

ANNUAL REPORT & ACCOUNTS

For the year ended 31 March 2026

Registration number: NI039740



fusionantibodies.com

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STRATEGIC REPORT

FUSION AT A GLANCE

Fusion Antibodies plc (“Fusion Antibodies”, “Fusion” or the “Company”) is a Contract Research Organisation (CRO) headquartered in Northern Ireland, specialising in antibody identification, engineering, and expression services for the discovery and development of antibodies used in human and veterinary therapeutics, as well as diagnostic applications. Leveraging extensive expertise in antibody technologies and an established philosophy of “begin with the end in mind,” Fusion Antibodies positions itself as a preferred partner for diverse antibody development projects. Acting as an extension of clients’ teams, Fusion provides comprehensive support throughout the antibody development lifecycle or at specific stages, as required. The Company’s principal service areas, which are further elaborated in this report, include:

- **Discovery:** Identification, screening, and sequencing of novel antibodies for therapeutic and diagnostic purposes, utilising our proprietary discovery engines, OptiMAL®, OptiPhage™ and AI/ML-Ab™ / mammalian library together with conventional recombinant antibody discovery methods.
- **Engineering:** Enhancement of antibody performance, whether generated by Fusion or provided by clients, through molecular modifications. This includes species switching for therapeutic use in humans or animals (such as humanisation or caninisation), as well as optimisation of performance and manufacturability via CDRx™, RAMP™, and Ab-ility™ platforms.

- **Supply:** Production and purification of high-quality, high-purity antibodies for characterisation and further development, alongside generation and provision of high-expressing cGMP-ready manufacturing cell lines designed for clinical-grade antibody production.

Our mission is to help antibodies reach the clinic quickly. We support biopharmaceutical, veterinary, and diagnostic companies in discovering and optimizing antibodies for global healthcare. Our Integrated Therapeutic Antibody Service (ITAS) combines Discovery, Engineering, and Supply into one streamlined service to improve antibody development. We continually advance our offerings to remain a leading partner in the industry.



THE BUSINESS:

- Established CRO supporting antibody discovery through clinical supply.
- Clients span pharma, biotech, veterinary, diagnostics, and research companies.
- Technology investment, including in the OptiMAL® Library and AI/ML-Ab™, keeps us at the forefront.
- Clinical-trial progress across client projects demonstrates our value.



fusionantibodies

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

Over the past several years, global financial instability has continued to pose significant challenges for the healthcare sector. This environment is particularly demanding for smaller growth companies like ours, which rely heavily on robust investment in drug and diagnostic development initiatives. With this in mind the year began with subdued market conditions, compounded by recent global events that introduced additional commercial challenges for the Company. While we are unable to influence the larger global environment around us one distinct advantage of being a smaller business is the comprehensive visibility that our staff maintains across all operational aspects of the company, and through this we are able to build a culture at Fusion that fosters strength, resilience and a collaborative drive. Despite the current global difficulties, we remain confident in our ability to leverage the world-class expertise and skills at Fusion to deliver shareholder value.

Although the market activity remains restrained, opportunities persist, particularly as healthcare organisations seek to manage fixed costs by outsourcing projects in-turn allowing them to manage expenditures more effectively. In this climate, biotechnology firms continue to pursue partnerships with service providers such as Fusion at early development stages, benefiting from external expertise throughout their programmes and enhancing the probability of successful outcomes.

With venture capital and other investment flows into customers' early-stage human therapeutic pipelines remaining slow, the Company's strategic focus on alternative antibody-related market segments such as the veterinary markets is yielding positive results.

During the period, the Company also made important strategic progress in further diversifying its customer base. There has been a notable increase in engagement from larger companies, complementing the Company's established relationships with early-stage biotechnology clients. This shift in customer profile is a deliberate move aimed at enhancing the Company's revenue visibility and stability. By broadening the Company's base to include more substantial organisations, the Company seeks to mitigate the risks associated with funding volatility, which is often encountered in the smaller biotech segment. This transition is expected to strengthen the Company's financial outlook and provide greater resilience against unpredictable market conditions.

However, beyond economic factors, we remain cognisant that collaborating with clients at the forefront of scientific advancement can introduce the risk of programme delays or discontinuations due to scientific setbacks, which can potentially impede pipeline development and potentially impact revenue projections.

BUSINESS PERFORMANCE

Despite the broader macro-environment, the board of directors of Fusion (the “Board” or the “Directors”) remain cautiously optimistic about the Company’s future. The financial key performance indicators reviewed by the Board include, but are not limited to, total revenue, gross margin, EBITDA, and the period-end cash balance. Fusion’s revenue for the financial year ended 31 March 2026 (“FY26” or the “Period”) was £2.1m. This represents an increase of 7% from the previous year (FY25: £1.97m) with an uplift being delivered through an intellectual property (“IP”) transfer agreement of an antibody asset to Finn Therapeutics Ltd (“Finn Therapeutics”).

Revenue from Fusion’s underlying service business for the Period was down circa 5% from last year at £1.86m (FY25: £1.96m) but through improvements in operations and a better mix of services, Fusion delivered an improved margin of 58% (FY25: 22%). Fusion’s service business has seen steady growth over the past three and a half years. In this respect, the second half of FY26 saw revenues at £1.02m. This represents a 21% increase from the first half of FY26 of £0.84m. This is further reinforced by both halves showing growth from the second half of the previous financial year (FY25 H2: £0.76m). Our successful Future Medicines Institute (“FMI”) grant proved beneficial both from the scientific side but also financially, with other operational revenue of £872k recognised in FY26 against £151k (restated) in the previous financial year.

The administration costs for the Period have increased to £3.24m, up from £2.21m (FY25). This is mainly due to increased research and development (“R&D”) expenditure during the Period totalling £861k (FY25: £191k) which was incurred in order to generate further validation data for OptiMAL® prior to the launch of the platform in December 2025.

Despite the increased R&D expenditure, the growth in margin has contributed to an improvement in operating loss of nearly £500k. This has resulted in Fusion reporting an operating loss of £1.13m for FY26, representing an improvement from FY25’s restated operating loss of £1.63m. Cash and cash equivalent as at the year-end was £1.04m (2025: £0.36m), strengthened by the fundraise announced in January 2026 and also indicative of Fusion’s controlled cash burn rate. Further, detailed financial review is included in the directors report which can be found on pages 30 and 31.

Looking forward we are building on our services through the commercialisation of the OptiMAL® library. This new library adds a significant and complementary strength to our overall library-based service portfolio building on one of our strategic objectives which is to give the customer a range of library-based options. We believe that library-based screening is the best approach for efficient discovery programs and that they allow faster antibody discovery without relying on animal hosts. We utilise our patented library design that it is based on natural sequences in our OptiMAL® and OptiPhage™ libraries and the AI/ML-Ab™ (AI/ML: artificial intelligence and machine learning) service, combined with our mammalian display platform, is also based on this approach. One of the benefits of our patented library approach is that the design is based on natural human antibody sequences. This is expected to improve the chance of the antibody being stable, having little or no immunogenic effects and could produce good yields, reducing the costs of the drugs.

Despite a slow start, we maintain the belief that continued diversification into the veterinary market can also offer us some growth opportunities. While the veterinary market is smaller and less established, it has the advantage of having fewer competitors. Furthermore, we believe that the AI/ML software approaches will play a full and important role in the discovery and optimisation of antibodies and one that Fusion should be a part of. By offering the customer a choice of approaches to advance their discovery program, we believe that we can capture this untapped market share. Positioning Fusion as the company who offer the largest range of differentiated libraries for antibody discovery will set us apart from our competition, with our range of the OptiMAL®, and OptiPhage™ libraries, together with Mammalian display and AI/ML-Ab™ being unique in the marketplace.

Strategic Report: Chairman's Statement continued

With one of our commercial key points of differentiation being our scientific expertise and knowledge it's pleasing to see that our scientific endeavours continue to deliver cutting edge results with significant progress being made in the development and data generation of the Company's proprietary platforms. During the year Fusion's collaboration with the National Cancer Institute ("NCI") has continued to generate strong OptiMAL® data further validating the platform.

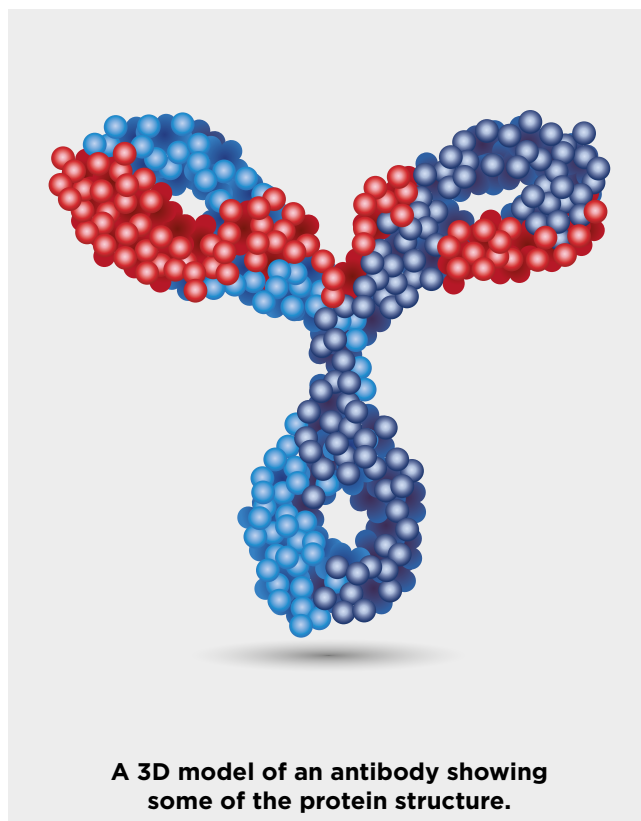
In the NCI's hands the OptiMAL® platform has generated a number of antibody expressing cells which positively bind to their target of interest, something that Fusion confirmed in-house. The binding affinities are within the range expected for commercially viable antibodies and is a good selling point for the OptiMAL® platform. Furthermore, the NCI has validated that the subsequent recombinant antibodies produced by Fusion bound to the targets against a relevant human cell model. The next step at the NCI will be to use these in cancer specific cell-based assays to evaluate their potential as a therapeutic.

The OptiMAL® platform was officially launched in December 2025 at the Antibody Engineering & Therapeutics conference in San Diego, with Dr. Richard Buick presenting. The launch generated substantial scientific interest, though the Company acknowledges that commercial agreements will take time to materialise.

The Company was pleased that the NCI have confidence in the performance of the OptiMAL® platform and have a continued interest in continuing to use OptiMAL® as a frontline human antibody discovery platform for a range of targets. In this respect, a formal agreement is currently being negotiated with the NCI for the NCI to screen the OptiMAL® library against an agreed number of targets, with the expectation of joint rights to the jointly discovered inventions (i.e. antibodies). However, with the academic institution impacted by ongoing political challenges in the USA, there can be no certainty to the expected timings of any such agreement.

The relationship will be further enhanced by the granting of the U.S. patent for OptiMAL®, announced on the 5 August 2025, which represents a significant milestone, strengthens the Company's intellectual property portfolio, and is key to Fusion's offering to provide "Opti" designed libraries for a range of applications including Antibody Discovery, Affinity Maturation, and Sequence Optimisation. The Patent entitled "Antibody Library and Method", concerns the library of antibodies that is currently screened within Fusion's OptiMAL® platform, as well as the method for the design of additional libraries and increases the commercial potential of the platform.

Building on the previously announced Future Medicines Institute ("FMI") grant to support the R&D activities and platform development Fusion has expanded its grant-funded R&D activities through a collaboration with Queen's University Belfast focused on developing a therapeutic antibody targeting DR5, a death receptor that has critical role in initiating apoptosis (cell death). This programme is expected to deliver both scientific and potential commercial value through the creation of a potentially licensable therapeutic asset.



A 3D model of an antibody showing some of the protein structure.

NEW FUNDING

To maximise value and to enhance OptiMAL's market visibility and attract new clients, dedicated sales and marketing is essential. Furthermore, process improvements derived from the NCI need to be integrated into Belfast facilities. With the Company continuing to maintain tight control of costs, the Board considered that it was in the best interests of the Company and its shareholders to raise further funds in January 2026 specifically for the purchase of associated equipment, to increase marketing activities and to improve the overall cash position of the business. The commercial plans will focus on increasing the Company's presence in key geographic markets, such as North America. The net proceeds of the non-pre-emptive placing and subscription was approximately £1.3 million, achieved through the issue of 11,056,905 new ordinary shares at a price of 13 pence per new ordinary share.

The Board and its staff very much appreciate the confidence that our shareholders continue to have in the company. In this respect, it is always our objective to keep all shareholders up to date with any significant progress via announcements made through the regulatory news service (RNS) in line with the Company's obligations under the AIM Rules for Companies and the UK Market Abuse Regulation.

BOARD AND EMPLOYEES

The composition of the Board remained unchanged for the Period, and their commitment, diligence, and hard work throughout the Period is sincerely appreciated.

A big thank you is also extended to all our staff who have consistently demonstrated dedication and creativity in providing services to clients, frequently under considerable pressure. With a small and focused team, employees have exhibited adaptability and perseverance enabling the Company to grow a strong pipeline and maintain its complete service offering.

In April 2026, we learned of the passing of two valued former Directors. Dr Alan Mawson, a former non-executive director of the Company who served for over 17 years died on 24 March 2026. Alan, through the various venture capital funds that he managed, invested throughout the Fusion journey and was a strong supporter of the Company. His analytical expertise and scientific knowledge greatly benefited the company.

Sonya Ferguson, who served on the Board for seven years until 2023, passed away at the age of 55 on 2 April 2026. She was young, intelligent and incisive, and put people at the forefront of her contribution at all times. Both will be missed by colleagues, and our condolences go out to their families and friends.

