiaries and intra-group receivables (though eliminated on consolidation), represent a significant proportion of the parent company's statement of financial position. **The recoverability of these balances is directly linked to the financial performance of the subsidiaries. Due to the nature of the subsidiaries and early stage of the research projects, the assessment of the recoverability of these balances is subject to significant estimates and judgements and hence there is a risk that they may not be fully recoverable.** **As a result of the size of the balances and the inherent uncertainty in future performance, this has been designated as a key audit matter in the year.**	Our work in this area included: ■ Obtaining documentation to confirm the ownership of the subsidiaries at the year end; ■ Considering the recoverability of investments and intra-group receivables by reference to underlying net asset value; ■ Obtaining and reviewing management's impairment papers in respect of investments, providing appropriate challenge and corroboration for any assumptions made; ■ Considering whether there are indicators of impairment in accordance with IAS 36 Impairment of Assets; and ■ Reviewing the disclosures in the accounts to ensure the key accounting judgements are appropriately disclosed. We have reviewed the group's impairment review that supports the carrying value of its investment in subsidiaries and intragroup receivables and note that the value is dependent on the group's ability to continue to develop and commercialise new products. The ability to achieve this is reliant on the group raising sufficient funds within the next twelve months to enable the continued development and commercialisation of the new products. If the group is unable to raise the required funds in the next twelve months, this will put strain on the subsidiaries ability to deliver their growth plans which may lead to an impairment of the parent company's investment.
Carrying value of intangible assets (Group) (Note 13)	
As part of the group's historic acquisitions, intangible assets have been recognised in relation to goodwill, trade names and acquired technology. There is also additions to the intangibles balance in the year resulting from the acquisition of Hutano Diagnostics Ltd ("Hutano"). **These assets are subject to periodic impairment assessments which require significant judgement and estimation around the future earnings potential of these cash generating units.** **As a result of the size of the inherent uncertainty in future performance, this has been designated as a key audit matter in the year.**	Our work in this area included: ■ Obtaining documentation to confirm ownership of the assets as at the year end; ■ Reviewing the additions in the year in relation to the acquisition of Hutano. Including reviewing the purchase price allocation ("PPA") prepared by management's expert and challenging key inputs; ■ Substantively testing other additions during the year to ensure in line with the recognition criteria of the group; ■ Obtaining the group's impairment assessment and challenging the reasonableness of key assumptions to external and internal data, including budgets, cash flow forecasts and discount rates;

	■ Evaluating the reasonableness of cash flows in the model through comparison to actual and prior period performance; ■ Verifying the integrity of the data and mathematical accuracy of supporting calculations; ■ Performing sensitivity analysis on key assumptions to ascertain the impact of possible changes which would eliminate the headroom over carrying value; ■ Evaluating management's assessment of expected useful economic lives; ■ Considering whether any other indicators of impairment are present under IAS 36 having reference to internal and external factors; ■ Reviewing expense ledgers to ensure consistent treatment and completeness of the costs capitalised; and ■ Reviewing appropriateness of the disclosures and classification of items within the intangible asset categories. We have reviewed the group's projections and value in use calculations that supports the carrying value of the intangible assets and note that the value is dependent on the group's ability to continue to develop and commercialise new products. The ability to achieve this is reliant on the group raising sufficient funds within the next twelve months to enable the continued development and commercialisation of the new products. If the group is unable to raise the required funds in the next twelve months, this will put strain on the group's ability to deliver the growth plan which may lead to an impairment of the intangible assets.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 group and parent company financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and industry research;
- We obtained an understanding and evaluated the design and implementation of controls that address fraud risks of the group and parent company;

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
  - the Companies Act 2006;
  - UK tax legislation;
  - Employment Law;
  - Anti-Bribery and Money Laundering Regulations;
  - Compliance with certain ISO certifications held; and
  - General Data Protection Regulation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiring of management regarding potential non-compliance;
  - Reviewing legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
  - Reviewing minutes of meetings of those charged with governance and Regulatory News Service announcements;
  - Reviewing accounting ledgers for any unusual journal entries which may indicate non-compliance;
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the areas of judgement outlined in the 'Our approach to the audit section,' and also in revenue recognition. Audit testing was designed to address each of these areas.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing bank statements during the period to identify any large and unusual transactions where the business rationale is not clear.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Adam Humphreys (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

3 September 2024

EDX MEDICAL GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Not e	Year ended 31 March 2024 £	Period ended 31 March 2023 £
Continuing operations			
Revenue	4	227,986	3,864
Cost of sales		(248,833)	(3,894)
Gross loss		(20,847)	(30)
Other income		-	50
Administrative expenses		(3,315,790)	(3,582,633)
Operating loss	6	(3,336,637)	(3,582,613)
Finance expense	5	(430,762)	(126,750)
Loss before taxation		(3,767,399)	(3,709,363)
Taxation	9	15,482	-
Loss for the year		(3,751,917)	(3,709,363)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to owners of the parent		(3,751,917)	(3,709,363)
Earnings per share from continuing operations attributable to owners of the parent:			
Basic and diluted loss per share (pence)	11	(1.26)	(3.25)

The notes on pages 51 to 87 form part of these financial statements.

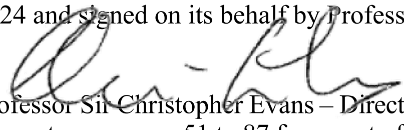
EDX MEDICAL GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

EDX MEDICAL GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

Company registered number 13277385	Note	31 March 2024	31 March 2023
ASSETS		£	£
Non-current assets			
Intangible assets	13	113,852	91,322
Property, plant and equipment	14	291,593	422,126
Right-of-use assets	21	296,961	422,943
Total non-current assets		702,406	936,391
Current assets			
Trade and other receivables	16	623,919	382,445
Other current assets	18	196,454	270,710
Cash and cash equivalents	19	4,070,705	116,176
Total current assets		4,891,078	769,331
Total assets		5,593,484	1,705,722
EQUITY AND LIABILITIES			
Equity			
Share capital	23	3,473,576	2,525,000
Share premium	23	9,155,014	1,929,781
Shares to be issued	24	-	200,000
Warrant reserve	24	17,567	17,567
Merger relief reserve	24	6,709,469	6,545,833
Reverse acquisition reserve	24	(8,461,500)	(8,461,500)
Contingent consideration	24	50,910	-
Retained losses	24	(7,461,279)	(3,709,363)
Total equity		3,483,757	(952,682)
Non-current liabilities			
Lease liability	21	123,270	262,775
Deferred tax	10	20,825	9,804
Borrowings	27	11,676	11,354
Total non-current liabilities		155,771	283,933
Current liabilities			
Trade and other payables	20	665,409	718,869
Convertible loan – debt	22	631,319	1,389,268
Convertible loan - derivative	22	497,739	93,887
Borrowings	27	-	27,165
Lease liability	21	159,489	145,282
Total current liabilities		1,953,956	2,374,471

Total liabilities	2,109,727	2,658,404
Total equity and liabilities	5,593,484	1,705,722

The consolidated financial statements on pages 43 to 50 were approved by the board of Directors 3 September 2024 and signed on its behalf by Professor Sir Christopher Evans.



Professor Sir Christopher Evans – Director

The notes on pages 51 to 87 form part of these financial statements.

EDX MEDICAL GROUP PLC
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

Company number 13277385	Note	31 March 2024	31 March 2023
ASSETS		**£**	**£**
Non-current assets			
Investments	15	8,867,955	8,562,500
Total non-current assets		8,867,955	8,562,500
Current assets			
Trade and other receivables	16	8,487,932	1,337,236
Financial assets at fair value through profit or loss	17	600,000	600,000
Cash and cash equivalents	19	6,518	14,518
Total current assets		9,094,450	1,951,754
Total assets		17,962,405	10,514,254
EQUITY AND LIABILITIES			
Equity			
Share capital	23	3,473,576	2,525,000
Share premium	23	9,155,014	1,929,781
Shares to be issued	24	-	200,000
Merger relief reserve	24	6,709,469	6,545,833
Contingent consideration	24	50,910	-
Warrant reserve	24	17,567	17,567
Retained losses	24	(1,585,402)	(824,925)
Total equity		17,821,134	10,393,256
Current liabilities			
Trade and other payables	20	141,271	120,998
Total current liabilities		141,271	120,998
Total liabilities		141,271	120,998
Total equity and liabilities		17,962,405	10,514,254

As permitted by Section 408 of the Companies Act 2006 the Company is exempt from the requirements to present its own statement of comprehensive income. The Company's loss for the financial year was £760,477 (2023: £571,517).

The financial statements on pages 43 to 50 were approved by the board of Directors on 3 September 2024 and signed on its behalf by Professor Sir Chrisopher Evans.

EDX MEDICAL GROUP PLC
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

Professor Sir Christopher Evans - Director

The notes on pages 51 to 87 form part of these financial statements.