At the end of last year Kreston Reeves LLP, our auditor, merged with AAB, a professional services firm that also owns FPM, our outsourced accountancy company. This created a conflict of interest, as auditors must remain independent from the finance team, and it was with regret that we had to accept their resignation as auditors and we would like to thank them for their work with the Company. Following a selection process, we are pleased to have announced the appointment of Cambridge based Price Bailey LLP, as the Company's statutory auditor and we look forward to working with them in the coming years.

CORPORATE GOVERNANCE

The long-term success of the business and delivery on Fusion's strategy depends on good corporate governance. The Company continues to adopt the Quoted Companies Alliance Corporate Governance Code as explained more fully in the Governance Report.

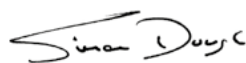
Strategic Report: Chairman's Statement continued**POST YEAR END AND OUTLOOK**

As noted, the 2026 financial year was marked by global financial instability and uncertainty, which has continued into the current financial period and remains a challenge for the healthcare sector. This is adversely impacting Fusion's performance in H1 of FY27. While the Board is confident in our more diversified pipeline and the NCI-validated OptiMAL® technology, it recognises that difficult market conditions can slow growth and adoption of new approaches, particularly given the inherent variability of project-based revenues.

Although the future remains uncertain, the Company is built on a strong and exciting foundation, underpinned by a clear strategy focused on our 'Opti' library approach and a more diversified customer base. New approaches often take time to gain acceptance, but with continued data generation, early adoption and patience, the 'Opti' library has the potential to become a cornerstone of the Company's future success. We were excited to announce good progress on our patent entitled "Antibody Library and Method", which covers two families of antibodies, and the method for the design of such antibody libraries was granted in Japan and a notice of allowance in Canada. The patent is expected to be complementary to Fusion's offering to provide "Opti" designed antibody libraries for a range of applications. It was announced on 11 May 2026 that the patent was granted in Japan, on 22 June 2026 that the Canadian IP office had issued a notice of allowance and on 6 August 2026 that Australia had issued a notice of acceptance in respect of the patent.

The 'Opti' library-design technology comprises of a unique and vast somatic DNA library. It can generate antibodies or antibody fragments with DNA sequences and protein structures already optimised through natural human selection. These patents protect the core library design, which, beyond OptiMAL, could be incorporated into other screening vehicles such as phage display platforms and AI-based approaches, providing a powerful foundation to develop over the coming years. We believe AI libraries will play an important role in discovery, and Fusion is well placed through its US collaboration as market acceptance of *in-silico* antibody design grows.

The Board remains mindful of the competitive environment but believes the library approach can attract customers who may continue with the Company throughout their antibody development journey, across both therapeutic and diagnostic applications. In addition, support from non-dilutive funding sources provides further stability.



Simon Douglas
Chairman

03 September 2026

STRATEGIC REPORT COMPANY OVERVIEW

Fusion Antibodies is an established Contract Research Organisation (CRO), providing a multi-service offering, from antibody discovery and development to clinical supply, for clients such as pharmaceutical, biotech and diagnostic companies developing antibody based therapeutic drugs and diagnostics.

The Power of Antibodies

Antibodies are proteins the immune system produces to target and neutralise pathogens like bacteria and viruses. They have evolved to bind specifically to structures on foreign cells or proteins as part of the host organism's natural defence. This makes them the ideal tool to use when high affinity and specificity of binding is required for scientific and medicinal applications such as in therapeutics or diagnostics. Monoclonal antibodies, produced in labs, offer uniformity and can be selected to bind specific targets (antigens), improving diagnostic accuracy and in treating cancer the antibody may, through a variety of mechanisms, lead to cell death.

Recent advances allow engineering of novel antibody structures, and it is now possible to combine elements of antibodies to make novel antibody-based structures. Engineering antibodies in this way can create bispecific antibodies with the ability to specifically bind two different targets. Binding multiple targets can lead to cell death of the targeted cells resulting in a reduction or total elimination of cancerous cells. These engineered molecules may also be fused with elements like growth factors, cytokines or radioisotopes for enhanced therapeutic impact.

The specificity of antibodies also enables accurate detection of pathogens and proteins in diagnostics, widely used in labs and point-of-care tests like lateral flow assays.

Fusion Antibodies specialises in developing complex antibody-based solutions for clients at every stage of antibody development, from early discovery to stable cell line generation for large-scale manufacturing. Our clients include multinational companies, start-ups, research institutes, and universities seeking high-quality antibodies for:

- Human therapeutics
- Veterinary medicine therapeutics
- Diagnostics for both humans and animals, in lab and point-of-care settings
- Research antibodies supporting fundamental studies
- The global antibody therapy market was valued at USD 317 billion in 2025 and is projected to reach USD 1.01 trillion by 2035, expanding at a CAGR of 12.5%¹
- The global antibody therapeutic landscape has more than 200 molecules in the commercial late-stage pipeline as of mid-2026, including both cancer and non-cancer indications²
- There are now 20 antibodies each with global sales of more than USD 2 billion in 2024³

(Source: ¹Global Market Insights Aug 2026,
²Taylor and Francil: Antibodies to watch in 2026,
³PharmaShots 2025)

Strategic Report: Company Overview continued**Current services**

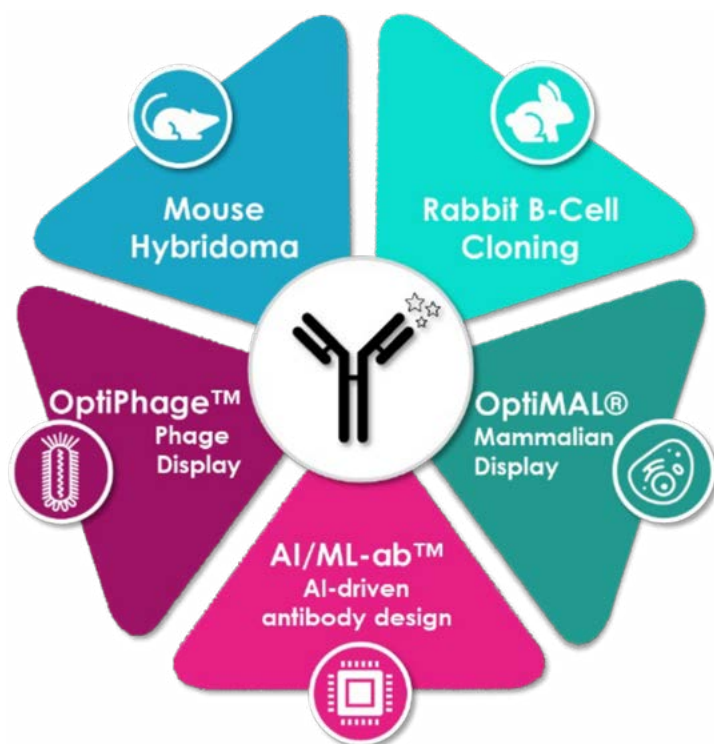
Because discovering antibodies can be a lengthy and costly process, many developers opt to outsource part or all of these activities. Fusion Antibodies offers a range of platforms designed to produce high-quality monoclonal antibodies, guiding clients from the initial discovery phase right through to the creation of stable, high-yielding cell lines that manufacture antibodies for further development.

Our three key service areas offered are:

Antibody discovery

Understanding the intended application is crucial for successful antibody creation and screening in therapeutics and diagnostics. This approach is often put quite simply as to “begin with the end in mind” and is central to our ethos. Once the application is understood the first step is often the combination of in-silico modelling with scientific expertise to design effective antigens and then to select the best discovery engine.

The antibody “Discovery Engines” available to Fusion and its clients



The Company is highly experienced in the traditional hybridoma and B-cell based methods of antibody generation. More recently the company has developed range of library-based discovery platforms, OptiPhage™, AI/ML-Ab™ and OptiMAL® that allow for a high level of antibody variants to be screened. With extensive experience, Fusion supports clients through early antibody discovery, ensuring that clients can select tailored solutions that meet their needs.

Fusion’s proprietary “Discovery Engines” are tailored to clients’ needs, offering a de-risked approach to antibody discovery and strengthening Fusion’s position as the partner of choice. Early collaboration allows Fusion to provide additional antibody engineering and expression services downstream as clients advance their projects.

The Libraries

OptiPhage™: For the discovery of new antibodies Fusion have developed a unique phage library which is a well-established format within the market and often the preferred choice for some customers reducing the need to run animal-based protocols. It is a library of genetically engineered bacteriophages (type of bacteria cell), created by introducing a diverse set of DNA sequences into the Phage so that each cell can display a different fragment of an antibody which can be screened against the target. Phages that bind to the target are selected, sequenced and then through a series of further steps a full human antibody can be assembled. The ‘Opti’ library of gene sequences has been derived from our OptiMAL® project and is unique to Fusion.

OptiMAL®: The Company is advancing its cell-based OptiMAL® platform, which enables direct selection of fully human antibodies without relying on animal hosts, humanising non-human antibodies or building full antibodies from fragments derived from phage libraries. It will add a significant and complementary strength to our overall library-based service portfolio. This platform reduces discovery risks and streamlines new antibody development by screening targets against a library of cells expressing whole human IgG.

The advantage of the patented library design is that it is based on natural sequences meaning that antibodies should be optimised for mammalian expression, resulting in improved chance of being stable, should have no or little immunogenic effects and could produce good yields from the outset.

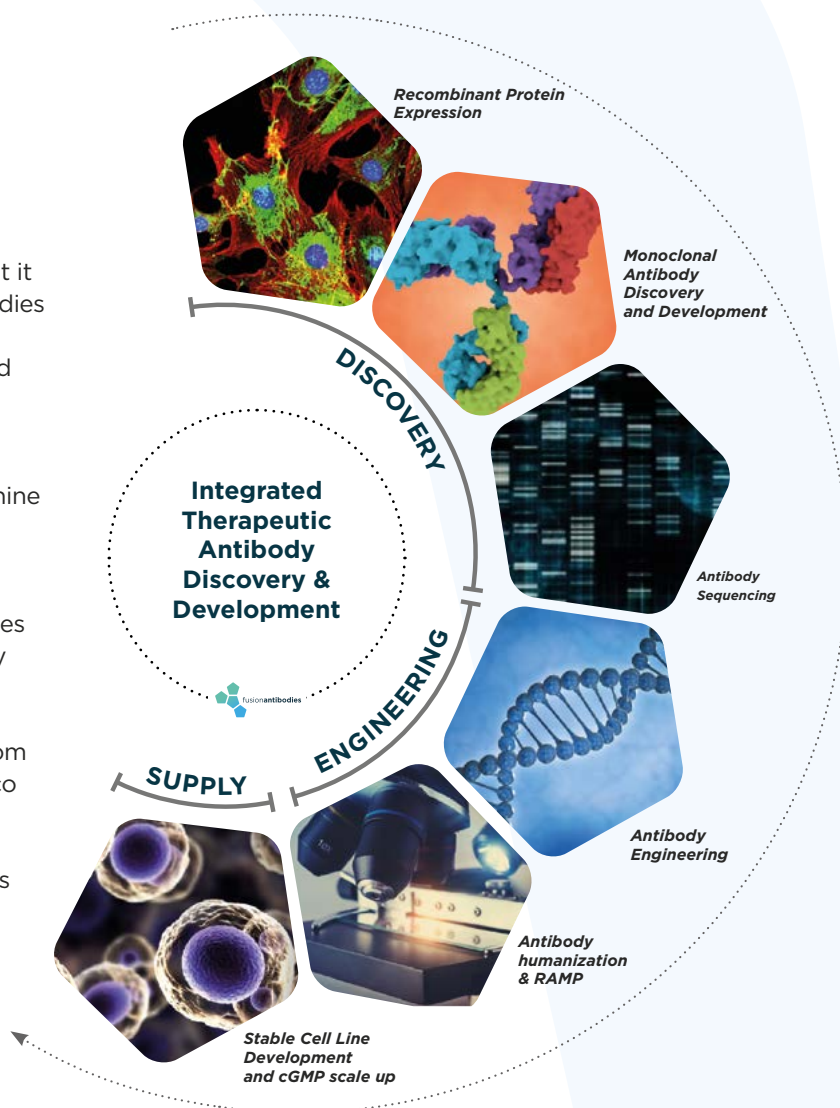
AI/ML-Ab™: (AI/ML: artificial intelligence and machine learning)

AI/ML-Ab™ combines the latest AI enabled technology for *in silico* design of antibody sequences with Fusion's established core expertise in antibody expression and evaluation. AI/ML-Ab™ can also employ Fusion's proprietary Mammalian Display platform to enable screening of libraries derived from AI/ML design outputs. It combines both the in-silico AI/ML design of antibodies and their production and evaluation in vitro. By combining the two approaches, clients will be able to screen thousands or even millions of sequences rather than the tens or hundreds to which such projects tend to be restricted. This enables Fusion to offer a much wider evaluation of AI/ML driven de novo designs of antibodies and so significantly enhance the chances of a successful project whichever algorithm is being deployed.

Antibody engineering

CDRx™ Antibody Humanisation Platform: The Company uses genetic engineering to convert animal antibodies (from mice, rabbits, chickens) into human antibodies, lowering rejection risk for patients. The CDRx™ platform utilises bespoke software and in-depth knowhow which provides a leading solution that the Company has used for over 280 antibody humanisations.

RAMP™: This technically advanced platform improves antibody performance through rational design to alter part of the structure of the antibody, optimising binding strength (affinity), stability, manufacturing yield, and specificity. Improved structures can allow customers to file new patents and extend their antibody asset's patent life.



Antibody Supply

Transient gene expression: Our clients initially require smaller quantities of research grade recombinant proteins and antibodies for early testing and analysis. To meet this requirement, we use transient gene expression (TGE), which involves temporarily expressing genes in cells. In TGE, the introduced DNA or RNA does not become part of the cell's genome, but the cell can still generate antibodies for a short period - usually just a few days. Our refined process consistently produces high-quality proteins with excellent yields in an efficient timeframe.

Strategic Report: Company Overview continued

Stable cell line development: Producing antibodies long-term requires creating a stable cell line capable of continuous antibody expression for clinical use. The Company provides parental cell lines which have successfully been used to gain regulatory approval allowing customers the option to seamlessly transfer cell lines to a cGMP or similar facilities. Fusion supports customers throughout the antibody development process.

Business model

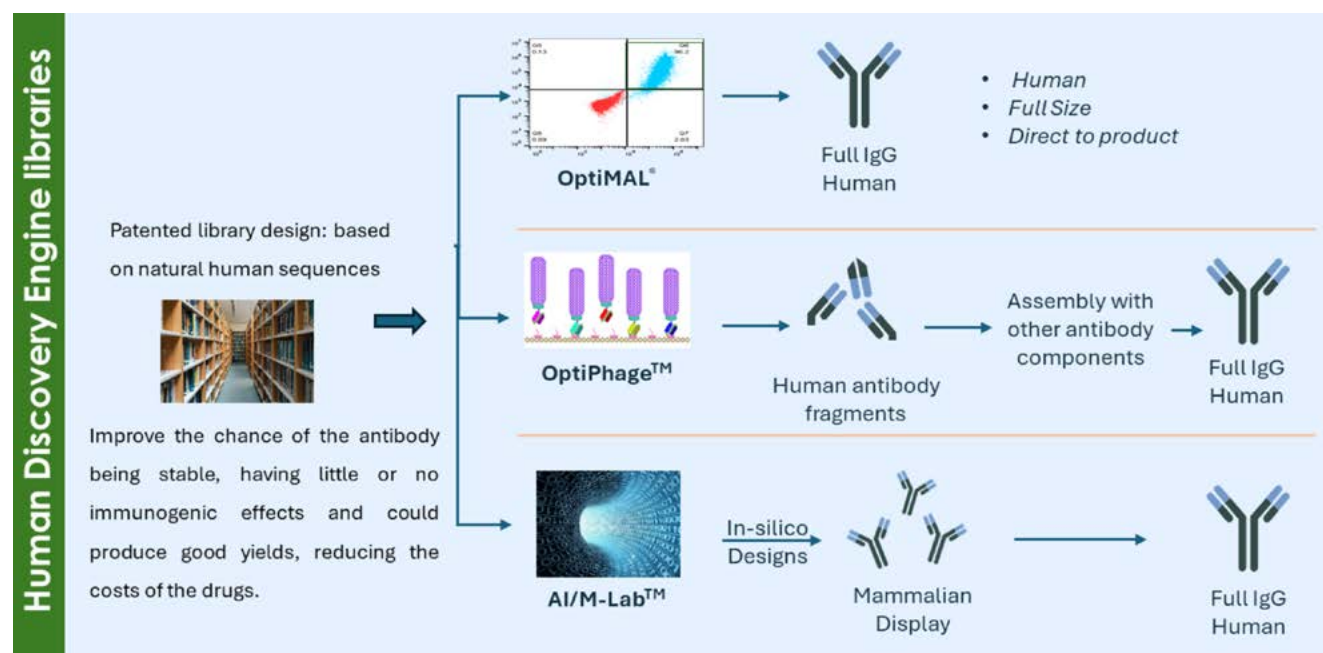
We support clients in therapeutics, diagnostics, and research reagents, primarily handling high-value therapeutic antibody projects. Our Integrated Therapeutic Antibody Services (ITAS) provides end-to-end comprehensive support from target discovery to stable cell line production for therapeutic and diagnostic needs. Projects begin with our business development team and continue with close scientist-to-scientist collaboration, ensuring customers achieve their goals efficiently.

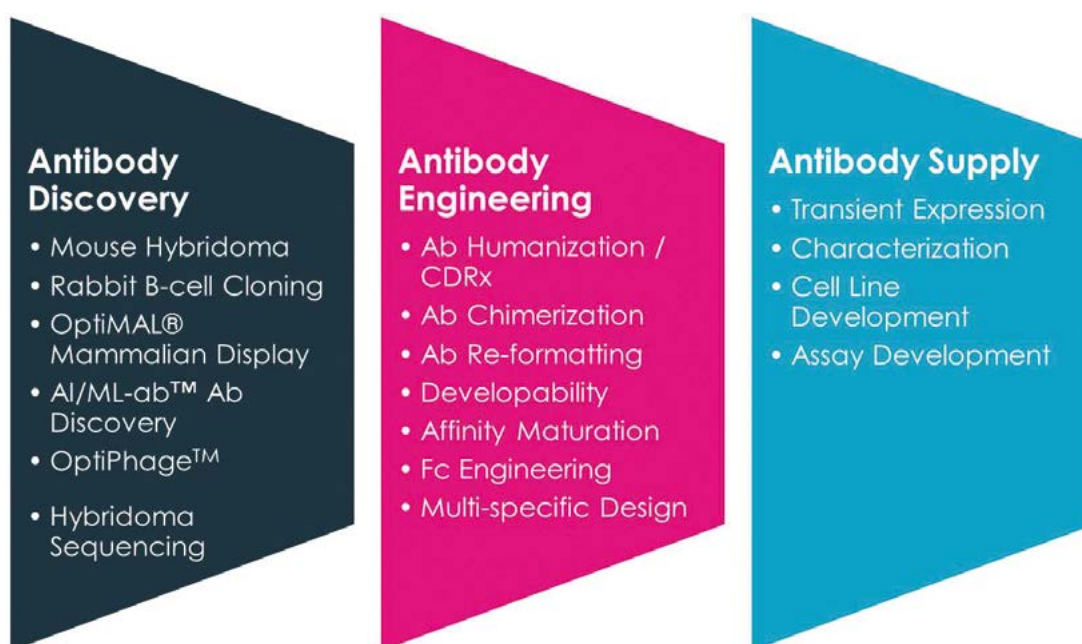
Understanding customer needs is essential, and Fusion engages in extensive scientist-to-scientist discussions to tailor each project. Fusion's experience helps shape the final project specifications, and its broad service offerings give customers flexibility to accelerate antibody discovery and development. Developing these specifications often takes months

as Fusion collaborates closely with clients to prepare projects for its involvement.

Projects are usually divided into several development stages, each potentially depending on previous outcomes. Separate purchase orders may be issued for each phase, reflecting findings from earlier steps. In complex cases, further internal review by the client may determine whether to continue, adjust the programme, or discontinue the project, though cancellations and postponements are rare. The industry faces inherent uncertainty when predicting project start dates and client commitments for later phases. Despite Fusion's expertise in scheduling, purchasing, resource allocation, and forecasting revenue, some unpredictability remains.

A project is typically divided into a number of development stages, with each stage potentially dependent on the outcomes of the previous one. Separate purchase orders may be issued for each phase to reflect findings from earlier stages. In more complex projects the subsequent steps may require internal review by the customer which can lead to a decision to continue, to proceed on an amended programme of work or occasionally discontinue the project. It is the nature of the industry that some customer projects are cancelled or postponed and that this can happen at any point although such terminations are rare.





Research-based businesses face unavoidable commercial uncertainty when forecasting project start dates and customer commitments to later stages. While the Company has significant experience in project scheduling, purchasing, resource allocation, and revenue forecasting, some unpredictability in activity and revenue remains inevitable.

It is worth noting that several clients have commented positively on Fusion's ability to accurately forecast phase outcomes and the impact on timelines and costs. This is considered a strength of the business and is very helpful to our clients' planning and can contribute to the winning of contracts. Payment for services follows a "fee-for-service" model, often with upfront invoices covering setup costs. If Fusion significantly contributes to a client's intellectual property or with the use of proprietary platforms like OptiMAL® and OptiPhage™, Fusion would be well-positioned to negotiate milestone and royalty-based payments.

The Company has an interest in many such client projects which it understands its clients to be actively developing. Payments related to these

projects are expected several years after services are performed, depending on the drug's success. Due to uncertainties and client confidentiality, Fusion may not always know a project's status and does not plan to regularly update the market or include estimated future revenues in its financial statements.

Summary of Fusion's competitive advantages

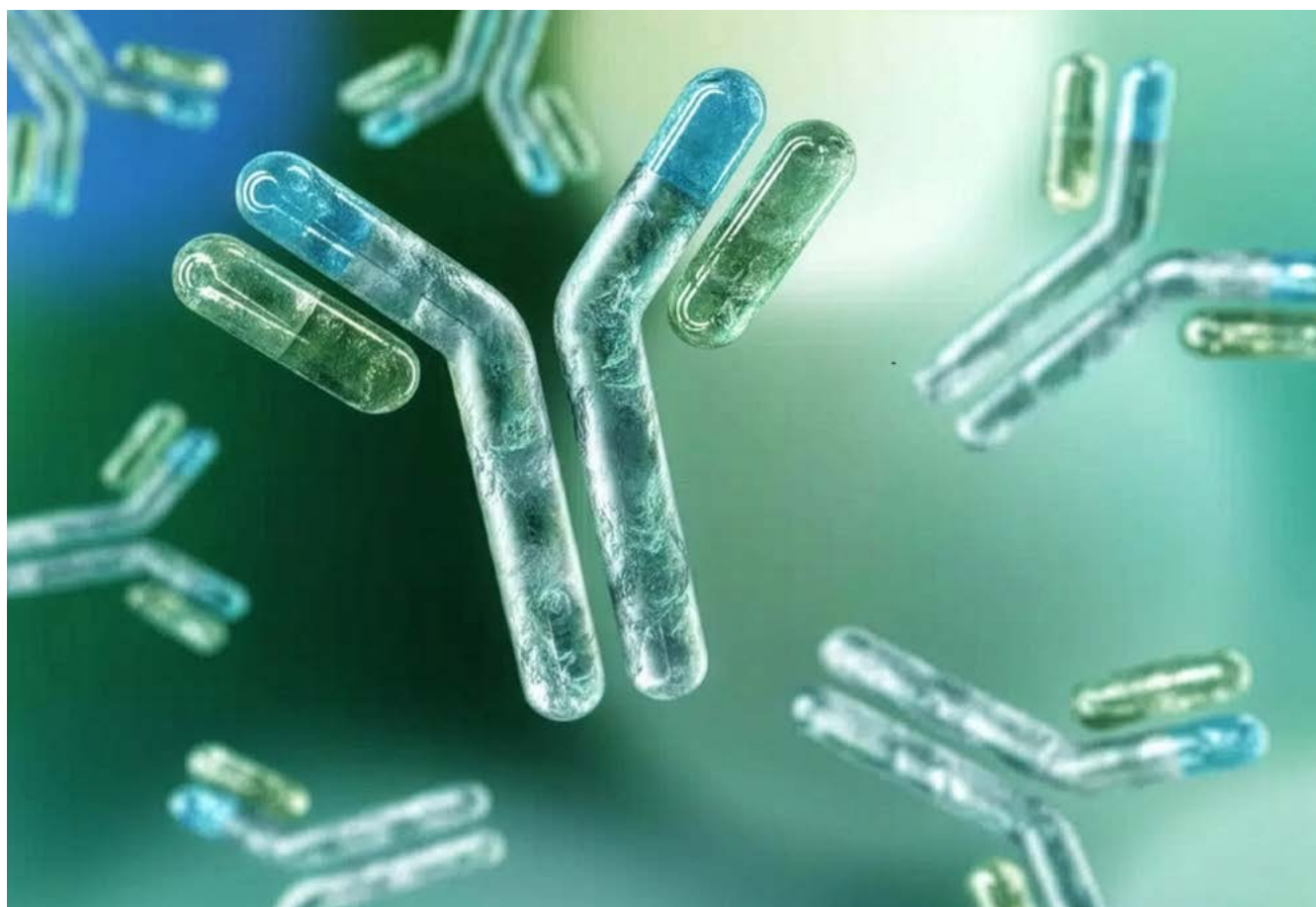
- Meeting customers need from beginning to the end of the antibody development cycle
- Multiple discovery - Hybridomas, OptiPhage™, OptiMAL® and AI/ML-Lab™ to meet client needs
- A 'one stop' solution for clients to partner for their whole drug development journey
- Proprietary humanisation CDRx™ platform
- Proprietary RAMP™ platform for engineering antibody developability
- Technical expertise and scientific knowhow with *in silico* computational analysis of antibodies
- High quality client base and strong reputation

Strategic Report: Company Overview continued

***Stakeholder engagement
(inclusive of s172 disclosure)***

At Fusion we value the views of not only our shareholders but also our wider stakeholder group. We aim to provide clear and understandable information about the Company and our activities and to welcome and consider the views of stakeholders. Under section 172 of the Companies Act 2006 the Directors have a duty to act in good faith in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the likely consequences of decisions for the long term, the interests of the Company's employees, the need to foster relationships with other key stakeholders, the impact on the community and the environment, maintaining a reputation for high standards of business conduct, and the need to act fairly as members of the Company.

At the current stage of the Company's development there is a need to deliver continued growth year on year and be able to respond swiftly to short-term risks, challenges and opportunities. The longer-term consequences of our decisions are equally important, and these decisions are made within the Company's strategy for delivering revenue growth and providing innovative solutions to our customer base.