EDX MEDICAL GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Share premium	Shares to be issued	Merger relief reserve	Warrant reserve	Reverse acquisition reserve	Contingent consideration	Retained losses	Total equity
	£	£	£	£	£	£	£	£	£
Balance at incorporation of EDX Medical Ltd	50,000	-	-	-	-	-	-	-	50,000
Loss for the period	-	-	-	-	-	-	-	(3,709,363	(3,709,363)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(3,709,363	(3,709,363)
							-		
Recognition of plc equity at acquisition date	300,000	918,933	-	-	17,567	-	-	-	1,236,500
Equity of EDX Ltd recycled to reverse acquisition reserve	(50,000)	-	-	-	-	50,000	-	-	-
Reverse acquisition	2,000,000	-	-	6,500,000	-	(8,511,500)	-	-	(11,500)
Issue of placing shares	200,000	1,000,00	-	-	-	-	-	-	1,200,000
Issue of adviser shares	8,333	41,667	-	-	-	-	-	-	50,000
Cost of issue of shares	-	(30,810)	-	-	-	-	-	-	(30,810)
Issue of shares for consideration of subsidiary	16,667	-	-	45,833	-	-	-	-	62,500
Proceeds received in advance of share issuance	-	-	200,000	-	-	-	-	-	200,000
Total transactions with owners	2,475,000	1,929,78	200,000	6,545,833	17,567	(8,461,500)	-	-	2,706,681
As at 31 March 2023	**2,525,000**	**1,929,78**	**200,000**	**6,545,833**	**17,567**	**(8,461,500)**	**-**	**(3,709,363**	**(952,682)**
Loss for the year	-	-	-	-	-	-	-	(3,751,917	(3,751,917)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(3,751,917	(3,751,917)
Issue of placing shares	857,667	7,284,33	(200,000)	-	-	-	-	-	7,942,000
Cost of issue of shares	-	(59,100)	-	-	-	-	-	-	(59,100)
Issue of shares for consideration of subsidiary	90,909	-	-	163,636	-	-	50,910	-	305,455
Total transactions with owners	948,576	7,225,23	(200,000)	163,636	-	-	50,910	-	8,188,355
As at 31 March 2024	**3,473,576**	**9,155,01**	**-**	**6,709,469**	**17,567**	**(8,461,500)**	**50,910**	**(7,461,279**	**3,483,757**

The notes on pages 51 to 87 form part of these financial statements.

EDX MEDICAL GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Share premium	Shares to be issued	Merger relief reserve	Warrant reserve	Contingent consideration	Retained losses	Total equity
	£	£	£	£	£	£	£	£
As at 1 April 2022	300,000	918,933	-	-	17,567	-	(253,408)	983,092
Loss for the period	-	-	-	-	-	-	(571,517)	(571,517)
Total comprehensive loss for the period	-	-	-	-	-	-	(571,517)	(571,517)
Issue of shares	2,000,000	-	-	6,500,000	-	-	-	8,500,000
Acquisition of subsidiary	16,667	-	-	45,833	-	-	-	62,500
Issue of placing shares	200,000	1,000,000	-	-	-	-	-	1,200,000
Costs of issue of shares	-	(30,819)	-	-	-	-	-	(30,819)
Issue of adviser shares	8,333	41,667	-	-	-	-	-	50,000
Proceeds received in advance of share issue	-	-	200,000	-	-	-		200,000
Total transactions with owners	2,225,000	1,010,848	200,000	6,545,833	-	-	-	9,981,681
As at 31 March 2023	**2,525,000**	**1,929,781**	**200,000**	**6,545,833**	**17,567**	**-**	**(824,925)**	**10,393,256**
Loss for the year	-	-	-	-	-	-	(760,477)	(760,477)
Total comprehensive loss for the year	-	-	-	-	-	-	(760,477)	(760,477)
Issue of placing shares	857,667	7,284,333	(200,000)	-	-	-	-	7,942,000
Costs of issue of shares	-	(59,100)	-	-	-	-	-	(59,100)
Acquisition of subsidiary	90,909	-	-	163,636	-	50,910	-	305,455
Total transactions with owners	948,576	7,225,233	(200,000)	163,636	-	50,910	-	8,188,355
As at 31 March 2024	**3,473,576**	**9,155,014**	**-**	**6,709,469**	**17,567**	**50,910**	**(1,585,402)**	**17,821,134**

The notes on pages 51 to 87 form part of these financial statements.

EDX MEDICAL GROUP PLC
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	31 March 2024 £	31 March 2023 £
Cash flows from operating activities			
Loss before taxation		(3,767,399)	(3,709,363)
Adjustments for:			
Amortisation – right-of-use assets	21	155,200	154,533
Amortisation - intangible assets	13	10,056	1,266
Depreciation of property, plant and equipment	14	91,320	124,995
Impairment of related party receivable		-	103,684
Loss on disposal of property, plant and equipment	14	89,973	633
Deemed cost of listing in reverse acquisition		-	721,245
Fair value loss on convertible loan	5	403,852	93,887
Finance expense	5	26,910	32,863
Directors' loans written off	29	3,104	-
Share-based payment – settled expenses		-	50,000
Goodwill impairment	13	16,649	-
Net cash used in operating activities before changes in working capital		(2,970,335)	(2,426,257)
Changes in working capital			
(Increase)/decrease in trade and other receivables		(228,610)	276,506
(Decrease)/increase in trade and other payables		(68,930)	399,262
Decrease in supplies and materials	18	74,256	472,101
Cash outflow from operations		(3,193,619)	(1,278,388)
Taxation received	9	14,194	-
Net cash used in operating activities		(3,179,425)	(1,278,388)
Cash flow from investing activities			
Cash acquired with subsidiary	12	217,068	776
Cash acquired on reverse acquisition		-	95,756
Investment in property, plant and equipment	14	(12,161)	-
Initial payments for right of use asset		(953)	-
Net cash flow generated from investing activities		203,954	96,532
Cash flow from financing activities			
Proceeds from issue of share capital	23	7,192,000	1,200,000
Cost of issue of share capital	23	(59,100)	(30,819)
Cost of convertible loan note		-	(15,786)
Proceeds received in advance of share issue	23	-	200,000

Receipts from related parties	29	-	145,000
Repayment of borrowings		(28,875)	(3,027)
Other interest paid	5	(2,033)	(1,166)
Lease interest paid	21	(18,430)	(26,643)
Principal paid on leases	21	(153,562)	(169,527)
Net cash generated from financing activities		6,930,000	1,298,032
Increase in cash and cash equivalents in the year		3,954,529	116,176
Cash and cash equivalents at beginning of year		116,176	-
Cash and cash equivalents at the end of the year		4,070,705	116,176

Major non-cash transactions

On 27 September 2023, the Company acquired 100% of the share capital of Hutano Diagnostics Ltd in exchange for shares in the Company. This acquisition was accounted for using the acquisition method of accounting in accordance with IFRS 3 Business Combinations. Further details can be found in note 12.

In December 2023, the Company and Professor Christopher Evans agreed to offset an outstanding loan owed to him, totalling £14,396, against the convertible loan liability.

On 1 February 2024, Professor Christopher Evans invested £750,000, the consideration for which was settled as a non-cash repayment of the convertible loan note liability. Further details can be found in note 22.

The notes on pages 51 to 87 form part of these financial statements

EDX MEDICAL GROUP PLC
COMPANY STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	31 March 2024	31 March 2023
		£	£
Cash flows from operating activities			
Loss before taxation		(760,477)	(571,517)
Adjustments for:			
Expected credit loss	16	435,341	-
Depreciation	14	-	200
Loss on disposal of property, plant & equipment	14	-	632
Share-based payment		-	50,000
Net cash used in operating activities before changes in working capital		(325,136)	(520,685)
Changes in working capital			
Decrease in trade and other receivables	16	691,321	301
Increase in trade and other payables	20	20,273	68,077
Net cash generated/(used in) operating activities		386,458	(452,307)
Cash flow from investing activities			
Investment in subsidiaries	15	-	(1,329,470)
Loans to subsidiaries	29	(7,527,358)	-
Payments for financial assets at fair value through profit or loss		-	(600,000)
Net cash flow used in investing activities		(7,527,358)	(1,929,470)
Cash flow from financing activities			
Proceeds from issue of share capital	23	7,192,000	1,200,000
Cost of issue of share capital	23	(59,100)	(30,819)
Proceeds received in advance of share issue	23	-	200,000
Net cash generated from financing activities		7,132,900	1,369,181
Decrease in cash and cash equivalents in the year		(8,000)	(1,012,596)
Cash and cash equivalents at beginning of year		14,518	1,027,114
Cash and cash equivalents at the end of the year		6,518	14,518

Non-cash transactions

Non-cash transactions are as disclosed in the Group Statement of Cash Flow.

The notes on pages 51 to 87 form part of these financial statements.

1 General information

EDX Medical Group Plc (the "Company") is a public limited company, limited by shares (not guarantee) and is incorporated and domiciled in the UK. The address of the registered office is 211 Cambridge Science Park Milton Road, Cambridge, England, CB4 0WA The registered number of the Company is 13277385. The consolidated financial statements consolidate those of the Company and its subsidiaries (together the "Group"). The principal activity of the Group is that of creating innovative health testing solutions and developing biological and digital technologies to improve the detection of diseases and disorders.

2. Material accounting policy information

Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("UK-IAS" or "IFRS") and in conformity with the requirements of the Companies Act 2006.

The consolidated and Company financial statements are presented in GBP ("£"), which is the subsidiaries' and Company's functional and presentational currency.

The Company has guaranteed the liabilities of the following subsidiaries in order that they qualify from audit under Section 479A of the Companies Act 2006, in respect of the year ended 31 March 2024:

- EDX Medical Limited
- Torax Biosciences Limited
- Hutano Diagnostics Limited
- EDX Medical Ireland Limited

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and the results of its subsidiary undertakings EDX Medical Limited, Torax Biosciences Limited, Hutano Diagnostics Limited and EDX Medical Ireland Limited, made up to 31 March 2024.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On 27 September 2023, the Company acquired 100% of the share capital of Hutano Diagnostics Ltd in exchange for shares in the Company. This acquisition was accounted for using the acquisition method of accounting in accordance with IFRS 3 Business Combinations. Further details can be found in note 12.