Our stakeholder engagement in the year ended 31 March 2026 was as follows:

STAKEHOLDER	WHO ENGAGED	HOW WE ENGAGED	OUTCOMES
Shareholders/ investors/ analysts	Board/CEO/ CFO/CSO	Our annual general meeting and the distribution of the Annual Report and interim report remain the primary method of engagement with our private shareholders. For any material news we issue an RNS, while non-material but significant news can be communicated through an RNS Reach.	The annual report provides a format to explain the Company's business strategy and results. Formal and informal feedback from investors is welcomed and used by the Board to inform future decisions.
Shareholders/ investors/ analysts	Chairman/CEO/ CFO	We use video based presentations, such as Investor Meet the Company (IMC), our Investor Hub and others, to engage with a wider section of our shareholder base. Meetings in person, or on Microsoft Teams / Zoom are also utilised. The Investor Hub portal also allows questions from shareholders to be posted and responses posted where appropriate.	These presentations allow us to outline the vision and longer term progress against our objectives on a broader basis that individual specific RNS's may not cover. They also provide a means to add colour, granularity and details to the headline statements. The Investor Meets Company platform enables private investors and potential investors to receive the same briefing as institutional investors and to have their questions answered directly by Directors of the Company.
Employees	CEO/CFO/CSO	Our employees form a key stakeholder group with whom we engage on a daily basis. Company-wide email communication and periodic CEO presentations to all staff enable two-way communications across all levels of staff. Video conferencing was used to ensure the participation of those working from home. Where appropriate, staff are invited to present at Board meetings.	Enabled us to update all employees on developments and initiatives, R&D strategy and the Company's financial performance, and to receive feedback and suggestions for improvements. Board presentations ensured that as a small company the Board are kept closely informed of key progress and challenges and can react quickly.

Strategic Report: Company Overview continued

STAKEHOLDER	WHO ENGAGED	HOW WE ENGAGED	OUTCOMES
Employees	All line managers	A system of regular 1-1 meetings or video calls, usually weekly, between all line managers and their direct reports is in place.	Important to ensure than good inter departmental communication is maintained and that client projects run smoothly. This is very important in a busy working environment.
Employees	Available to all employees	To support employees with increased levels of stress an Employee Assistance Programme from an external provider was made available to all employees. Support material was supplied and counselling and support can be accessed from the service.	Employees can benefit from the counselling service for support during the year and have access to a 24 hour support helpline.
Customers	CEO/CSO/ Business Development team	Customers and potential customers engage initially on a scientist-to-scientist basis as they seek solutions for their development programmes. Site visits and calls combine for customer engagement and the building of relationships.	Our approach is to work as scientific partners to aid our customers in their development programmes. Feedback is used to improve our practices, be they communication (oral and written), technical or commercial to enhance customer satisfaction.
Suppliers	Operations Manager/ Facilities Manager/CEO	Suppliers and supply chains continue to require attention. The Operations Manager oversees individual supplier engagement, approving new scientific suppliers, negotiating terms and meeting supplier representatives. The Facilities Manager oversees approval of non-scientific facilities related suppliers. The CEO is ultimately responsible for the purchasing and payment interactions with suppliers.	The primary outcome has been to identify potential risks to the supply chain and mitigate these by reducing reliance on single suppliers and by holding larger stocks of key consumables and items with supply risks. Good supplier relations and payment practices ensure the stability of the supply chain and improve value for money. The use of local firms to support the facility function enable more rapid responses whilst also contributing to the community and enhancing sustainability.

STAKEHOLDER	WHO ENGAGED	HOW WE ENGAGED	OUTCOMES
Community	CEO/CSO/ Operations Manager	The Company aims to support the local community through its interaction with and support for the academic and scientific community in the two universities in Northern Ireland . The Company has collaborative grants and joint PhD students in place with Queens University (QUB). The CSO is an Honorary Senior Lecturer at QUB.	The academic and scientific community in Northern Ireland is a source of business, ideas and scientific staff for the Company. Engagement activities enable the Company to keep a high profile in that community to mutual benefit.



STRATEGIC REPORT

CEO'S REPORT AND OPERATIONS REVIEW

As we move from FY26 to FY27, Fusion is embarking on a new phase of development: building on proprietary technologies and combining them with much improved generic services to create a focus on growth sectors within our industry and a more compelling proposition for our clients and shareholders.

The market in which we operate started to show signs of recovery during FY26. This financial year we have reported a small growth over the previous financial year with Fusion posting recognised revenues of £2.1m for the year, broadly in line with market forecasts for the financial year and representing a 7% increase in revenue receipts. This is due to the dedication and ability of our team combined with several successful commercial initiatives including the sale of certain intellectual property relating to an early-stage asset undergoing pre-clinical evaluation. Such deals allow the Company to recognise much higher values than if the asset had been generated under a typical fee-for-service arrangement in the initial discovery phase. There were also additional successes in the diagnostics sector and the research antibodies field which also contributed to revenues despite the challenging macro-economic conditions.

Antibodies are proteins with unique properties and have a diverse and varied application with demand in therapeutic, diagnostic and research sectors. With the growing uncertainty in the financial markets leading to more cautious investment strategies, the outlook is difficult to forecast, although it is clear that the recovery phase certainly has not completed. Like many in our sector, I remain somewhat cautious reflecting the disruption in geopolitical and economic circles, which continues to have an impact on our client base despite its diversity.

On the R&D front, FY26 has been another excellent year. Our flagship OptiMAL® platform, which has huge potential, was formally launched in December 2025 with a podium presentation of the technology at the annual Antibody Engineering & Technologies conference in San Diego. Whilst this was ahead of the release of the validation data from the NCI's use of the OptiMAL® platform, I felt that it was important to begin the process of advertising the availability of this groundbreaking technology at the earliest meaningful opportunity. Given that we are aiming to service a demanding scientific audience, which is trained to be highly sceptical and driven by peer reviewed data, it was always anticipated that the initial uptake would be slow. Accordingly, we were not expecting any orders for OptiMAL® in the months immediately following the launch of the platform. It is worth noting the other advantages of the collaboration agreement with the NCI, announced toward the end of November 2023. Due to the rescaling of the business in the previous financial year, costs had been drastically cut, and our internal R&D resources had been significantly reduced. It was therefore hugely advantageous to pursue the validation of the platform via the NCI at minimal cost to the Company. The work undertaken through the collaboration has demonstrated the utility of the OptiMAL® platform and that it can be used to identify cell-bound antibodies for a range of targets. Many of these antibodies were subsequently isolated and verified by Fusion and the NCI continues to demonstrate their functional utility as well as seeking patents for the most commercially viable antibodies.

Strategic Report: CEO's Report and Operations Review continued

We look forward to further updates from the NCI and, once the patent applications are filed, lab-work completed and peer reviewed publications submitted, we anticipate that their independent statements will formally validate OptiMAL®. I expect this validity commentary to have a significant impact on the traction of the platform in the marketplace and add impetus to OptiMAL®'s successful commercialisation.

The validation project with the NCI also demonstrated that the OptiMAL® technology can be transferred effectively to another laboratory. This capability enables us to address a much broader market than would be possible if all screens were conducted within Fusion's laboratories. This would require substantial investment in personnel, capital equipment and consumables. By moving towards a technology licensing model, we can overcome internal capacity constraints, reduce associated costs and support higher margins.

Also with regard to R&D, the Future Medicines Institute (FMI) PhD studentships, which come fully funded as part of the FMI programme, started in earnest and have made progress with both the OptiPhage™ platform and a cutting-edge approach to B-cell cloning. The grant provides for support for a total of 20 PhD studentships across the consortium. These are expected to run in two or three cohorts each starting around a year apart. We continue to consider options for further PhD projects designed and nominated by Fusion creating important opportunities for our development, again at no direct cost to the Company.

Market outlook: challenging times in a turbulent world

Even in difficult market conditions, pharmaceutical and biotechnology clients continue to invest substantial resources in developing their pipelines. This need is likely to intensify as many leading pharmaceutical products lose patent protection by 2030, creating pressure to replace them with new patented assets. Much of this demand is expected to be met through the acquisition of products from biotechnology companies, which will then need to replenish their own discovery pipelines using proceeds from more mature asset sales. Against this backdrop, it is reasonable to expect continued growth in the antibody discovery market, including services such as those offered by Fusion. Market reports support this outlook: Precedence Research estimates the 2025 market at \$9.06Bn¹, with a CAGR of 8.3%, while The Business Research Company estimates it at \$9.78Bn, with a CAGR of 10.1%². Although forward-looking projections should be treated as estimates, the overall trend remains encouraging.

(Source: ¹Precedence Research: July 2026,

²The Business Research Company: July 2026)

OptiMAL® and Mammalian Display

OptiMAL® is a disruptive antibody discovery platform which allows human sequences to be used, without the auto-immune filter of a host animal. I believe that this is the right time for a platform like OptiMAL® that delivers fully human, full-size antibody sequences which have been expressed by mammalian cells. This reduces the timeline to a lead human sequence and the risks associated with engineering of fragments and/or non-human antibodies.

When more is known about the target antigen, a more focused approach can be taken using artificial intelligence (AI) and/or machine learning (ML). These emerging design methods aim to generate full-length antibody sequences that must then be synthesised and tested in the laboratory. Our AI/ML-Ab™ platform supports this process by using the same mammalian display technology developed for OptiMAL®. Recent market reports identify AI/ML approaches as an important growth driver for the industry, and Fusion is well placed to benefit through its experience and technologies, including its world-leading Mammalian Display platform.

That AI/ML driven *in silico* designs still offer such significant promise also signifies that they have not yet matured to be established front-line technologies. There will inevitably be a period of evaluation. It is possible that this could have a negative impact on growth of the sectors covering more traditional methods.

We anticipate that AI/ML will become a key part of the mix of approaches for antibody discovery and development going forward. It is important therefore that Fusion remains active in the field. We will continue to monitor the AI/ML sector and look for opportunities to bring *in silico* designed antibodies and antibody libraries into the physical world using our core expertise. Our collaboration with a leading US-based AI/ML business announced in 2023 is still in place and it has been using our proprietary Mammalian Display platform to enable screening of designs derived from AI/ML. The results of this are still under review and further improvements to the AI/ML algorithms may be required: something that can be enhanced by the data derived from our library approach. Furthermore, our AI-based research project with Oxford University

continues to progress, with *in silico* designs successfully expressed in our Belfast laboratories. The resulting data is being used to improve Oxford's novel algorithms and outputs, to which we have access, adding value to our future services. We look forward to the publication of elements of this research in selected scientific journals.

Developing Fusion assets to demonstrate our capabilities and create value

We announced grant approval on 24 April 2025 to part fund development of an antibody against DR5 (death receptor 5) as a potential therapeutic and/or diagnostic for certain cancers. The award followed the generation of a lead antibody that had been demonstrated to have exceptional biological properties. Grant funding has enabled the Company to advance this promising molecule by humanising it and, with expertise from Queen's University Belfast, demonstrating its potential efficacy *in vivo*. We have since progressed further by engineering more complex structures that show improved efficacy in cellular assays. Our ambition is to have a pre-clinical asset available for partnering from late FY27.

As well as creating case study data to support our humanisation and more advanced engineering capabilities, we have also taken the opportunity to use the DR5 antibodies to demonstrate a very much more rapid approach to stable cell line development (CLD). This makes use of state-of-the-art microfluidic technology to significantly reduce the timeline by around four months for this crucial late-stage part of our service offering. The enhanced service, backed by the DR5 case study data is now being offered to clients with early adopters eager to enjoy the significant acceleration of the CLD project getting their molecule to clinic more rapidly than had previously been possible.

Strategic Report: CEO's Report and Operations Review continued

Conclusion

I believe that Fusion's proven capabilities and track record and provide a stable foundation for an increase in market penetration and share and in turn growth. The most significant opportunity remains OptiMAL®, underpinned by our best-in-class Mammalian Display platform and the Opti-library, which is also applicable to phage display and complementary to AI modelling. The Opti-library design methodology, now protected by a recently granted US patent, also supports the creation of further focused libraries, including those incorporating AI/ML design inputs. Similar patent protection is being sought in other relevant jurisdictions. Our increasingly comprehensive and complementary service offering positions us well to continue gaining traction with a broad client base across the therapeutic, diagnostic and research antibody sectors. Recognising the challenging

geopolitical and macro-economic environment, the year ahead is an exciting one for the business. We will continue to support our existing clients while reaching wider markets through technological differentiation that delivers clear benefits to both current and new clients. We will also use the OptiMAL® technologies, together with available assets from case studies, grant-funded projects such as DR5 and in-house early-stage programmes, to position the Company for a transition from a repeat-business service provider to a technology licensor with recurring revenues.



Adrian Kinkaid

Chief Executive Officer

03 September 2026

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

Risk is an inherent feature of the Company's business. The Board meets regularly to review operations and to assess and monitor the business risks faced by the Company. Set out below are some key risks, together with associated mitigating factors. This list does not purport to be exhaustive.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS

1 Risk that services will not achieve commercial success

The Company currently offers a range of services, such as : antibody discovery (OptiPhage™, OptiMAL® and AI/ML-Ab™), in silico antibody design and, antibody sequencing, antibody humanisation/ caninisation, stable cell line development, antibody engineering, affinity maturation, transient protein expression and stable cell line development. The level of commercial success of each of these services is in part based on factors outside the Company's control, including market demand and new competition for those services. There can be no absolute assurance that market demand for any of these areas will continue to exist and/or increase, or that the Company's services will be favourably received by the market, will be profitable or will produce a reasonable return. Drug development, by its nature is a risky and expensive business, albeit with the potential of a high return, and our clients' access to capital can be eroded through macroeconomic events such as war and political risk, inflation, and interest rates, that are out of both our and their control, resulting in a loss of sales for the Company. There is therefore no guarantee that any of the

Company's services will be commercially successful in the future or that it will continue to be competitive in the markets in which it operates. If the service is not commercially successful it could result in a financial loss to the Company.