On 15 October 2022, the Company acquired 100% of the share capital of EDX Medical Ireland Ltd, a dormant entity, from a connected company for nil consideration. EDX Medical Ireland Ltd is a dormant company with no significant operations. During the prior reporting period, the Company elected not to consolidate EDX Medical Ireland Ltd due to its immaterial nature which did not materially impact the Group's financial results. The total loss in the period ended 31 March 2023 was £42,405.

Although EDX Medical remains dormant with limited administrative expenditure, the Company has decided to consolidate EDX Medical Ireland Ltd in the current reporting period, recognising all expenditure from 15 October 2022. This decision was to ensure that all transactions, however minimal, are appropriately reflected in the Group's consolidated financial statements. The consolidation of this entity does not have a material impact on the Group's financial position or performance. The total loss in the year ended 31 March 2024 was £840.

2 Material accounting policy information (continued)

Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity where the Group exposed to, or has rights to, variable returns from its involvement when the entity has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control creases.

The acquisition method of accounting is used to account for business combinations by the Group (see accounting policy Business Combinations).

Inter-company transactions, balances and unrealised gains on transaction between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

New accounting standards, interpretations or amendments adopted by the Group

The adoption of the following mentioned amendments, which were all effective for years beginning on or after 1 January 2023, have not had a material impact on the Group's and Company's financial statements:

- IFRS 17 Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12
- Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – amendments to IAS 8

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16 Leases – Liability in a Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

The Group is currently assessing the impact of these new accounting standards and amendments but do not expect any to have a material impact on the consolidated and Company financial statements.

Going concern

The Board continues to adopt the going concern basis to the preparation of the financial statements as it is confident of the Group continuing operations into the foreseeable future.

The Board's forecasts for the Group include due consideration for contracted minimum revenues, potential future capital in-flows, continued operating losses, projected increase in cash-burn of the Group for a minimum period of at least twelve months from the date of approval of these financial statements.

2 Material accounting policy information (continued)

Going concern (continued)

However, the Group forecasts assume that further equity fundraising or other financial support will be required in the next twelve months in order to implement its growth strategy and operate as a going concern.

Although the entity has had past success in fundraising and continues to attract interest from investors, making the Board confident that such fundraising will be available to provide the required capital, there can be no guarantee that such fundraising will be available and, accordingly, this constitutes a material uncertainty over going concern, which the auditors have made reference to in their audit report.

Notwithstanding the above, the Board has considered various alternative operating strategies should these be necessary in the light of fundraising not being available and actual trading performance not matching the Group's forecasts given current macro-economic conditions and is satisfied that such revised operating strategies could be adopted, if and when necessary. This includes the ability to call upon Sir Christopher Evans, a director of the Company, to extend sufficient loans. Therefore, the Directors consider the going concern basis of preparation is appropriate.

The financial statements have been prepared on a going concern basis and do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Investment in subsidiaries

In the Company financial statements, equity investments in the Company's subsidiaries are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

Revenue recognition

IFRS 15 Revenue from Contracts with Customers is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when the control over goods and services is transferred to the customer The underlying principle is a five-step approach to identify a contract, determine performance obligations, the consideration and the allocation thereof, and timing of revenue recognition. IFRS 15 also includes guidance on the presentation of assets and liabilities arising from contracts with customers, which depends on the relationship between Group's performance and the customers' payment.

The Group sells various medical items including IVDs, antigen tests, blood glucose tests and visible latex to customers both in the U.K and internationally. Revenue is recognised at a point in time when the relevant performance obligation is satisfied. The Group considers the control over goods is transferred to the customer at the point of shipment. The performance obligation is considered to be satisfied when the Group dispatches a product to a customer. As the Group considers the significant risks and rewards of ownership of the goods to be transferred at this point, revenue is measured at this point and does not give rise to any contract assets or liabilities.

Revenue is measured at fair value of the consideration received, excluding discounts, rebates and sales taxes or duty. Production-based taxes are not included in revenue, they are paid on production and recorded within cost of sales.

Net finance expense

The Group's finance income and finance costs include interest income, interest expense on lease liabilities and interest expenses on borrowings and gains/losses on revaluation of derivatives in respect of convertible notes. Interest income on cash deposits is recognised in the statement of comprehensive income as it is earned.

Current and deferred taxation

Income tax credit or expense represents the sum of the current tax and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

2 Material accounting policy information (continued)

Current and deferred taxation (continued)

Current tax is recognised as the amount of corporation tax payable in respect of taxable profit for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes except for when they arise on the initial recognition of goodwill. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of new assets acquired. It is initially recognised at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill is considered to have an indefinite useful life.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight-line basis and is included in administrative expenses in the statement of comprehensive income. Intangible assets with an indefinite life and goodwill are systematically tested for impairment at each balance sheet date. The Group has no assets with indefinite lives, other than goodwill, throughout the reporting period. Other intangibles are amortised from the date they are available for use.

The rates applicable, which represent the Directors' best estimate of the useful economic life, are:

- Technology – 10 years straight line
- Trademarks – 10 years straight line

Useful lives are reconsidered if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision. Gains and losses of disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

Property plant and equipment (continued)

Depreciation is provided on the following basis:

Furniture and fittings	3 years straight line
Computer equipment	3 years straight line
Plant and machinery	5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

Impairment of tangible and intangible assets and right-of-use assets

Assets that are subject to depreciation and amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

Goodwill is tested annually for impairment, or more frequently is events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of asset’s fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset to which the asset belongs. Assets that do not have independent cash flows are grouped together to from a cash-generating unit (CGU). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Supplies and materials

Supplies and materials acquired or generated for the use of research and development for use in the production process or for general operational purposes that do not meet the definition on inventory are recognised as assets on the balance sheet when the Group has control over the assets, meaning that the Group has the ability to use them in its production process or operational activities, it is probable that future economic benefits will flow to the entity as a result of these assets and the cost of the assets can be reliably measured. Supplies and materials are initially measured at cost less any attributable costs incurred to bring the assets to a condition for use.

2 Material accounting policy information (continued)
Leases

At inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: a physically distinct asset can be identified; and the Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term, being able to restrict the usage of third parties as applicable.

The Group applies the short-term lease recognition exemption to those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the low-value asset recognition exemption to leases of assets below £5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. The total value of the short term lease exemption taken during the year was £35,592.

Lease liabilities are initially measured at the present value of the lease payments that are due over the lease term, discounted using the Group's incremental borrowing rate. The Group's incremental borrowing rate is the rate that would have to be paid for a loan of a similar term, and with similar security, to obtain an asset of similar value. The Group's borrowing rate is appropriate as all Group companies are able to borrow from the Group company.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to take that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2 Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost with the difference between the proceeds, net of transaction costs and the amount due on redemption, being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial instruments

Financial assets

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

- Those to be measured at amortised cost
- Those to be measured subsequently at fair value through profit or loss

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit of loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics for the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income.

Financial assets held at amortised costs comprise of all loans and other receivables. Financial assets do not comprise prepayments.

FVPL

Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the statement of comprehensive income presented net within other gains/(losses) in the period in which it arises.

2 Material accounting policy information (continued)

Financial instruments (continued)
Financial assets held at FVPL comprise convertible loan notes.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income.

Financial liabilities

The Group classifies its financial liabilities in the following measurement categories:

- Those to be measured at amortised cost
- Those to be measured subsequently at fair value through profit or loss

Management determines the classification of its financial liabilities at initial recognition. At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the acquisition of the financial liability. Transaction costs of financial liabilities carried at FVPL are expensed to the statement of comprehensive income.

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of comprehensive income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

The Group's financial liabilities held at amortised cost comprise trade payables and other short-dated monetary liabilities in the consolidated statement of financial position. Trade payables and other short-dated monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. For the purpose of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

The Group's financial liabilities held at FVPL comprise the embedded derivative in conjunction with the ordinary host liability of the convertible loan note. The derivative element has been measured at fair value using the Black Scholes option pricing model (note 22). All instruments for which fair value is recognised or disclosures are categorised within the fair value hierarchy, which consist of the following 3 levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The financial liabilities held at FVPL fall under level 3 of the hierarchy.

2 Material accounting policy information (continued)

Financial instruments (continued)
Impairment

The Group recognises loss allowances for expected credits losses (ECLs) on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to the lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available with undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one of more events that have a detrimental impact on the estimate future cash flows of the financial have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2 Material accounting policy information (continued)

Research and development expenditure

Research and development expenditure that does not meet the criteria of an intangible asset is recognised as an expense as incurred. Development costs are only capitalised after technical and commercial feasibility of the asset for sale or use have been established. The Group must intend to complete the asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefit. To date, all activities have been research in nature and as such costs expenses as incurred.

Share-based payments

Where share options are awarded to directors or employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received.

Convertible loans

The proceeds received on the issue of the Company’s convertible notes are allocated into their liability and equity components where the fixed-for-fixed criterion is met. Where this is not met, the conversion feature is accounted for as a derivative liability and accounted for separately from the host instrument with the fair value of the embedded derivative liability being calculated first and residual value being assigned to the host instrument, which is accounted for at amortised cost.

On initial recognition, convertible loan notes were recorded at fair value net of issue costs. The initial fair value of the debt host was determined using the market interest rate applied by a market participant for an equivalent non-convertible debt instrument. Subsequent to initial recognition, the debt host was recorded using the effective interest method until extinguished on conversion or maturity of the notes.

The amortisation of the debt host and the interest payable in each accounting period is expensed as a finance cost.

Equity derivatives embedded in the convertible instruments which were required to be recorded as financial liabilities are initially recognised at fair value. At each reporting date, or immediately prior to them being exercised, the fair values of the derivative were reassessed by management. Where there is no market for such derivatives, the Company used option pricing models to measure the fair value.