2 Dependence on third parties

The Company enters into contractual agreements, including partnerships and collaborations, with third parties to deliver both its current and new services including the supply of materials and equipment. Such partnerships also include those related to marketing, sales and distribution in order to market and sell products and services on a global basis. There are no guarantees that the Company will be able to find suitable, commercially viable relationships nor that any parties with whom it enters into commercial arrangements will meet their obligations. This could impact upon the Company's revenue and profitability and potentially leave the Company with a financial loss, unable to proceed with development or sale of the products or services and/or needing to enter into litigation with the partner which could have both negative finance and reputational consequences.

Strategic Report: Principal Risks and Uncertainties continued

Client projects often rely on the client providing us with materials and information in order to carry out the service. There are no guarantees that these will be supplied in a timely manner and late arrival such information or materials can cause delays and there is also no guarantee that the client will pay their invoices within a subscribed amount of time. All of these factors could impact upon the Company's revenue, profitability and cash flow and potentially leave the Company with a financial loss.

3 Reliance on certain key personnel

The Company's senior management and key personnel are experienced in different fields of research, development, production, marketing and corporate management in the antibodies industry. As such, the Company's success is in part attributable to the expertise and experience of its senior management and key technical and commercial personnel, who carry out key functions in the operations of the Company.

The Company's scientific capability, financial condition, operational and commercial expertise and prospects may be detrimentally affected if the Company loses the services of any of its senior management and/or key personnel, whether through illness or death, or them moving employment. No assurance can be given that the Company will be able to retain and incentivise all the staff and key personnel that it needs in order to achieve its business objectives.

The Company may need to hire additional staff or replace departing personnel, but attracting qualified candidates on commercially acceptable terms cannot be assured. Failure to do so could adversely affect its operations, finances, and future results.

4 Potential product liability litigation, regulatory intervention, adverse PR and business interruption

If the Company produces any products or services which are defective, or which are alleged to be defective, it may face a liability claim in respect of those products or services. Any serious quality or safety incident may result in adverse reporting in the media, which in turn may damage the Company's

public relations and share price and could potentially interrupt its business. This in turn could affect the Company's financial condition, operational results and prospects, including damage to the Company's reputation and/or its brands.

Third parties may claim that the Company's technology or products infringe on their intellectual property, possibly resulting in legal action, licensing demands, or required cessation of certain activities. Defending against such claims can be costly and time-consuming, regardless of outcome, and could lead to significant liabilities or force the Company to stop developing or providing certain products or services. The Company might also need to create alternative solutions, which could require unexpected resources. Such claims could materially harm the Company's business, finances, or results.

5 Risks associated with reliance on IT systems, key equipment and laboratory space

The Company is reliant upon the use of certain IT systems, equipment and laboratory space which is critical to its ability to carry out its core business. There is a risk that key IT systems, equipment, and/or the laboratory space itself may become unavailable due to an unforeseen event such as cyber-attack, fire and flood. In this event, the Company's ability to deliver its services may be detrimentally affected, which could in turn have an impact upon its ability to deliver projects on time and which could consequently adversely affect its business, financial condition results, and/or future prospects.

6 Liquidity risk

The Company's ability to meet its financial obligations as they fall due remains dependent on achieving forecast revenues and cash flows. As highlighted in the going concern statement, there is material uncertainty relating to revenue generation over the assessment period, which increases the risk that available cash resources may be insufficient to support operations if trading performance is below expectations. The Board monitors liquidity closely through regular cash flow forecasting and scenario modelling and seeks to mitigate this risk through active working capital management, cost control measures and evaluation of additional funding options where appropriate.

7 Funding risk

Funding risk arises from the Company's historic reliance on periodic equity fundraisings to finance operations. The business generated a negative operating cash flow in the year due to investment in OptiMAL related R&D and S&M for future growth. The Directors forecast reduced cash burn in the coming year with less R&D required following the launch of OptiMAL and the ongoing collaboration with the NCI, with an increased forecast revenue and continued cost control. Although the Board's objective is to achieve sufficient revenue growth and cash generation to remove the need for additional external funding, there remains a risk that further capital may be required. Market conditions and investor appetite may adversely affect the Group's ability to raise funds on acceptable terms or within the required timeframe. The Board regularly reviews funding requirements and maintains active dialogue with shareholders and capital market advisers to mitigate this risk.

GENERAL RISKS RELATING TO THE ANTIBODY SERVICES

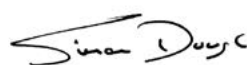
1 There may be a general reduction in the demand for antibody services in the pharmaceutical and biotechnology industries

As a CRO, the Company's revenue is primarily generated through contracts with pharmaceutical and biotechnology companies and is dependent upon there being a demand in these industries for its antibody services. There is a risk that there may be a reduction in the demand for antibody services, either through a reduction in capital for new product development due to external macro-economic factors or even if expenditure on antibody discovery and development is maintained or increased companies may meet their requirements for antibody services internally rather than outsourcing these to CROs such as the Company.

2 The Company is subject to regulations governing the pharmaceutical and biotechnology industries

The regulations governing the biotechnology, pharmaceutical and diagnostic industries in the countries in which the Company operates may be subject to change without prior notice or consultation. Any such changes or amendments may significantly impact the business of the Company. For example, it has become more complex and costly to both import and export goods globally, which can cause delays or even loss of perishable goods. There may also be other increased costs to the Company of complying with any changes in the global regulatory requirements which could have an impact on the financial prospects of the Company.

The strategic report on pages 3 to 19 was approved by the Board on 03 September 2025 and signed on its behalf by:



Simon Douglas
Director



fusion**antibodies**



CORPORATE GOVERNANCE

BOARD OF DIRECTORS



Simon Douglas PhD¹

Non-executive Chairman

Simon, 67, was appointed Non-executive Chairman in September 2011 having previously been CEO. He has over 40 years' experience in the biotech industry, including working for Amersham International (now GE), ICI and Zeneca (now Astra Zeneca), in a variety of commercial and technical positions, and with Tepnel Life Sciences plc (now Hologic Inc), a London Stock Exchange listed diagnostic company where he was Chief Executive. He has been the CEO/ Chairman on several other venture capital backed Life Science companies and headed up the trade sale of two of these and was previously the Chairman of Cambridge Nutritional Sciences plc, an AIM listed Healthcare company. He is currently the Chairman of ReadyGo Diagnostics Ltd, a venture capital backed company, and of EMQN CIC. Simon is not considered to be independent as he formerly held the position of CEO.



Adrian Kinkaid PhD

CEO

Adrian, 59, was appointed director and Chief Executive Officer in August 2022. Adrian has over twenty-eight years' experience working in the bioscience sector. He holds a PhD in Biochemistry from University of Southampton and has expertise in development and commercialisation of all the main classes of affinity reagents. Adrian's previous experience has included senior management positions in drug discovery, reagent technology and diagnostics. He is passionate about harnessing biotechnology to create better drugs and diagnostics in order to improve health and wellbeing on a global scale.

Corporate Governance: Board of Directors continued



Richard Buick PhD

CSO

Richard, 50, was appointed director and Chief Technical Officer in August 2011 and Chief Scientific Officer in 2021. Richard has worked in the Company since 2002 and been responsible for overseeing contract research services. He previously had four years' experience discovering novel antibodies from synthetic libraries for diagnostic purposes. Richard has been appointed as a legal expert witness in a number of drug patent dispute cases and in 2018 he was made Honorary Senior Lecturer in Queen's University, Belfast. Richard is the Chairman of the Company's Scientific Advisory Panel.



Stephen Smyth

Interim CFO and Company Secretary

Stephen, 51, has over 25 years' experience working in audit & accounting, finance, and operations management within both the public accounting and commercial sectors. Stephen's previous roles include acting as Chief Financial Officer at Sera Global LP, as well as holding senior finance functions at Cormark Securities Inc and at PricewaterhouseCoopers (PwC) LLP. Stephen is a chartered accountant and is currently a partner at AAB, a Chartered Accountancy practice with offices throughout the UK and Ireland, including Belfast. At AAB, he provides virtual finance function solutions to clients ranging from start-ups to private equity backed multinationals. He was appointed in September 2023.



Matthew Baker PhD²
Non-executive Director

Matthew, 55, joined the Company as a Non-Executive Director in 2022, bringing over 20 years of experience in drug discovery and development as a biotech executive. Throughout his career, he has founded and led several biotech companies to successful exits, including the acquisition of Antitope, where he served as CEO and CSO, and the IPO of Abzena, where he was CSO. Matthew has held multiple non-executive roles across the biotech sector, including at Oxgene, which was acquired by WuXi AppTec in 2021. His recent leadership positions include serving as CEO of NeoPhore, a cancer immunotherapy company, and currently as CEO of Laigo Bio, a private biotech company focused on developing novel cell surface bispecific degraders for autoimmune and oncology indications.



Colin Walsh^{1,2}
Non-executive Director

Colin, 71, is chief executive and founder of Crescent Capital NI Limited and has been an active venture capital investor in the high-tech sector for the past thirty years. He joined the Company as a non-executive director in 2007 as a representative of Crescent Capital. Crescent Capital was the fund manager of Crescent Capital III LP which was a shareholder in the Company; those shares have since been distributed to that fund's Limited Partners. Colin is not considered to be independent under the QCA Guidelines due to his length of tenure.

¹ member of the Remuneration Committee | ² member of the Audit Committee

CORPORATE GOVERNANCE CORPORATE GOVERNANCE STATEMENT

Compliance Statement

The Board seeks to follow best practice in corporate governance appropriate to the Company's size and in accordance with the regulatory framework that applies to AIM companies. The Company has adopted the Quoted Companies Alliance's Corporate Governance Code 2023 ("QCA Code") and has set out on its website and briefly below, with regard to the size and the nature of the Company's business, how it applies the principles and disclosures as set out in the QCA Code, on a comply or explain basis.

- Establish a purpose, strategy and business model which promote long-term value for shareholders. This is discussed in detail in the strategic report which details the business model and competitive advantages of the Company.
- Promote a corporate culture that is based on ethical values and behaviours. The company leads by example, and due to the size of the organisation executive management are in daily communication with the delivery team;
- Seek to understand and meet shareholder needs and expectations. As discussed in the stakeholder engagement section of the strategic report, Executive Management and the Board are in regular communication with shareholders ensuring that expectations are clearly communicated.
- Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success. This is detailed in the stakeholder engagement section of the Strategic Report where all stakeholders are discussed and engagement detailed.
- Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation. The Company addresses this principle in many ways including compliance with frameworks and annual audits of various aspects of the business. Detailed discussion of relevant risks and mitigation are discussed in the principal risks and uncertainties section of the strategic report.
- Establish and maintain the board as a well-functioning, balanced team led by the chair. Details of the board members are included in the preceding pages.
- Maintain appropriate governance structure and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities Director's credentials and experience are detailed in the preceding pages and subsequently in this report.
- Evaluate board performance based on clear and relevant objectives, seeking continuous improvement. The Board monitors its performance against strategic and operational objectives through ongoing discussion and regular review of director contributions. Given the Company's size and scale, the Board considers this informal approach to be proportionate and effective, whilst supporting continuous improvement and good governance.
- Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy, and culture. The remuneration committee meets regularly with the Executive directors through periodic board meetings. Individual team member performance is discussed at these meetings on an ongoing basis. Board remuneration is further discussed in this report.

- Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders. Stakeholder engagement is discussed in detail in the stakeholder engagement section of the Strategic report.

Given its size and the nature of its current operations, the Company has not adopted the UK Corporate Governance Code. There have been no key governance related matters, or changes in governance arrangements during the year. The main features of the Company's corporate governance arrangements are:

- The Board is collectively responsible for defining and implementing a strategy to deliver long-term value to shareholders, but which operates within a framework of good corporate governance and in line with the Board's assessment of risk.
- The Chairman retains responsibility for, and takes the lead on, all matters of corporate governance;
- The Non-Executive Directors have the responsibility to be independent in judgement and thought and for challenging the Chief Executive Officer (CEO) and Chief Scientific Officer (CSO) where necessary. The Non-Executive Directors also provides a sounding board for the Chair from time to time.
- The Board meets regularly for formal Board meetings. It met 8 times in FY26 to discuss the routine business and a further 3 on other governance business. It will consider strategy, performance and approve financial statements, dividends and significant changes in accounting practices and key commercial matters.
- The Company has an audit committee and remuneration committee, further details of which are provided below; and
- The Company does not have a nomination committee, as the Board does not consider it appropriate to establish one at this stage of the Company's development. The Board as a whole takes decisions regarding the appointment of new directors and this will follow a thorough assessment of a potential candidate's skill and suitability for the role.

The Company is managed by the Board and they have the necessary skills and experience to effectively operate and control the business. There are currently six directors at the date of this report, three non-executive directors and three executive directors being: Simon Douglas (Chair), Adrian Kinkaid (CEO), Richard Buick (CSO), Stephen Smyth (Interim CFO / Company Secretary), Matthew Baker (NED), and Colin Walsh (NED). The Board consider that given the current size and financial position of the Company the arrangement of an interim CFO is a suitable solution and enables the Board to maintain financial and corporate control of the Company. The Company Secretary advises the Board, through the Chairman, on legal, governance and procedural matters.

Board members are expected to attend relevant continuing professional development to ensure their technical skills are kept up to date as well as attending relevant industry and regulatory conferences and briefings.

The Board considers Matthew Baker to be independent in character and judgement. The Board is cognisant of the importance of independence of non-executive members of the Board. However, while we continue to recognise that both Simon Douglas and Colin Walsh are not considered to be independent directors under the UK Corporate Governance Code, due to length of tenure with the Company, we believe that they both meet the QCA's less prescriptive assessment of independence, bring independent judgement to bear in their respective roles and are able to resist inappropriate demands from executive directors and senior management. While the Company continues to control costs until the Company is profitable the NEDs have not received a salary increase since the Company's IPO in 2017 and believed to be remunerated below the average for the role in a small cap AIM quoted company. The Ordinary Shares received by the non-executive directors are not considered to form a material portion of their overall wealth and are therefore not considered to impact their independence.

Fusion remains committed and fully supportive of the provisions of the Quoted Companies Alliance Corporate and Governance Code (the "QCA Code"). To date we have complied with most of the guidelines but are aware that the Company does not meet the gender balance guideline and will

Corporate Governance: Corporate Governance Statement continued

endeavour to resolve that as and when any new Director is appointed. In line with the QCA Code recommendation, all of the Directors of Fusion Antibodies will be nominated, for annual re-election at our next AGM which will enable the shareholders to decide on the election of the Company's Board.

The Board recognises the importance of consulting with shareholders and obtaining their support in relation to performance-related remuneration. The Company's transparent approach is demonstrated through the providing shareholders with an annual say-on-pay vote through the addition of a relevant resolution at our next AGM.

As the business develops, the composition of the Board will remain under review to ensure that it remains appropriate for the managerial requirements of the Company. The mix of skills required on the Board is aligned to the needs of the Company and delivery of current strategy.

Board committees

The Company has an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The composition of these committees may change over time as the composition of the Board changes. The reports of the Audit Committee and Remuneration Committee are included within the Governance report and Directors' Report rather than as separate sections of the Annual Report.

Audit Committee

The audit committee has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Company, and the involvement of the Company's auditors in that process. It focuses, in particular, on compliance with the accounting policies and ensuring that an effective system of external audit and financial control is maintained, including considering the scope of the annual audit and the extent of non-audit work undertaken by external auditors and advising on the appointment of external auditors. Given the size and nature of the Company the audit committee has recommended, and the Board accepts, that an internal audit function is not appropriate for the Company.

The audit committee meets at the appropriate times in the financial reporting and audit cycle. The audit committee comprises two members, Colin Walsh (Chair) and Matthew Baker, who are both non-executive directors. The CEO and CFO are invited to attend as appropriate, and the auditors have the opportunity for direct access to the committee without executive directors present.

Since the last Annual Report, the audit committee has met once with both members in attendance, together with the auditor, the CFO and the CEO. The committee reviewed and approved the proposed audit plan for the year ending 31 March 2026. The audit committee has also convened in advance of the signing of this annual report with both members in attendance, together with the auditor, the CFO, the Chairman, and the CEO.

Internal controls and financial risk management

The directors are responsible for the Company's system of internal controls, the setting of appropriate policies on these controls and regular assurance that the system is functioning effectively and that it is effective in managing business risk. Risk management is embedded as part of the Board culture and is on the agenda of every meeting to ensure that it is at the centre of arriving at, and monitoring strategy. Principal risks and uncertainties are discussed in the Strategic Report and financial risk management policies are detailed in note 20 of the Notes to the Financial Statements.

Remuneration Committee

The remuneration committee has responsibility for the determination of remuneration packages for each of the executive directors, including pension rights and any compensation payments, recommending and monitoring the level and structure of remuneration of senior management, and the implementation of the employer share option scheme, or other performance related schemes. The objective is to retain and motivate the executive management of the Company without paying more than necessary and to ensure that members of the Executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions

to the success of the Company. No Director or manager shall be involved in any decisions as to their own remuneration. The remuneration committee meets at least twice a year. The report of the remuneration committee is included in the Directors' Report below.

The remuneration committee comprises two members who are non-executive directors: Simon Douglas (Chair), and Colin Walsh. It is noted that the QCA Remuneration Committee Guide (2025) indicates that the committee should comprise at least a majority of independent NEDs but as a small

Company with only three NED's currently the choice is limited, and it is felt that these two candidates are the best qualified for their respective roles and that it is a safe and pragmatic structure for the time being. As previously stated, we recognise that on the face of it both Simon Douglas and Colin Walsh are not considered to be independent directors under the QCA Code, due to length of tenure, but believe that they bring independent judgement to bear in their respective roles and most importantly are able to resist inappropriate demands from executive directors and senior management.

Meetings and attendance

	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Meetings held during the year			
Attendance:			
Simon Douglas (NED)	8/8	-	3/3
Adrian Kinkaid (Director)	8/8	-	-
Richard Buick (Director)	8/8	-	-
Stephen Smyth (Director)	7/8	-	-
Matthew Baker (NED)	7/8	2/2	-
Colin Walsh (NED)	6/8	2/2	3/3

It is the intention of the Board that alternate meetings will be conducted in person and the remainder by video call. The board met for routine Board meetings 8 times in the year (2025: 9 times) and on 3 other occasions.

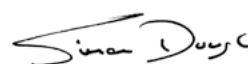
Non-executive directors are expected to spend a minimum of one day a month on Company activities in addition to preparation for and attendance at Board and sub-committee meetings. The Chairman will routinely spend an additional day per month, however, this year he worked more closely with the Executives in particular during the fund-raising period.

Communication with shareholders

Good and effective communication with shareholders is a high priority for the Board. Communication with investors and analysts is an essential part of the operation of the Company. The Company is committed to providing up to date corporate

information to existing and potential shareholders and maintains a website (www.fusionantibodies.com) which contains an Investor Relations section. Existing and potential investors can use the website to access Company information and reports and to contact the Company. Further details of communication with shareholders are given above under Stakeholder Engagement.

The corporate governance report on pages 20 to 31 was approved by the Board on 11 September 2026 and signed on its behalf by:



Simon Douglas
Chairman

CORPORATE GOVERNANCE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2026

The directors present their annual report and the audited financial statements of the Company for the financial year ended 31 March 2026.

The Company is a public company limited by shares incorporated and domiciled in the United Kingdom, and registered in Northern Ireland. The Company's shares are listed on AIM, a market operated by London Stock Exchange.

Principal activities

The principal activity of the Company is the provision of services for the research, development and manufacture of recombinant proteins and antibodies for the use in human and veterinary therapeutics, diagnostics and life science research.

Review of the business and future developments

A review of the business and its outlook, including commentary on the key performance indicators, and the principal risks and uncertainties facing the Company is included in the financial review section of this report and also via the statements within the Strategic Report which are included in this report by cross reference.

Directors

Biographical information on each of the directors at the date of signing this report is set out on pages 21 and 22 and these are the directors who served during the year.

The Company applies the updated 2023 QCA code where possible and therefore in accordance with the new code all directors will be seeking reappointment as a director of the Company at the 2026 Annual General Meeting. Furthermore, the annual remuneration report,

including any significant changes to our existing option scheme will be put to an advisory shareholder vote.

Policy on executive directors and senior management remuneration

In setting Board remuneration policy, the Committee considers all relevant factors, including legal and regulatory requirements and applicable guidance. The policy aims to attract, retain and motivate the Company's executive directors and senior management without paying more than necessary. It reflects the Company's risk appetite, supports its long-term strategic objectives, and links a significant proportion of remuneration to corporate and individual performance to promote the Company's long-term success.

Directors' remuneration

The remuneration committee comprises Simon Douglas and Colin Walsh. It reviews the Company's remuneration policy, the remuneration of the executive and non-executive directors, and the Company's pension arrangements, and makes recommendations to the Board. The committee also recommends option awards under the EMI and Unapproved Employee Share Option Scheme, under which employees and directors may be granted options over Ordinary Shares. In addition, it reviews the terms of service contracts for executive and non-executive directors and any compensation arrangements arising from their termination. However, it has no authority to set its own fees or remuneration.

The committee recommends annual corporate objectives for the Executive team to the Board in line with the Company's overall strategy. It then assesses executive directors' performance against those objectives and advises the Board on any changes

Corporate Governance: Directors' Report continued

to remuneration. These objectives may include both financial and non-financial measures; however, for FY26 the primary focus is on financial targets and progress in developing the OptiMAL platform.

The remuneration committee considered salary increases for FY2026 for the two executives, Adrian Kinkad and Rick Buick. In doing so, it took into account both the average RPI of 3.5% for the period from April 2024 to March 2025 (FY2025) and performance during that year. Revenue for FY2025 was £1.97m, an increase of 73% from £1.14m in FY2024, although this was at the lower end of the internal target range. Costs were well controlled, OptiMAL made good scientific progress, and the significant Future Medicines Institute grant was awarded in December 2024. The executives also managed the team effectively in a challenging economic environment. Given the Company's continued focus on cost control and awareness of its cash position, the recommended salary increases for FY2026 were fixed amounts of approximately £6k and £9k for the executive directors, equivalent to increases of 3.0%, and 6.7% respectively for Adrian Kinkad and Richard Buick. Any further award would be made through the bonus scheme.

With cost control still being a priority the Company's non-executive directors received no increase in their fees in FY25 which have remained flat from the date of the IPO in December 2017.

Bonus payments

All executive directors are eligible for a discretionary annual bonus. Annual bonuses are paid on the achievement of pre-set strategic objectives. These objectives relate to Company strategy and may be achievements other than financial performance targets. The Committee, in conjunction with the Board, reviews and sets these objectives at the start of each financial year.

As disclosed in the Company's annual report and accounts for the year ended 31 March 2025 the committee recommended, and the board accepted, a bonus award for Adrian Kinkaid (CEO) and Richard Buick (CTO) each of 20% of their gross salary, against their maximum contractual bonus of 45% and 40% respectively. The award was split into two components: 40% cash under PAYE and the remainder in Ordinary Shares once the Company was in a suitable open period. The PAYE component was paid during FY25 and as announced on 27th January 2026 the Company issued 308,720 new Ordinary Shares to the two executive Directors at a subscription price equal to the Fundraise issue price of 13 pence per new Ordinary Share as follows:

Director	Amount of bonus award to be received in Director Shares	No. of Director Shares issued	Total holding of Ordinary Shares post issue	Percentage of enlarged issued share capital ¹
Adrian Kinkaid	£23,846.94	183,438	1,033,438	0.83%
Richard Buick	£16,286.66	125,282	1,125,282	0.90%

¹ Based on the enlarged issued share capital of the Company following the issue of the Director Shares, the Placing Shares and the Subscription Shares, as defined in the announcement released by the Company at 7:00am on 27 January 2026.

For the financial year ended 31 March 2026 the committee recommended, and the board accepted, a bonus award for Adrian Kinkaid (CEO) and Richard Buick (CSO) of 15% (£30,750) and 17% (£24,100) of their gross salaries, against maximum contractual bonus of 45% and 40% respectively. To continue the control of cash in the Company and to align their performance awards as far as possible with our shareholders this will be settled on a 50/50 basis in cash and new ordinary shares. The cash is currently payable, and the shares will be issued once the Company is in a suitable open period, the share price being equal to that of the close price the day prior to issue. A further announcement will be made by the Company detailing the share issue as appropriate.

Long term incentives

The Company has a share-based reward scheme in place for Directors and staff but there were no further grants of options under the scheme for the FY26. The remuneration committee recommended, and the Board agreed, that as there is a limited pool of options they should not be issued routinely every year.

In FY24, Directors and staff were granted options at an exercise price of 4.25p, being the mid-market price of an Ordinary Share on 13 February 2024 (the day before the grant). These options are subject to a three-year vesting period with equal annual portions, each

dependent on performance criteria. The share price performance targets have been met for years 1, 2 and 3 (see table below). There were no options exercised in FY2026.

On 20th July 2026 the Company announced that 2,910,000 options were granted over ordinary shares of 4 pence each in the Company to certain Executive Directors and employees of the Company. The options were granted pursuant to the Fusion Antibodies EMI and Unapproved Employee Share Option Scheme (the "Scheme"), adopted by the Company on 11 December 2017.

The Options have an exercise price of 10.30 pence per Option, being the closing mid-market price of an Ordinary Share on 17 July 2026, the business day prior to the date of grant. The Options will vest equally over a three-year period, with one third of the options vesting on each anniversary following the grant date and subject to continuing employment only. Once vested, the Options can be exercised for a period of ten years from the grant date.

1,000,000 of the options have been granted to the following Executive Directors of the Company:

Name	Number of Options granted	Total Options Existing over Ordinary Shares held following grant	
		options over Ordinary Shares held	Shares held
Adrian Kinkaid, CEO	600,000	900,000	1,500,000
Richard Buick, CSO	400,000	680,000	1,080,000

Corporate Governance: Directors' Report continued**Director options**

At reporting date, the Company has options outstanding over a total of 3,364,450 Ordinary Shares, representing approximately 2.69% of the Company's issued share capital as enlarged by the issue of the Director Shares.

A total of 2,330,000 Options awarded to directors of the Company were as follows:

	At 1 April 2025	Granted in year	Exercised in Year	Lapsed in year	At 31 March 2026	Exercise period	Exercise price per share
Richard Buick							
2017 EMI and Unapproved	280,000	-	-	-	280,000	2024-2034	£0.0425
Employee share Option Scheme ¹	400,000	-	-	-	400,000	2024-2034	£0.0425
	680,000		-	-	680,000		
Adrian Kinkaid							
2017 EMI and Unapproved	300,000	-	-	-	300,000	2024-2034	£0.0425
Employee share Option Scheme ¹	600,000	-	-	-	600,000	2024-2034	£0.0425
	900,000	-	-	-	900,000		
Simon Douglas							
2017 EMI and Unapproved Employee Share Option Scheme	250,000	-	-	-	250,000	2024-2034	£0.0425
Colin Walsh							
2017 EMI and Unapproved Employee Share Option Scheme	250,000	-	-	-	250,000	2024-2034	£0.0425
Matt Baker							
2017 EMI and Unapproved Employee Share Option Scheme	250,000	-	-	-	250,000	2024-2034	£0.0425
	750,000	-	-	-	750,000		

1 Subject to performance related conditions.

- Year 1: the closing mid-market price of an Ordinary Share must have been equal to or above 5p for a period of 20 consecutive business days prior to the date of exercise. This share price condition has been met although no options have been exercised.
- Year 2: the closing mid-market price of an Ordinary Share must have been equal to or above 6.375p, being a 50% premium to the Exercise Price, for a period of 20 consecutive business days prior to the date of exercise. This share price condition has been met.
- Year 3: the closing mid-market price of an Ordinary Share must have been equal to or above 8.50p, being a 100% premium to the Exercise Price, for a period of 20 consecutive business days prior to the date of exercise. This share price condition has been met.