On conversion of the convertible loans, the Company recognises the difference between (i) the carrying value of the debt host contract plus the carrying value amount (fair value) of the embedded derivative and (ii) the fair value of the shares issued at the conversion date in profit or loss.

2. Material accounting policy information (continued)

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract in entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in the statement of comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months, and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

An embedded derivative is a component of a hybrid contract that also included a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in a hybrid contract with financial liability hosts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Derivative assets embedded within financial liability hosts are combined with the corresponding financial liability host and are shown net in the statement of financial position.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity liabilities issued are recorded at the proceeds received net of direct issue cost.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or as the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to the statement of comprehensive income.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Impairment of fixed asset investments

Fixed asset investments are assessed for the presence of impairment indicators, if any indicators are present then an impairment review is conducted.

3. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated on historical experience and other factors, including expectations of future events that are believed to be reasonable. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

<u>Key accounting estimates and assumptions</u>

Convertible loan notes – valuation of embedded derivatives

Derivative financial liabilities are recognised at fair value at the date of grant of the convertible debt instrument with which they are associated. The inputs used in establishing the fair value of the derivative component and the convertible debt instrument used are not market observable and are based on estimates derived from available data and professional judgement surrounding future events. A significant change in these estimates could have a material impact on the value of the derivative liabilities and corresponding fair value gain or loss recognised in the profit and loss. See note 22 for the carrying value of the derivative.

IFRS 16 - Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate ("IBR"). The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points. A range between 4.20% - 5% has been adopted based on existing loans that the Group have. See note 21 for the carrying value of the leases.

Fair value and ongoing impairment of acquired intangible assets

The fair value of technology intangible assets and trade names separately acquired through business combinations involves the use of valuation techniques and the estimation of future cash flows to be generated over several years. The estimation of the future cash flows requires a combination of assumptions including assumptions for growth rate, EBITDA and discount rates. The relief from royalty rate is estimated based on historic benchmarking numbers.

The following assumptions were built into the valuation model that valued the intangible assets in the Hutano acquisition:

- A discount rate of 15.58% based on the weighted cost of capital of the acquired business
- A growth rate of 1.1% which was based on the long-term expected GBP growth rate less the average inflation over the 4 years preceding the acquisition
- A royalty rate which was based on the lower quartile from an external benchmarking guide

See note 13 for the ongoing assessment of the carrying value of the assets.

Useful economic lives of intangible and tangible assets

Annual amortisation and depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on cash generating unit performance, technological advances, future investments, economic utilisation and the physical condition of the assets. See notes 14 and 13 for the carrying value of the tangible and intangible assets.

3. Critical accounting estimates and judgements (continued)

Key accounting estimates and assumptions (continued)

Impairment of investment in subsidiary undertakings of the Company

At the end of the period, the Company considers whether there are any indications that the investments in its subsidiary undertakings are impaired. Some indications of impairment are both external such as changes in technology and interest rates on the subsidiary undertaking and internal such as losses incurred in the year. In the event indicators of impairment are identified, the Group performs stress-tested net cash flow assessments on the forecasted cash flow projections on the subsidiary undertaking and provide for any shortfall in the carry value of the subsidiary undertaking against future cashflow projections.

Management reviewed the investment for any potential indicators of impairment. At 31 March 2024, the carrying value of the investment in EDX Medical Ltd was £8,500,000. Management review the carrying amount of the net assets of the company and compared it to its market capitalisation at 31 March 2024. On 31 March 2024, EDX Medical Group Plc had 347,357,576 shares in issued that traded at 10p. The market capitalisation was £34.74m. On 31 March 2024, EDX Medical Group Plc had net assets of £18,256,475, however this was reduced by the IFRS 9 expected credit loss arising on the intercompany loan with EDX Medical Ltd of £435,341, so for the purposes of this assessment the net assets are £17,821,134. Given the market capitalisation is well in excess of the net assets of the Company at 31 March 2024, market capitalisation has not been identified as an impairment indicator for the Company.

Management prepares forecasts prior to the beginning of each financial period. At the end of each month, management conducts an analysis of the variances between actual financial figures and forecasted values. Management is comfortable that there has not been a material departure from their projected figures and that any variance is down to a short-term trend reflected by the wider economy rather than part of a broader, long-term trend, in EDX Medical Ltd and do not consider this an impairment indicator.

It is the assertion of management that there is no indication of impairment of the investment in EDX Medical Ltd and no impairment test is required at year end.

With regards to the intercompany loan with EDX Medical Limited, at year end, management adopted a 3-stage general impairment model, using the PD*LGD*EAD methodology whereby the PD is the probability of default, LGD is the loss given default (that is, the loss that occurs if the borrower is unable to repay in a short payment period) and EAD being the exposure at default (the outstanding balance at the reporting date). Management calculated the ECL for the Company's outstanding loan to EDX Medical Ltd and considered three different scenarios: default: EDX Medical Ltd defaults on the loan, divest: EDX Medical Ltd is divested and the loan is repaid at a reduced amount due to the divestment process and trading: EDX Medical Ltd continues trading normally and repays the loan in full. Management assigned a 5% PD to the default scenario, a 20% PD to the divest scenario and a 75% PD to the trading scenario, based on their experience and external reports.

It was determined that the sale proceeds from the divestment scenario would be expected to exceed the loan value. It was determined that the time horizon for the loan to be successfully repaid via the trading scenario was 3 years. It was determined that an expected credit loss of £435,341 should be recognised based on a 5% PD where the EAD was £8,706,826 at year end.

Research and development expenditure

The Group makes certain estimates and assumptions in order to establish whether costs relate to the research phase or the development phase. If the Group cannot distinguish between research and development phase, then all costs are expensed as research costs.

4. Revenue and operating segments

The Chief Operating Decision Maker ("CODM") has been identified as the board of directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources.

The CODM has determined that there was one single operating segment during the year being the provision of medical goods in the UK. This assessment will be reviewed periodically as the business grows.

All revenue was derived from the UK.

	Year ended 31 March 2024	Period ended 31 March 2023
	£	£
Medical goods	227,986	3,864
Total revenue	227,986	3,864

There were no contract liabilities with customers or no contract assets as at 31 March 2024 (31 March 2023: £Nil).

5. Net finance expense

	Year ended 31 March 2024	Period ended 31 March 2023
	£	£
Convertible loan – revaluation of derivative (note 22)	403,852	93,887
Convertible loan – interest	6,447	5,054
Interest on lease liabilities	18,430	26,643
Other finance expense	2,033	1,166
	430,762	126,750

6. Operating loss

Operating loss for the year has been arrived at after changing the following items:

	Year ended 31 March 2024	Period ended 31 March 2023
	£	£
Employee benefit expenses (note 8)	1,584,462	1,280,309
Listing costs – deemed cost of listing	-	721,425
Related party loan write off – Excalibur Healthcare Limited	-	103,684

Depreciation of property, plant and equipment	91,320	124,995
Amortisation – intangible assets	10,056	1,266
Amortisation – right-of-use assets	155,200	154,533
Laboratory consumables	55,962	475,355
Impairment of goodwill	16,649	-
Accountancy fees	163,388	36,086
Auditors' remuneration (note 7)	69,500	47,500

7. Auditors' remuneration

	Year ended 31 March 2024	Period ended 31 March 2023
	£	£
The audit of the Parent Company and consolidated financial statements	59,500	45,000
Other services – agreed upon procedures for the interim accounts	10,000	2,500
	69,500	47,500

8. Employee benefits and expenses

	Group 31 March 2024	Group 31 March 2023	Company 31 March 2024	Company 31 March 2023
	£	£	£	£
Wages and salaries	1,427,253	1,210,648	-	55,909
Social security costs	106,478	69,661	-	1,577
Defined contribution pension costs	50,731	-	-	-
	1,584,462	1,280,309	-	57,486

The average number of people employed by the Group (including directors) amount to 19 employees (2023: 15 employees)

During the year, all the Directors of the Company were paid through EDX Medical Limited and therefore there are no director expenses in the year for the Company.

Key management compensation

The Directors consider that the key management comprises the Directors of the Group; their emoluments are set out below:

	Group 31 March 2024	Group 31 March 2023	Company 31 March 2024	Company 31 March 2023
	£	£	£	£
Wages and salaries	637,000	690,672	-	55,909
Social security costs	22,060	69,661	-	1,577
Total	659,060	760,333	-	57,486

Disclosure of individual Directors' remuneration, share interests, share options, long-term incentive schemes, pension contributions and pension entitlements required by the Companies Act 2006 are shown in the tables in the Remuneration Committee report on pages 31 to 33 and form part of these financial statements.

Highest paid director

	Group 31 March 2024	Group 31 March 2023	Company 31 March 2024	Company 31 March 2023
	£	£	£	£
Salaries and fees	276,000	361,253	-	-
Social security costs	-	-	-	-
Total	276,000	361,253	-	-

9. Taxation

The current tax charge is reconciled to the result for the year as follows:

	31 March 2024	31 March 2023
	£	£
Current tax		
Research and development tax credit	14,194	-
Total current tax	**14,194**	**-**
Deferred tax		
Reversal of temporary differences	1,288	-
Total deferred tax	**1,288**	**-**
Tax credit for the year	**15,482**	**-**

Reconciliation of effective tax rate

Tax assessed for the year is £Nil. From 1 April 2023 the UK Government increased the corporation tax rates to 25% on profits above £250,000. Companies with profits of £50,000 or less will be taxed at 19% and companies with profits between £50,000 and £250,000 will pay tax at 25% that is reduced by marginal relief on a sliding scale. The total tax credits for year presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	Group 31 March 2024	Group 31 March 2023
	£	£
Loss before tax	(3,767,399)	(3,709,363)
Tax using the UK corporation rate of 25% (2023: 19%)	(941,850)	(704,779)
Expenses not deductible for tax purposes	77,843	-
Income not taxable for tax purposes	(4,165)	-
Other permanent differences	20,000	
Adjustment in respect of prior period	(76,001)	
Fixed asset differences	-	(66,305)
Deferred tax not recognised	908,691	771,084
Total tax credit	(15,482)	-

The Group has estimated tax losses of £6.8m (2023: £3m) to carry forward against future taxable profits.