The remuneration of directors for the year ended 31 March 2026 was as follows:

		Salary & fees £'000	Benefits £'000	Bonus £'000	Company pension contributions £'000	Total £'000
Executive directors						
Adrian Kinkaid	2026	203	-	55	12	270
	2025	196	-	16	12	224
Richard Buick	2026	142	-	40	9	191
	2025	132	-	11	8	151
Non – executive directors						
Simon Douglas	2026	30	-	-	-	30
	2025	19	-	-	-	19
Matthew Baker ¹	2026	27	-	-	-	27
	2025	20	-	-	-	20
Colin Walsh	2026	27	-	-	-	27
	2025	27	-	-	-	27
Total	2026	429	-	95	21	545
	2025	394	-	27	20	441

1 Matthew Baker's remuneration includes fees for membership of the Scientific Advisory Panel

Directors and their interests

	At 1 April 2025 Number	% issued share capital	Shareholding at 31 March 2026 Number	% issued share capital
Adrian Kinkaid	750,000	0.71%	1,033,438	0.69%
Richard Buick	1,000,000	0.95%	1,125,282	0.90%
Simon Douglas	999,587	0.95%	861,062	0.69%
Matthew Baker	237,575	0.23%	292,902	0.23%
Colin Walsh ¹	2,887,801	2.75%	3,531,785	2.82%

1 Includes 1,204,883 Ordinary Shares held by Walsh Strategic Management Limited, a company controlled by Colin Walsh, 1,400,000 Ordinary Shares held by Hamniv (GP) Limited, a subsidiary of Crescent Capital NI Limited ("Crescent Capital"), and 211,618 Ordinary Shares held by Crescent Capital III GP Limited. Colin Walsh is the Chief Executive and founder of Crescent Capital.

Results and dividends

The loss before tax for the year was £1,149k (2025: loss £1,626k *restated*) and Loss Before Interest Taxation Depreciation and Amortisation (EBITDA) was £1,006k (2025: £1,523k loss *restated*).

After accounting for government grants of £232k (2025: £64k) the loss for the financial year of £1,149k (2025: loss £1,626k *restated*) has been transferred to reserves. The results for the year are set out the statement of comprehensive income and Note 26.

No dividends were paid (2025: £nil). The directors do not recommend payment of a final dividend (2024: £nil).

Corporate Governance: Directors' Report continued

Financial Review

Reported revenues for the year were £2,110k (2025: £1,965k). An improvement year on year. £250k of these revenues relate to a one time sale of intellectual property to a customer.

Cost of sales of £879k (2025: £1,535) results in a gross profit significantly improved year-over-year. This is a result of the Company focusing on higher margin work and also increased cost control for client projects.

Other operating income of £872k (2025: £151k) is a significant increase and primarily attributable to two significant grants in place during the year which were not fully underway in the prior period.

Administrative expenses have increased during the year (2026: 3,236k vs. 2025: £2,209k) primarily due to activities related to the grants previously mentioned. General selling and administrative expenses have remained controlled and consistent with prior year.

At 31 March 2026, the group reported net assets of £1,622 (2025: £756k) following a fundraise in February 2026 and an improved cash balance at year end.

Property, plant and equipment of £355k (2025: £63k) has increased related to the recognition of a right-of-use asset for the Company's leased premise.

Current assets of £2,371 (2025: £1,347k) have increased in the current year. This increase primarily relates to increased cash balance previously discussed, grant amounts receivable that were not present in the prior

year, increased stock balance awaiting use at year end, and a moderate increase in the trade debtor balance at year end.

On 30 March 2026, the Company announced that it had entered into an agreement to transfer the ownership of certain background IP owned by Fusion to Finn Therapeutics for a consideration of £250,000. The consideration is payable within 12 months of entry into the agreement. Given the need for Finn Therapeutics to improve its current financial position, the Directors have taken the conservative decision to provide for the balance due from Finn Therapeutics in these financial statements, however it remains the Board's expectation that the consideration will be received during the current financial period.

Total liabilities of £1,104k (2025: £654k) has increased primarily related to the recording of a lease liability offsetting the right-of-use asset previously discussed.

Share capital and share premium reserves increased in the current year following fundraising activity totalling £1,921k for the year.

Key Performance Indicators

The directors are of the opinion that the main KPIs to understand the performance of the Company are revenues, EBITDA, and net assets. Taken together, these data points provide the Directors with guidance on the stable performance of operations and the Company as a whole. The Board will continue to review this position and will continue to look to introduce and modify KPI indicators where appropriate to do so.

KPI	FY2026	FY2025 (restated)
Revenue change year on year	7.4%	73%
EBITDA	(£1.0m)	(£1.5m)
Net cash used in operations	(£1.1m)	(£1.4m)
Year-end cash balance	£1.0m	£0.4m

Principal shareholders

At the close of business on 20 August 2026 (being the latest practical date prior to the signing of this report) the Company had received notification of the following substantial interests representing over 3% of the issued share capital:

	Number of Ordinary 4p shares	Percentage held
CGWL Nominees Limited GC1 Acct	11,912,416	9.52%
Hargreaves Lansdown (Nominees) Limited 15942 Acct	11,171,795	8.93%
Interactive Investor Services Nominees Limited SMKTNOMS Acct	9,482,372	7.58%
Interactive Investor Services Nominees Limited SMKTISAS Acct	9,176,476	7.33%
Rathbone Nominees Limited	9,100,520	7.27%
The Bank of New York (Nominees) Limited	8,894,347	7.11%
Hargreaves Lansdown (Nominees) Limited HLNOM Acct	6,808,113	5.44%
Barclays Direct Investing Nominees Limited CLIENT1 Acct	5,016,275	4.01%

Pension

The Company operates a defined contribution pension scheme.

Research and development

During the year ended 31 March 2026 the Company has invested £861k (2025: £191k) in research and development. This is incurred in the development of existing and new antibody engineering services and is expensed until the development project meets the criteria in IAS 38.

Financial risk management

The Company's approach to risk management is described in Principal risks and uncertainties within the Strategic Report and is included in this report by cross reference. Financial risks are disclosed in note 20 to the financial statements.

Going concern

The Company has returned a loss of £1.15m for the year ended 31 March 2026 (Year ended 31 March 2025: Loss of £1.6m *restated*) and at the year-end had net current assets of £1.5m (31 March 2025: £0.7m *restated*) including £1.0m of cash and cash equivalents (31 March 2025: £0.4m). During the financial year the Company

has raised net proceeds of approximately £1.9m from the issue of new Ordinary Shares. The Company invest in the growth of its commercial activities and the development of new services through research and development projects. Revenues for the financial year were approximately £2.1m, in line with market expectations and 7.4% higher than revenues for the prior financial year. Whilst uncertainty within the Company's target markets has reduced, the timing and level of customer investment decisions remains difficult to predict.

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due for at least twelve months from the date of signing these financial statements. In assessing the appropriateness of the basis of preparation, the Directors have reviewed detailed cash flow forecast covering the going concern assessment period. The base case forecast incorporates Management's expectations regarding future revenue growth, gross margins, operating expenditure and working capital requirements, reflecting current trading performance, the order pipeline and contract win assumptions. Under the base case, the Company is forecast to maintain sufficient liquidity for the near term; however, forecasts and trading performance since the year end indicate that additional funding is expected to be required during the going concern assessment period.

Corporate Governance: Directors' Report continued

The directors have also considered severe but plausible downside scenarios, including lower-than-forecast revenue growth, delays in customer contract awards, slower conversion of revenue into cash receipts, and a reduction in the level of new business secured. Under these scenarios, the timing and amount of any required future funding would increase and available cash headroom would be reduced.

In assessing these scenarios, the Directors have considered a range of mitigating actions within their control, including reducing discretionary expenditure, delaying certain research and development activities, moderating recruitment plans, prioritising working capital management and seeking additional sources of funding. Whilst the Directors believe that these actions would be available if required, their successful implementation cannot be guaranteed.

The Directors recognise that there is inherent uncertainty in forecasting future trading performance and cash flows, particularly given the Company's stage of development and the markets in which it operates. As future funding required during the going concern period is not contractually committed and achievement of forecast revenues remains uncertain, the Directors conclude that a material uncertainty exists which may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would be required if the Company were unable to continue as a going concern.

Payments to suppliers

The Company seeks to abide by the payment terms agreed with suppliers when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Directors' indemnity

Every director and other officer of the Company is entitled to be indemnified out of the assets of the Company against all losses or liabilities properly incurred by him or her in or about the discharge of the duties of his or her office. This qualifying third-party indemnity was in force throughout the financial year and also at the date of approval of the financial statements. The Company has insurance cover in place to mitigate such costs.

Political donations

There were no political donations made by the Company during the year (2025: none).

Corporate governance

The Corporate Governance Report on pages 20 to 24 forms part of the Directors' Report and is included in this report by cross reference.

Post balance sheet events

Following the financial year end, on 20 June 2026 the Company granted 2,910,000 share options under the Fusion Antibodies EMI and Unapproved Employee Share Option Scheme to certain Executive Directors and employees. The options carry an exercise price of 10.30 pence per share, vest equally over a three-year period subject to continued employment, and may be exercised for up to ten years from the grant date. The Board considers this grant to support the long-term retention, motivation and alignment of key employees with shareholders' interests.

Annual general meeting

The resolutions to be proposed at the Annual general meeting together with the explanatory notes, will appear in the Notice of the Annual general meeting which will be circulated with the annual report when sent to all shareholders.

Statement of Directors' Responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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 Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual report and accounts and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Each of the directors confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the company; and
- the Annual report and accounts includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

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

Independent Auditors

Kreston Reeves LLP was the Company's auditor in prior years. During the year, Kreston Reeves LLP resigned due to a conflict of interest arising from a transaction undertaken by that firm. Price Bailey LLP was subsequently appointed as auditor for the year ended March 2026. A resolution to reappoint price Bailey LLP will be proposed at the next annual general meeting.

By order of the Board



Stephen Smyth
Company Secretary

03 September 2026

Company registration number NI039740



fusion**antibodies**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ANTIBODIES PLC FOR THE YEAR ENDED 31 MARCH 2026

Qualified Opinion

We have audited the financial statements of Fusion Antibodies PLC (the 'company') for the year ended 31 March 2026 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement 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.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026, and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The company's inventories are included in the statement of financial position at £362,000. Due to limitations in the company's inventory records, we were unable to obtain sufficient appropriate audit evidence that inventories were stated at the lower of cost and net realisable value. Consequently, we were unable to determine whether any adjustment to the carrying value of inventories was necessary. As inventories affect the determination of cost of sales, we were also unable to determine whether any adjustment to cost of sales was required. In addition, were any adjustment to the inventory balance to be required, the strategic report would also need to be amended.

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 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 qualified opinion.

Our approach to the audit

Our audit was scoped by obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the company's system of internal control. We identified and assessed the risks of material misstatement to the financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, in order to provide a basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ANTIBODIES PLC CONTINUED

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) that 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 including going concern, and valuation of inventories 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. This is not a complete list of all risks identified by our audit.

In addition to the matter described in the basis for qualified opinion and the material uncertainty related to going concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition including accrued and deferred income:	
Significance and nature of key risk	How our audit addressed the key risk
The company recognises revenue over time for customer projects based on progress towards satisfaction of the underlying performance obligations. Determining the amount of revenue to recognise requires the company to assess the stage of completion of individual projects, which is monitored through project trackers maintained by project scientists and project management personnel. The assessment of project progress involves a degree of judgement and relies on the timely and accurate recording of project milestones and completion status. Inappropriate determination of project stage of completion, or inconsistent application of the company's revenue recognition policies across projects, could result in revenue being recognised in the incorrect accounting period.	We undertook walkthrough testing to confirm our understanding of the revenue stream and the respective recognition policies. We obtained a detailed summary of project incomes, including project status, amounts invoiced during the year, incomes recognised, and amounts accrued or deferred as at the year-end, and reconciled this schedule to appropriate sources. We selected a sample of completed project, and verified that the company had satisfied its performance by the year-end. We selected a sample of projects open as of the year end, and obtained appropriate supporting evidence for revenue recognised, and accrued or deferred. We obtained supporting evidence including underlying contracts, proof for the stage of completion of the project as at the year-end, and recalculated revenues to be recognised, and accrued or deferred.
Key observations communicated to the Audit Committee	
We were satisfied that revenue had been accounted for in line with the companies stated accounting policies, and was materially correct.	

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ANTIBODIES PLC CONTINUED

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. Based on our professional judgement, we determined materiality and performance materiality for the financial statements of the company as follows:

	Company Financial Statements
<i>Materiality</i>	£56,000
<i>Basis for determining materiality</i>	1.5% of expenditure
<i>Rationale for benchmark applied</i>	The Company remains loss-making as it focuses on expansion and the pursuit of future profitability. Accordingly, expenditure is considered the most relevant benchmark for users of the financial statements, as it reflects the resources deployed in executing the Company's growth strategy. Having regard to the nature of the business, its level of activity, regulatory environment and listed status, we determined that 1.5% of expenditure was an appropriate basis for determining materiality.
<i>Performance materiality</i>	£36,400
<i>Basis for determining performance materiality</i>	65% of Materiality
<i>Rationale for performance materiality applied</i>	Based on the expected total value of known and likely misstatements, aggregation effect of planned nature of testing, the number of accounts where amounts are subject to estimation and are not able to be determined with precision, and the overall size and complexity of the entity including diversity of operations.
<i>Triviality threshold</i>	£2,800
<i>Basis for determining triviality threshold</i>	5% of Materiality

We reported all audit differences found in excess of our reporting threshold to the directors, the management board and the audit committee.