No deferred tax asset has been recognised in relation to the trading losses available for offset against future taxable profits. The Group has not recognised deferred tax asset due to there being insufficient evidence of short-term recoverability.

9. Taxation (continued)

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and

- the deferred tax assets and deferred tax liabilities relate to corporation tax levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

- Research and Development Tax Credits are recognised as receivables when an inflow of economic benefit is certain, until then a contingent asset in respect of probable Corporation Tax is disclosed.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. However, this legislation does not apply to the Group in the financial year beginning 1 January 2024 as its consolidated revenue does not meet the legislation requirements of being greater than €750m in two of the four preceding years, the group will continue to monitor the legislation in future years

10. Deferred tax

2024

	Opening balance £	Acquisitions – business combinations £	Recognised in profit or loss £	Net £	Deferred tax liability £
Intangible assets	(9,804)	(12,309)	1,288	(20,825)	(20,825)
	(9,804)	(12,309)	1,288	(20,825)	(20,825)

2023

	Opening balance £	Acquisitions – business combinations £	Recognised in profit or loss £	Net £	Deferred tax liability £
Intangible assets	-	(9,804)	-	(9,804)	(9,804)
	-	(9,804)	-	(9,804)	(9,804)

11. Loss per share

Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to equity holders divided by the weighted average number of shares in issue during the year.

The loss incurred by the Group means that the effect of any outstanding warrants and options would be considered anti-dilutive and is ignored for the purposes of the loss per share calculation.

	Year ended 31 March 2024 £	Period ended 31 March 2023 £
Loss for the year from continuing activities	(3,751,917)	(3,709,363)

	Year ended 31 March 2024 No	Period ended 31 March 2023 No
Weighted average number of ordinary shares	297,641,507	114,001,831

	Year ended 31 March 2024 £	Period ended 31 March 2023 £
Basic and diluted loss per share	(1.26)	(3.25)

12. Business combinations

Summary of acquisition

The entire issued share capital of Hutano Diagnostics Ltd ("Hutano") was acquired by EDX Medical Group Plc on 27 September 2023 (the "Acquisition Date"). The initial purchase consideration to acquire 100% of the share capital of the Company was £1,000,000 to be satisfied by the issue of 9,090,909 new ordinary shares of £0.01 each in the Company at a deemed price of £0.11 per share plus contingent consideration of £200,000 to be satisfied by the issue of 1,818,182 new ordinary shares in the Company at a deemed price of £0.11 per share, conditional upon achieving agreed upon milestones.

On the Acquisition Date, one ordinary share of the Company was worth £0.028 in the market, establishing a fair value of the initial purchase consideration by way of issuing 9,090,909 acquisition shares of £254,545.

Management's expectation at the Acquisition Date was that the milestones would be met in full and have forecasted as such and therefore the contingent consideration has been included in the total consideration payable with no discount for the probability of the milestones not being met. The fair value of the contingent consideration by way of issuing 1,818,182 acquisition shares was £50,910. Therefore, the fair value consideration is £305,455.

<u>Purchase consideration</u>	£
Ordinary consideration shares issued at fair value 9,090,909 at £0.028 pence	254,545
Contingent consideration shares to be issued at fair value 1,818,182 at £0.028 pence	50,910
	305,455

12. Business combinations (continued)

Acquisition costs of £49,650 have been expensed to the statement of comprehensive income and are within administrative expenses.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Carrying value £	Fair value adjustments £	Fair value £
Intangible asset - technology	-	49,235	49,235
Intangible asset - capitalised patent costs	4,740	(4,740)	-
Property, plant and equipment	38,599	-	38,599
Trade and other receivables	12,862	-	12,862
Cash	217,068	-	217,068
Deferred tax liability	-	(12,309)	(12,309)
Net identifiable assets acquired	273,269	32,186	305,455
Fair value of consideration – share issue			254,545
Fair value of contingent consideration			50,910
Total consideration			**305,455**

The fair values include recognition of a technology-based intangible asset of £49,235 relates to the Hutano's modular lateral flow device ("LFD") platform technology and valuable know-how in developing LFDs and will be amortised over 10 years on a straight-line basis in line with the ongoing patent application.

Since the acquisition date, Hutano has contributed £Nil to Group revenues and a loss of £215,107 to the Group's comprehensive income. If the acquisition had occurred on 1 April 2023, Hutano would have contributed £Nil to Group revenue and a loss of £334,044 to Group comprehensive income.

The net cash sum expended on acquisition is as follows:

	£
Cash paid on consideration on acquisition	-
Less cash acquired at acquisition	217,068
Net cash inflow	217,068

13. Intangible assets

	Goodwill	Trade names	Technology	Total
	£	£	£	£
Cost				
At incorporation	-	-	-	-
Acquired in business combinations	16,649	39,217	36,722	92,588
At 31 March 2023	16,649	39,217	36,722	92,588
Amortisation				
At incorporation	-	-	-	-
Charge	-	654	612	1,266
At 31 March 2023	-	654	612	1,266
Cost				
At 1 April 2023	16,649	39,217	36,722	92,588
Acquired in business combinations	-	-	49,235	49,235
Impairment	(16,649)	-	-	(16,649)
At 31 March 2024	-	39,217	85,956	125,174
Amortisation				
At 1 April 2023	-	654	612	1,266
Charge	-	3,922	6,134	10,056
At 31 March 2024	-	4,576	6,746	11,322
Net book value				
At 31 March 2024	**-**	**34,641**	**79,210**	**113,852**
At 31 March 2023	16,649	38,563	36,110	91,322

Amortisation has been charged to the statement of comprehensive income.

During the year, no goodwill was recognised as a result of the Group acquiring Hutano. See note 12 for further information on other intangible assets recognised at acquisition.

During the year, the goodwill acquired in the prior year by the Group through Torax was fully impaired by £16,649.

Impairment tests for goodwill

Goodwill is not amortised, but is tested annually for impairment at the CGU, or group of CGUs, level. Impairment tests are mandatory for CGUs, or groups of CGUs, containing goodwill acquired in a business combination. Impairment tests for other CGUs are carried out when an indication of impairment is considered to exits, such as operating losses. The Group reviewed the revenue products and services assigned to each entity and determined that each entity comprised the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets and therefore concluded each entity in the Group represents a CGU.

Torax

The CGU relating to Torax contains goodwill and so is tested annually for impairment. The recoverable amount of this CGU was based on a value-in-use calculation, using discounted cash-flow projections. The key assumptions used in the estimation of the recoverable amount are considered to be as follows:

13 Intangible assets (continued)

- Modelled growth over a 5-year period, reflecting management's best estimate of the period of at which revenue growth of the CGU would occur, and then assumed perpetual growth from the end of the 5-year period onwards at the terminal growth rate. The time frame has been capped to a five-year period due to the stage, the length of time expected before significant improvements in this development area advance.
- A growth rate of 3.9%, based on historical growth rates and management's best estimate.
- A terminal growth rate of 3.9%
- A weighted cost of capital (WACC) of 15.6%.

Using the assumptions listed above, the carrying value of the Torax CGU exceeds its recoverable amount (value-in-use) by £1,462,903 and is impaired. Management have taken the decision to write-off the goodwill balance in full and have recognised an impairment charge of £16,649 within administrative expenses in the statement of comprehensive income.

Hutano

The CGU relating to Hutano contains goodwill and so is tested annually for impairment. The recoverable amount of this CGU was based on a value-in-use calculation, using discounted cash-flow projections. The key assumptions used in the estimation of the recoverable amount are considered to be as follows:

- Modelled growth over a 5-year period, reflecting management's best estimate of the period of at which revenue growth of the CGU would occur, and then assumed perpetual growth from the end of the 5-year period onwards at the terminal growth rate. The time frame has been capped to a five-year period due to the stage, the length of time expected before significant improvements in this development area advance.
- A growth rate of 4.71%, based on an average compound annual growth rate in the sector the company operates in.
- A terminal growth rate of 4.71%
- A weighted cost of capital (WACC) of 15.6%.

Under the assumptions listed above, the carrying value of the Hutano CGU headroom over the carrying value of the net assets is £10,918,295 and is not impaired.

No other indicators of impairment were identified in individual CGUs.

14 Property, plant and equipment – Group

	Furniture and fittings	Computer equipment	Plant and machinery	Total
	£	£	£	£
Cost				
At incorporation	-	-	-	-
Additions	26,317	57,527	442,738	526,582
Acquired in business combinations	21,171	-	-	21,171
Disposals	-	(1,198)	-	(1,198)
At 31 March 2023	47,488	56,329	442,738	546,555
Depreciation				
At incorporation	-	-	-	-
Charge	10,181	20,554	94,260	124,995
Disposals	-	(566)	-	(566)
At 31 March 2023	10,181	19,988	94,260	124,429
Cost				
At 1 April 2023	47,488	56,329	442,738	546,555
Additions	2,116	1,714	8,331	12,161
Acquired in business combinations	-	2,260	36,339	38,599
Disposals	-	(49,544)	(83,792)	(133,336)
At 31 March 2024	49,604	10,759	403,616	463,979
Depreciation				
At 1 April 2023	10,181	19,988	94,260	124,429
Charge	12,385	3,150	75,785	91,320
Disposals	-	(17,501)	(25,862)	(43,363)
At 31 March 2024	22,566	5,637	144,183	172,386
Net book value				
At 31 March 2024	**27,038**	**5,122**	**259,433**	**291,593**
At 31 March 2023	37,307	36,341	348,478	422,126

Depreciation has been charged to the statement of comprehensive income.

During the prior period, of the total additions of £526,582, £470,000 were sold to the Company by Christopher Evans as part of the £1,400,000 convertible loan subscribed to by Christopher Evans and £632 were acquired as part of the Reverse Takeover.

15 Investments – Company

	Investments in subsidiaries
	£
Cost	
At incorporation	-
Additions	8,562,500
At 31 March 2023	8,562,500
Impairment	
At incorporation	-
Charge	-
At 31 March 2023	-
Cost	
At 1 April 2023	8,562,500
Additions	305,455
At 31 March 2024	8,867,955
Impairment	
At 1 April 2023	-
Charge	-
At 31 March 2024	-
Net book value	
At 31 March 2024	**8,867,955**
At 31 March 2023	8,562,500

Principal subsidiary undertakings of the Company

On 14 November 2022, the Company issued 200,000,000 ordinary shares to acquire the whole of the share capital of EDX Medical Ltd. The prospectus dated 14 November 2022 had an issue price of £0.0425 per share of the Company's share capital to be issued and therefore valued the investment in EDX Medical Ltd at £8,500,000.

On 17 February 2023, the Company acquired the entire issued share capital of Torax Biosciences Limited by the issue of 1,666,667 shares in the capital of the Company at a deemed price of £0.06 per share. The share price at the date of acquisition was £0.0375. Therefore, the fair value of the consideration has been determined to be £62,500.

On 27 September 2023, the Company acquired the entire issued share capital of Hutano Diagnostics Ltd. The initial purchase consideration to acquire 100% of the share capital of the Company was £1,000,000 to be satisfied by the issue of 9,090,909 new ordinary shares of £0.01 each in the Company at a deemed price of £0.11 per share plus contingent consideration of £200,000 to be satisfied by the issue of 1,818,182 new ordinary shares in the Company as a deemed price of £0.11 per share, conditional upon achieving agreed upon milestones. On the acquisition date, one ordinary share of the Company was worth £0.028 in the market, establishing a fair value of the initial purchase consideration by way of issuing 9,090,909 acquisition shares of £254,545, and a fair value of the contingent consideration of £50,910.

On 15 October 2022, the Company acquired 100% of the share capital of EDX Medical Ireland Ltd, a dormant entity, from a connected company for nil consideration. EDX Medical Ireland Ltd is a dormant company with no significant operations. During the prior reporting period, the Company elected not to consolidate EDX Medical Ireland Ltd due to its immaterial natures which did not materially impact the Group's financial results. The total loss in the period ended 31 March 2023 was £42,405.

Although EDX Medical remains dormant with limited administrative expenditure, the Company has decided to consolidate EDX Medical Ireland Ltd in the current reporting period, recognising all expenditure from 15 October 2022.

15. Investments – Company (continued)

This decision was to ensure that all transactions, however minimal are appropriately reflected in the Group's consolidated financial statements. The consolidation of this entity does not have a material impact on the Group's financial position or performance. The total loss in the year ended 31 March 2024 was £840.

The Company has applied the statutory relief as prescribed by Companies Act 2006 in respect of both acquisitions as the issuing company has secured more than 90% equity in the other entity. The carrying value of the investment is carried at the nominal value of the shares issued

The subsidiary undertakings of the Company are presented below:

Subsidiaries	**Country of incorporation**	**Registered address**	**Proportion of ordinary shares held at year end**
Torax Biosciences Limited	United Kingdom	Unit 1 212-218 Upper Newtonwnards Road, Belfast, United Kingdom, BT4 3ET	100%
EDX Medical Limited	United Kingdom	Unit 210-211 Cambridge Science Park, Milton Road, Cambridge, United Kingdom, CB4 0WA	100%
Hutano Diagnostics Limited	United Kingdom	Bioescalator, Roosevelt Drive, Headington, Oxford, England, OX3 7FZ	100%
EDX Medical Ireland Limited	Republic of Ireland	Sk House, Sinnottstown Business Park, Drinagh, Wexford, Ireland, Y35 AKX5	100%

The principal activity of EDX Medical Ltd is the development of a digital diagnostics business.

The principal activity of Torax Biosciences Limited is the design, development and manufacture of IVD reagents.

The principal activity of Hutano Diagnostics Limited is research and experimental development on biotechnology

EDX Medical Ireland Limited is a dormant company.

16. Trade and other receivables

	Group		**Company**	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	£
Trade receivables	186,666	3,864	-	-
Prepayments	28,364	51,795	6,389	252
Amounts receivable from Group undertakings	-	-	8,421,487	1,329,470
Loan from Christopher Evans	200,140	224,396	-	-
Other receivables	208,749	102,390	60,056	7,514
	623,919	382,445	8,487,932	1,337,236

The fair values of trade receivables are the same as their book values.

No provision against trade receivables has been made, the overdue receivables relate to a customer for whom there is no recent history of default and no other indication that settlement will not be forthcoming.

As at 31 March 2024, £200,140 (2023: £224,396) was due from Christopher Evans, a director of the Company. The amount has no interest and is repayable on demand.

16. Trade and other receivables (continued)

The Group assesses, on a forward-looking basis the expected credit losses associate with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognises from initial recognition of the receivables. The expected loss rates are based on the Group's historical credit losses and current and forward-looking information on factors affecting the Group's customers. The resulting implied expected credit loss for the current financial period is not material.

The Company has evaluated the credit risk associated with its intercompany balance with EDX Medical Ltd of £8,856,828. The assessment has resulted in the recognition of an Expected Credit Loss on the intercompany balance of £435,341. The transactions primarily consist of loans which are essential for the operation efficiency and strategic alignment within the Group. In accordance with IFRS 9, the ECL model requires the Company to account for expected credit losses over the life of the intercompany balance receivable which includes considering both current and future information. The calculation of the ECL involves several key assumptions and judgements including the probability of default, the loss given default and exposure at default. See note 3 for assumptions and judgements.

17. Financial assets at fair value through profit or loss

	Group		Company	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£		£	£
Convertible loan note	-	-	600,000	600,000
	-	-	600,000	600,000

Prior to the reverse acquisition, the Company subscribed to £600,000 convertible loan notes in EDX Medical Limited. There was no interest to accrue on the notes and redemption was 12 months from the date of issue but could be repaid early. The CLNs were convertible at any point after the earlier of completion of the reverse acquisition and 31 October 2022. The conversion rate was fixed at £1.50 per share. The CLN is a financial asset at fair value through profit or loss. At initial recognition as at 31 March 2023, the fair value of the CLN approximated to its principal amount. Following the reverse acquisition, the CLN forms part of the intercompany balance between the two entities.

18. Other current assets

	Group		Company	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£	£	£	£
Supplies and materials	196,454	270,710	-	-
	196,454	270,710	-	-

Supplies and materials relate to supplies and materials used in research and development but do not meet the definition of inventory. Supplies and materials are initially measured at cost less any attributable costs incurred to bring the assets to a condition for us.

£Nil supplies and materials were acquired on the acquisition of Hutano Diagnostics Ltd.

In the prior year, £12,500 supplies and materials was acquired on the acquisition of Torax Biosciences Ltd.

19. Cash and cash equivalents

	Group		Company	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	**£**
Cash and cash equivalents	4,070,705	116,176	6,518	14,518
	4,070,705	116,176	6,518	14,518

Cash and cash equivalents comprise current accounts held by the Group with immediate access. The credit risk on such funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

20. Trade and other payables

	Group		Company	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	**£**
Trade payables	267,907	288,939	16,271	39,512
Taxation and social security	46,705	44,528	-	-
Other payables	104,656	119,665	-	-
Accruals	246,141	265,737	125,000	81,486
	665,409	718,869	141,271	120,998

The fair values of trade payables are the same as their book values.

Included in other payables is an amount of £85,257 (2023: £85,257) due to Merlin Scientific Consulting Ltd, a company in which Christoper Evans is a director.

Included in other payables is an amount of £7,658 (2023: £28,115) due to Lawrence McGrath, a former director of Torax Biosciences Limited, having resigned on 28 June 2024.

As disclosed in Note 2, the Company's subsidiaries have taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for audit. As a condition of the exemption, the Company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full. The liabilities of the subsidiaries for the year-end were £11,557,487 (2023: £4,468,070).

21. Leases

The Group leases three properties for office and laboratory use. Information about the leases for which the Group is a lessee is presented below. Not included in the calculation is the laboratory space held within Hutano Diagnostics Limited, which is exempt under IFRS 16 due the length of the lease term of 12 months.

21 Leases (continued)

Right-of-use assets

	Leasehold property £	Total £
Cost		
At incorporation	-	-
Additions	568,676	568,676
Acquired through business combinations	8,802	8,802
At 31 March 2023	577,478	577,478
Amortisation		
At incorporation	-	-
Charge	154,533	154,533
At 31 March 2023	154,533	154,533
Cost		
At 1 April 2023	577,478	577,478
Additions	29,216	29,216
At 31 March 2024	606,694	606,694
Amortisation		
At 1 April 2023	154,533	154,533
Charge	155,200	155,200
At 31 March 2024	309,733	309,733
Net book value		
At 31 March 2024	**296,961**	**296,961**
At 31 March 2023	422,943	422,943

Reconciliation of change in lease liability

	Leasehold property £	Total £
At incorporation	-	-
Additions	568,676	568,676
Acquired through business combinations	8,908	8,908
Interest expense	26,643	26,643
Lease payments	(196,170)	(196,170)
At 31 March 2023	408,057	408,057

21. Leases (continued)

At 1 April 2023	408,057	408,057
Additions	28,263	28,263
Acquired through business combinations	-	-
Interest expense	18,430	18,430
Lease payments	(171,991)	(171,991)
At 31 March 2024	**282,759**	**282,759**

21 Leases (continued)

	31 March 2024 £	31 March 2023 £
Non-current		
Lease liability	123,270	262,775
	123,270	262,775
Current		
Lease liability	159,489	145,282
	159,489	145,282
Total lease liability	**282,759**	**408,057**

Reconciliation of minimum lease payments and present value

	31 March 2024 £	31 March 2023 £
Within one year	170,666	162,992
Later than one year and less than five years	126,377	276,043
Total including interest cash flows	297,043	439,035
Less interest cash flows	(14,284)	(30,978)
Total principal cash flows	**282,759**	**408,057**

22. Convertible loan

Convertible Loan Note 2022

In July 2022 the Group issued 1,400,000 convertible redeemable loan notes ("CLNs") of £1.00 totalling £1,400,000 to replace an outstanding liability due to Christopher Evans. The original liability was in relation to the sale of assets to the Company by Christopher Evans that totalled £1,404,923.

The CLNs were issued at par value and no interest is accrued on the CLNs, unless an administration order is made in relation to the Company, or the Company becomes insolvent.

The CLNs contain various conversion and redemption features. The noteholder is able to convert the CLNs on any business date on or after the 31 October 2022 up to 31 October 2024.

The noteholder is able to convert at a rate of one Company share per £0.06 nominal of CLN or, if higher, reflecting a price per Company share equal to a 20% discount to the volume weighted average price ("VWAP") of Company shares over the period of 3 months prior to the conversion date.

On 29 December 2023, Chrisopher Evans opted to offset a loan due to the Company of £14,396 against the CLNs issued. Immediately prior to the repayment, the derivative element was revalued to fair value using the Black-Scholes option pricing model. The fair value was £369,212.

On 1 February 2024, as part of the Company's issue of 33,425,000 new ordinary shares of £0.01 at a price of £0.12 per share, Professor Christopher Evans invested £750,000 and subscribed to 6,250,000 ordinary shares.

22 Convertible loan (continued)

In order to settle the consideration receivable by the Company of £750,000, the Company and Professor Christoper Evans entered into an agreement in which Professor Christopher Evans agreed to forgo the lower conversion price of £0.06 as stipulated in the original Convertible Loan Note Agreement and the amount due was set off against the £1,400,000 Convertible Loan Note dated 22 July 2022. Immediately prior to the repayment, the derivative element was revalued to fair value using the Black-Scholes option pricing model. The fair value was £1,307,606.

As at 31 March 2024, the Company remeasured the remaining derivative element based on the outstanding number of CLNs, at fair value using the Black-Scholes option pricing model based on the exercise price of £0.06. The fair value at the year-end was £497,739. The total outstanding CLN balance at 31 March 2024 was £631,319.

Significant assumptions used in the fair value analysis include the volatility rate and the estimated date of conversion. A volatility of 77.09% (March 24), 72.72% (Feb 24) and 69.50% (Dec 23) was used in the determination of the fair values. A reduction of 10% would have resulted in a reduction in the fair value at 31 March 2024 by £15,098 (2023: £28,653) with an increase of 10% resulting in an increase in the fair value at 31 March 2024 of £16,654 (2023: £30,498).

Given the option of the noteholder to convert the CLNs at their discretion, the debt and derivative liability elements have been classified as current liabilities.

	Convertible loan – derivative	**Convertible loan - debt**
	£	**£**
At inception	-	1,384,214
Interest expense	-	5,054
Revaluation of derivative	93,887	-
At 31 March 2023	93,887	1,389,268
At 1 April 2023	93,887	1,389,268
Interest expense	-	6,447
Revaluation of derivative	403,852	-
Non-cash repayment	-	(764,396)
At 31 March 2024	**497,739**	**631,319**

23. Share capital and reserves

Allotted, called up and fully paid	**Ordinary 0.01p shares**	**Share capital**	**Share premium**
	No.	**£**	**£**
At 1 April 2023	252,500,000	2,525,000	1,929,781
Share issue	85,766,667	857,667	7,284,333
Issue of shares for consideration of subsidiary	9,090,909	90,909	-
Cost of share issue	-	-	(59,100)
As at 31 March 2024	347,357,576	3,473,576	9,155,014

New shares allotted

Bridgemere Securities Ltd (“Bridgemere Securities”)

On 26 April 2023 the Company raised a total of £1,725,000 via the issue of 28,750,000 new ordinary shares in the Company at £0.06 per share. Bridgemere Securities invested £1,500,000 in the placing and bought a further 7,720,000 ordinary shares in the market between 20 and 21 April 2023 making Bridgemere Securities the second largest shareholder in the Company.

22 Convertible loan (continued)

23. Share capital and reserves (continued)

22. Convertible loan (continued)

Seerave Enterprises Ltd ("Seerave Enterprises").

On 26 May 2023 the Company received a strategic investment of £350,000 from Seerave Enterprises via a subscription of 4,375,000 ordinary shares of £0.01 in the Company at a price of £0.08 per share.

Seerave Enterprises is a wholly owned subsidiary of the Seerave Foundation, a philanthropic non-profit organisation which has a global commitment to improving patient access to personalised cancer treatment. The Seerave Foundation awards traditional grants to academic researchers and makes selective equity investments into developing companies via its investment arm, Seerave Enterprises.

Boru Ltd ("Boru")

On 30 June 2023, the Company received a strategic investment of £500,000 from Boru via a subscription of 6,250,000 new ordinary shares of £0.01 each in the Company at a price of £0.08 per share.

Boru is a private investment company which invests in growth companies on a global basis in order to achieve its financial goals. The investment in the Company by Boru will be used to support the expansion of the Company's capabilities and support clients providing personalised care for cancer patients in the UK and Europe.

Hutano Diagnostics Limited ("Hutano")

On 27 September 2023 ("Acquisition Date") the Group acquired the entire issued share capital of Hutano.

The initial consideration was 9,090,909 new ordinary shares of £0.01 each in the Company at a price of £0.11 per share. Up to 1,818,182 additional consideration shares will be issued to the sellers on achievement of certain commercial milestones. The initial consideration shares will rank pari passu in all respects with the existing share capital of the Company. Further details on the acquisition can be found in Note 12.

Placings

On 6 February 2024, 33,425,000 new ordinary shares of £0.01 were issued in the Company to raise £4.01 million, at a placing price of £0.12.

On 28 February 2024, 12,966,667 new ordinary shares of £0.01 were issued in the Company to raise £1.56 million, at a placing price of £0.12.

Rights, preferences and restrictions

All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent equal votes at meetings of Shareholders. There are no rights of redemption attaching to the ordinary shares.

24. Capital reserves

The following describes the nature and purpose of each reserve within owner's equity:

Share capital: Amount subscribed for shares at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value, less costs of share issue. This reserve is not distributable.

Merger relief reserve: Represents the excess of the value of the consideration shares issued to the shareholders of EDX Medical Group Plc upon the reverse takeover over the fair value of the assets acquired and the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in the acquisition of Torax Biosciences Limited and Hutano Diagnostics Ltd.

24. Capital reserves (continued)

Reverse acquisition reserve: The reverse acquisition reserve arose from the application of reverse acquisition accounting principles to the financial statements at the time of the reverse takeover of TECC Capital Plc by EDX Medical Ltd. This reserve is not distributable.

Warrant reserve: The warrant reserve comprises the cumulative expense representing the extent to which the vesting period of warrants has passed and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest.

Shares to be issued: Represents monies received for the issue of new ordinary shares in the Company not yet issued.

Contingent consideration: Represents the fair value of equity instruments to be issued as consideration for the acquisition of Hutano, contingent upon certain milestones being reached. See note 12 for more details.

Retained losses*:* Retained losses arise from the cumulative profits or losses of the Group.

25. Share options and warrants

Warrants

Prior to the reverse acquisition on 11 November 2022, the Company issued the follow warrants:

On 30 March 2021, the Company issued 5,000,000 warrants to the founders of the Company. Of this issue, 1,050,000 were issued to Arwon Capital (UK) Limited, a company in which former director Sandy Barblett is a director, 1,050,000 warrants were issued to John Taylor and 1,050,000 were issued to Ruscombe Management Services Limited, a Company in which former director Donald Stewart is a director. The warrants have an exercise price of 5p, vested immediately and expire on the 5th anniversary of the grant date. Exercise of such right is not subject to the satisfaction of any performance or other conditions.

On 30 April 2021, the Company issued 370,000 warrants to Peterhouse Capital Limited. The warrants have an exercise price of 5p, vested immediately and expire on the 5th anniversary of the grant date.

On 30 April 2021, the Company issued warrants to investors to subscribe for 12,500,000 new Ordinary shares of £0.01 at 10p per share and for 12,500,000 new Ordinary shares of £0.01 at 20p per share. Exercise of such rights are not subject to the satisfaction of any performance or other conditions and expire on the 5th anniversary of the grant date.

Details of the number of share options and warrants granted, exercised, lapsed and outstanding at the end of the year, as well as the weighted average exercise prices in £ ("WAEP") as follows:

	31 March 2024		31 March 2023	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
				£
Outstanding at the beginning of the year	30,370,000	0.1313	30,370,000	0.13
Total at year end	30,370,000	0.1313	30,370,000	0.13
Total exercisable at year end	30,370,000	0.1313	30,370,000	0.13

The weighted average remaining contractual life of the options is 2 years and 53 days.

26. Financial instruments and risk management

	Group		Company	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	**£**
Financial assets				
Cash and cash equivalents	4,070,705	116,176	6,518	14,518
Trade receivables	186,666	3,864	-	-
Loan from Christoper Evans	200,140	224,396	-	-
Amount receivable from Group undertakings	-	-	8,421,486	1,329,470
Amount receivable from related parties	62,993	-	-	-
Other receivables	21,376	-	-	-
Convertible loan – held at FVPL	-	-	600,000	600,000
	4,478,887	344,436	9,028,004	1,943,988

	Group		Company	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	**£**
Financial liabilities				
Trade and other payables	267,907	288,938	16,271	39,512
Accruals	246,141	265,738	125,000	81,486
Amounts due from related party	85,257	85,257	-	-
Directors loan account	7,659	28,115	-	-
Bank loans and overdrafts	-	27,165	-	-
Lease liability	282,759	408,057	-	-
Convertible loan – debt component	631,319	1,389,268	-	-
Convertible loan – derivative component (measured at fair value)	497,739	93,887	-	-
	2,018,781	2,586,425	141,271	120,998

The Group and Company hold the following financial instruments:

The Group and Company's financial instruments comprise cash and cash equivalents, loans, trade and other receivables, trade and other payables, and lease liabilities. An analysis of the financial assets and liabilities recognised on the balance sheet, each of which is at amortised costs unless stated, is set out below.

The significant accounting policies regarding financial instruments are disclosed in note 2.

Financial risk management

The fair value hierarchy of financial instruments measure at fair value is provided below. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs), (level 3).

There have been no transfers between levels during the year.

26 Financial instruments and risk management (continued)

2024	Level 1	Level 2	Level 3	Total
	£	£	£	£
Derivative financial liabilities held at fair value through profit or loss (see note 22)	-	-	(497,739)	(497,739)
Financial assets held at fair value through profit or loss (see note 17)	-	-	600,000	600,000
	-	**-**	**102,261**	**102,261**

2023	Level 1	Level 2	Level 3	Total
	£	£	£	£
Derivative financial liabilities held at fair value through profit or loss (see note 22)	-	-	(93,887)	(93,887)
Financial assets held at fair value through profit or loss (see note 17)	-	-	600,000	600,000
	-	-	506,113	506,113

Capital management

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group develops such that it trades profitably in the foreseeable future. The Group recognises that because it is an early-stage development Group with limited current revenues, and significant continued investment that does not support debt within its capital structure, its capital structure is largely limited to equity-based capital which the Group uses to finance most of its strategy

The Group manages its capital with regard to the risks inherent in the business and the sector within which it operates.

The Group is exposed through its operations to the following risks:

- Credit risk
- Liquidity risk
- Interest rate risk

In common with all other businesses, the Group is exposed to risks that arise from is use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Convertible loans

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular updates from the CFO through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

26 Financial instruments and risk management (continued)

The overall objective of the Board is to set policies that seek to reduce as far as possible without unduly affective the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Credit risk

The Group's principal financial assets are the cash and cash equivalents and loans and receivables, as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group and Company policy for managing its exposure to credit risk with cash and cash equivalents is to restrict the maximum value of cash held with any one financial institution. The Group does not require collateral in respect of financial assets.

The Company has made unsecured interest-free loans to its subsidiaries. Although they are repayable on demand, they are unlikely to be repaid until the projects becomes successful and the subsidiaries start to generate revenues.

Liquidity risk

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. However, the Group continues to absorb cash in its operations for the time being and management recognises the risk of insufficient cash and capital to carry on its activities and safeguard the Group's ability to continue as a going concern.

The Board receives cash flow projections on a regular basis, which are monitored regularly. The Board will not commit to material expenditure in respect of its ongoing development programme prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes. Regular reviews will ensure that further steps will be taken if necessary.

The Group has an overdraft balance on a bank account and a loan at year end. Shortly after the year-end, the Group cleared the overdraft balance. The Group does not have any long-term gearing targets.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group manages its cash position in a manner designed to maximise interest income, while at the same time minimising any risks to these funds. The convertible loan does not have a fixed interest coupon rate attached to it. The Group had loan that attracted interest of 4.20% per 30 days on any credit balances between £0 and £15,000, which was repaid in full during the year. The Group do not intend to extend any further credit from the creditor.

Sensitivity analysis

The Group is not materially exposed to change in interest or exchange rates at 31 March 2024 or 31 March 2023.

27. Borrowings

	Group		Company	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	**£**
Non-current				
Bank borrowings	11,676	11,354	-	-
	11,676	11,354	-	-

	Group		Company	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
	£	**£**	**£**	**£**
Current				
Other loans	-	27,165	-	-
	-	27,165	-	-

The directors consider the value of all financial liabilities to be equivalent to their fair value. The Group's exposure to liquidity and cash flow risk in respect is disclosed in the financial risk management note, see note 26.

28. Changes in liabilities arising from financing activities

	At 1 April 2023	Financing cash flows	Other-non cash changes	Interest	New leases	At 31 March 2024
	£	£	£	£	£	£
Lease liabilities	408,057	(171,991)	-	18,430	28,263	282,759
Short-term borrowings	27,165	(28,849)	-	1,684	-	-
Long-term borrowings	11,354	(27)	-	349		11,676
Directors loan – C Evans	(224,396)	10,000	14,256	-	-	(200,140)
Directors loan –L McGrath	28,115	(1,578)	(18,878)	-	-	7,659
Convertible loan	1,483,155	-	(360,544)	6,447	-	1,129,058
Total liabilities from financing activities	1,733,450	(192,445)	(365,166)	26,910	28,263	1,231,012

28. Changes in liabilities arising from financing activities (continued)

	At incorporation	Financing cash flows	Other-non cash changes	Interest	New leases	At 31 March 2023
	£	£	£	£	£	£
Lease liabilities	-	(196,170)	-	26,643	577,584	408,057
Short-term borrowings	-	(2,663)	29,828	-	-	27,165
Long-term borrowings	-	(364)	11,718	-	-	11,354
Directors loan – C Evans	-	145,000	(369,396)	-	-	(224,396)
Directors loan – L McGrath	-	-	28,115	-	-	28,115
Convertible loan	-	-	1,483,155	-	-	1,483,155
Total liabilities from financing activities	-	(54,197)	1,183,420	26,643	577,584	1,733,450

29. Related party transactions

Transactions with subsidiaries

At 31 March 2024, an amount of £110,832 (2023: £11,000) was owed to EDX Medical Ltd by Torax Biosciences Limited. During the year, cash advances of £99,832 were made. The advances are held on an interest free inter-group loan which has no terms for repayment.

As at 1 April 2023, an amount of £8,856,828 (2023: £1,329,470), in addition to the convertible loan described below, was owed to the Company by EDX Medical Ltd. During the year, cash advances of £7,527,358 were made to EDX Medical Ltd. The Company recognised an Expected Credit Loss in relation to the outstanding loan balance of £434,341 (2023: £Nil).

Transactions with other related parties

On 5 March 2022, the Company and Professor Christopher Evans, a director of the Company, entered into a sale and purchase of assets agreement for Christopher to sell assets to the Company for the sum of £1,404,923. The sum was recorded as a debtor loan to Christopher Evans. On 22 July 2022, the Company entered into an agreement in which the outstanding debt was replaced by issuing £1,400,000 CLNs. Further details of the CLN can be found in note 22. The remaining balance of £4,923 (2023: £4,923) is still outstanding as at the year end.

During the year, the Group made payments totalling £240,000 (2023: £216,667) to Health Ventures Limited, a company in which Dr Michael Hudson is a director. The payments were for services undertaken by Dr Mike Hudson in the Group.

During the year, the Group made payments totalling £240,000 (2023: £260,000) to Merlin Scientific Consulting Limited, a company in which Professor Christopher Evans is director. The payments were for services undertaken by Professor Christopher Evans in the Group.

As at 31 March 2024, an amount was due to Merlin Scientific Consulting Limited, a company in which Christopher Evans is a director, of £85,257 (2023: £85,257) in relation to a working capital loan and expenses incurred. The amount was outstanding at the year end.

As at 31 March 2024, an amount of £62,993 (2023: £nil) was due to International Medical Supplies Ltd, a company in which Christopher Evans is now a former director.

29. Related party transactions (continued)

As at 1 April 2023 an amount of £28,115 was due to Lawrence McGrath, a former director of Torax Biosciences Limited. During the year, £17,500 was written off which has been included within administrative costs, an amount of £1,579 was repaid to Lawrence McGrath and £1,378 was repaid through payments on behalf of Lawrence McGrath. At 31 March 2024 an outstanding amount of £7,658 was due to Lawrence McGrath,

As at 31 March 2024, an amount of £200,140 (2023: £224,396) was due to Christopher Evans, a director of the Company. During the year, repayments totalling £10,000 were made and an amount of £14,396 was offset against the outstanding convertible loan balance.

During the year to 31 March 2024, £80,000 (2023: £16,250) was donated to Cancer Awareness Trust, a charity in which Christopher Evans is a director.

30.Ultimate controlling party

At 31 March 2024 there was no individual controlling party.

31. Events after the reporting period

There are no subsequent events to disclose.