Material uncertainty relating to going concern

We draw your attention to Note 2 in the financial statements, which explains that the company is dependent on raising additional funds in order to maintain sufficient liquidity to operate in line with its budget, and advance its internal R&D projects. There are currently no agreements in place and there is no certainty that funds will be raised within the appropriate timeframe. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following:

- Gained an understanding of the systems and controls around managements' going concern assessment, including for the preparation and review process for forecasts and budgets.
- Analysed the financial strength of the business at the year end date and considered key trends in balance sheet strength and business performance over the last three years.
- Based on our above assessment we performed our own sensitivity analysis in respect of the key assumptions underpinning the forecasts.
- We considered post year end performance of the business, comparing this to budget.
- We performed lookback procedures to compare the accuracy of management's assessment at the prior period balance sheet date to assess management's budgeting ability.
- We reviewed the adequacy and completeness of the disclosure included within the financial statements in respect of going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ANTIBODIES PLC CONTINUED

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

Other information

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £362,000 held at 31 March 2026. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in 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 and the directors' report.

Arising solely from the limitation on the scope of our work relating to inventory referred to above:

- we have not obtained all of the information and explanations we considered necessary for the purpose of our audit; and
- adequate accounting records have not been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 33 and 33 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ANTIBODIES PLC CONTINUED

Auditor 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:

- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiry of management and those charged with governance including those responsible for key regulations for any actual and potential litigation and claims, and any known instances of non-compliance;
- reviewing minutes of meetings of those charged with governance and any correspondence with regulators;
- reviewing our work throughout the audit file for evidence of non-compliance;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reviewing the risk management processes and mitigating actions in place.

In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making the accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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 Norman FCCA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £'000	2025 (restated) £'000
Revenue	4	2,110	1,965
Cost of sales		(879)	(1,535)
Gross profit		1,231	430
Other operating income	5	872	151
Administrative expenses		(3,236)	(2,209)
Operating loss	6	(1,133)	(1,628)
Finance income	9	4	5
Finance expense	9	(20)	(3)
Loss before tax		(1,149)	(1,626)
Income tax charge	11	-	-
Loss for the financial year		(1,149)	(1,626)
Total comprehensive expense for the year		(1,149)	(1,626)
		Pence	Pence
Loss per share			
Basic	12	(1.2)	(1.7)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 56 to 81 form an integral part of the financial statements.

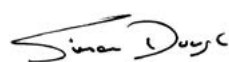
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £'000	2025 (restated) £'000
Assets			
Non-current assets			
Intangible assets	13	-	-
Property, plant and equipment	14	355	63
		355	63
Current assets			
Inventories	15	362	269
Trade and other receivables	16	822	719
Grant receivable	5	144	-
Cash and cash equivalents		1,043	359
		2,371	1,347
Total assets		2,726	1,410
Liabilities			
Current liabilities			
Trade and other payables	17	742	603
Borrowings	18	100	20
		842	623
Net current assets		1,529	724
Non-current liabilities			
Borrowings	18	231	-
Provisions for other liabilities and charges	19	31	31
		262	31
Total liabilities		1,104	654
Net assets		1,622	756
Equity			
Called up share capital	21	5,002	4,197
Share premium reserve	27	9,116	7,939
Accumulated losses		(12,496)	(11,380)
Total equity		1,622	756

The accompanying notes on pages 56 to 81 form an integral part of these financial statements.

The financial statements on pages 52 to 81 were approved and authorised for issue by the Board on 03 September 2025 and signed on its behalf:



Simon Douglas

Director

Registered in Northern Ireland, number NI039740



Adrian Kinkaid

Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Called up share capital £'000	Share premium reserve £'000	Accumulated losses (restated*) £'000	Total equity (restated*) £'000
At 1 April 2024		3,815	7,743	(9,765)	1,793
Loss and total comprehensive expense for the year <i>(restated*)</i>		-	-	(1,626)	(1,626)
Issue of share capital	21	358	196	-	554
Share options – value of employee services	10	-	-	(10)	(10)
Share based payment expense	10	24	-	21	45
Total transactions with owners, recognised directly in equity		382	196	11	589
At 31 March 2025 <i>(restated*)</i>	21	4,197	7,939	(11,380)	756
At 1 April 2025		4,197	7,939	(11,380)	756
Loss and total comprehensive expense for the year		-	-	(1,149)	(1,149)
Issue of share capital	21	744	1,177	-	1,921
Share options – value of employee services	10	-	-	33	33
Share based payment expense	10	61	-	-	61
Total transactions with owners, recognised directly in equity		805	1,177	33	2,015
At 31 March 2026	21	5,002	9,116	(12,496)	1,622

*Restatement is discussed further in note 2 to the financial statements which can be found on pages 56-64

The accompanying notes on pages 56 to 81 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £'000	2025 (restated) £'000
Cash flows from operating activities			
Loss for the year		(1,149)	(1,626)
Adjustments for:			
Share based payment expense		94	35
Depreciation		127	105
Finance income		(2)	(5)
Finance costs		18	3
(Increase)/Decrease in RDEC receivable		(143)	46
(Increase)/Decrease in inventories		(93)	191
Increase in trade and other receivables		(104)	(162)
Increase in trade and other payables		139	49
Cash used in operations		(1,113)	(1,364)
Net cash used in operating activities		(1,113)	(1,364)
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(60)	(10)
Finance income – interest received	9	2	5
Net cash used in investing activities		(58)	(5)
Cash flows from financing activities			
Proceeds from new issue of share capital net of transaction costs		1,921	555
Proceeds from borrowings		53	-
Repayment of borrowings	18	(121)	(23)
Finance costs – interest paid	9	2	(3)
Net cash generated/(used in) from financing activities		1,855	529
Net (decrease)/increase in cash and cash equivalents		684	(840)
Cash and cash equivalents at the beginning of the year		359	1,199
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		1,043	359

The accompanying notes on pages 56 to 81 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 General information

Fusion Antibodies plc is a company incorporated and domiciled in the United Kingdom and is registered in Northern Ireland having its registered office and principal place of business at 1 Springbank Road, Springbank Industrial Estate, Dunmurry, Belfast, BT17 0QL.

The principal activity of the Company is the research, development and manufacture of recombinant proteins and antibodies, particularly in the areas of cancer and infectious diseases.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared on the historical cost convention and in pound sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements of Fusion Antibodies plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Restatement

The prior year comparatives for the Company have been restated, where applicable, due to a material error in the accounting for 2025 grant income (a). Grant income in the prior year financial statements did not appropriately include accrued grant income resulting in an additional £87k income to be reflected in prior year. This restatement is relevant for prior year only, as the opening balance sheet of the comparative period was not misstated. A third statement of financial position is therefore not required. The prior year statement of profit and loss has also been restated for an error in the presentation of the income tax credit as a negative tax charge rather than other income (b). In the prior year, £64k of government grants claimed under the HMRC RDEC scheme were classified as income tax credit rather than grant income. In accordance with IAS 8, the prior period comparatives have been restated in these financial statements, being the first set of financial statements authorised for issue after the discovery of the errors.

The impact of the errors on the Statement of Profit or Loss and Other Comprehensive income and the Statement of Financial Position is shown below:

	As previously presented	Adjustment	Revised
Statement of Profit or Loss and Other Comprehensive Income – increase in profit	£'000	£'000	£'000
Revenue	1,965	-	1,965
Cost of sales	(1,535)	-	(1,535)
Gross profit	430	-	430
Other operating income	-	151 ^{ab}	151
Administrative expenses	(2,209)	-	(2,209)
Operating loss	(1,779)	151	(1,628)
Finance income	5	-	5
Finance expense	(3)	-	(3)
Loss before tax	(1,777)	151	(1,626)
Income tax charge	64	(64) ^b	-
Loss for the financial year	(1,713)	87	(1,626)

2 Significant accounting policies continued

Impact on statement of Financial Position

	As previously reported £'000	Adjustment £'000	Revised £'000
Assets			
Non-current assets			
Intangible assets	-	-	-
Property, plant and equipment	63	-	63
	63	-	63
Current assets			
Inventories	269	-	269
Trade and other receivables	632	87 ^a	719
Current tax receivable	-	-	-
Cash and cash equivalents	359	-	359
	1,260	87	1,347
Total assets	1,323	87	1,410
Liabilities			
Current liabilities			
Trade and other payables	603	-	603
Borrowings	20	-	20
	623	-	623
Net current assets	637	87	724
Non-current liabilities			
Borrowings	-	-	-
Provisions for other liabilities and charges	31	-	31
	31	-	31
Total liabilities	654	-	654
Net assets	669	87	756
Equity			
Called up share capital	4,197	-	4,197
Share premium reserve	7,939	-	7,939
Accumulated losses	(11,467)	87	(11,380)
Total Equity	669	87	756

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2 Significant accounting policies continued

Impact on Statement of Cash Flows

	As previously reported £'000	Adjustment £'000	Revised £'000
Cash flows from operating activities			
Loss for the year	(1,713)	87	(1,626)
Adjustments for:			
Share based payment expense	35	-	35
Depreciation	105	-	105
Finance income	(5)	-	(5)
Finance costs	3	-	3
Income tax credit	(64)	64	-
(Increase)/Decrease in RDEC receivable	-	46	46
Decrease/(increase) in inventories	191	-	191
Decrease/(increase) in trade and other receivables	(75)	(87)	(162)
Increase/(decrease) in trade and other payables	49	-	49
Cash used in operations	(1,474)	110	(1,364)
Income tax received	110	(110)	-
Net cash used in operating activities	(1,364)	-	(1,364)
Cash flows from investing activities			
Purchase of property, plant and equipment	(10)	-	(10)
Finance income – interest received	5	-	5
Net cash used in investing activities	(5)	-	(5)
Cash flows from financing activities			
Proceeds from new issue of share capital net of transaction costs	555	-	555
Repayment of borrowings	(23)	-	(23)
Finance costs – interest paid	(3)	-	(3)
Net cash generated from financing activities	529	-	529
Net (decrease) in cash and cash equivalents	(840)	-	(840)
Cash and cash equivalents at the beginning of the year	1,199	-	1,199
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents at the end of the year	359	-	359

Going concern

The Company has returned a loss of £1.15m for the year ended 31 March 2026 (Year ended 31 March 2025: Loss of £1.6m *restated*) and at the year-end had net current assets of £1.5m (31 March 2025: £0.7m *restated*) including £1.0m of cash and cash equivalents (31 March 2025: £0.4m). During the financial year the Company has raised net proceeds of approximately £1.9m from the issue of new Ordinary Shares. The Company invest in the growth of its commercial activities and the development of new services through research and development projects. Revenues for the financial year were approximately £2.1m, in line with market expectations and 7.4% higher than revenues for the prior financial year. Whilst uncertainty within the Company's target markets has reduced, the timing and level of customer investment decisions remains difficult to predict.

2 Significant accounting policies continued

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due for at least twelve months from the date of signing these financial statements. In assessing the appropriateness of the basis of preparation, the Directors have reviewed detailed cash flow forecast covering the going concern assessment period. The base case forecast incorporates Management's expectations regarding future revenue growth, gross margins, operating expenditure and working capital requirements, reflecting current trading performance, the order pipeline and contract win assumptions. Under the base case, the Company is forecast to maintain sufficient liquidity for the near term; however, forecasts and trading performance since the year end indicate that additional funding is expected to be required during the going concern assessment period.

The directors have also considered severe but plausible downside scenarios, including lower-than-forecast revenue growth, delays in customer contract awards, slower conversion of revenue into cash receipts, and a reduction in the level of new business secured. Under these scenarios, the timing and amount of any required future funding would increase and available cash headroom would be reduced.

In assessing these scenarios, the Directors have considered a range of mitigating actions within their control, including reducing discretionary expenditure, delaying certain research and development activities, moderating recruitment plans, prioritising working capital management and seeking additional sources of funding. Whilst the Directors believe that these actions would be available if required, their successful implementation cannot be guaranteed.

The Directors recognise that there is inherent uncertainty in forecasting future trading performance and cash flows, particularly given the Company's stage of development and the markets in which it operates. As future funding required during the going concern period is not contractually committed and achievement of forecast revenues remains uncertain, the Directors conclude that a material uncertainty exists which may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would be required if the Company were unable to continue as a going concern.

Revenue recognition

Revenue recognised over time comprises the fair value of consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Revenue is shown net of value added tax and where a contractual right to receive payment exists.

The Company's performance obligations are deemed to be the provision of specific services or materials to the customer. Performance obligations are identified on the basis of distinct activities or stages within a given contract that the customer can benefit from, independent of other stages in the contract. The transaction price is allocated to the various performance obligations, based on the relative fair value of those obligations.

Revenue is recognised over time where performance obligations are satisfied progressively, using the output method to measure progress towards completion based on assessment of the extent of work performed according to lab reports and ongoing discussions with production teams. Where a contract includes a payment contingent upon the customer subsequently achieving a pre-defined milestone with their development programme, revenue in the amount of the total success payment due is recognised when the pre-defined condition(s) have been met. Progress is monitored regularly, and revenue is recognised in proportion to the work completed as of the reporting date. Any expected losses on projects are recognised immediately when identified.

Contract assets arise on contracts with customers for which performance obligations have been satisfied (or partially satisfied on an over time basis) but for which the related amounts have not yet been invoiced or received.

Contract liabilities arise in respect of amounts invoiced during the year for which the relevant performance obligations have not been met by the year-end. The Company's contracts with customers are typically less than one year in duration and any contract liabilities would be expected to be recognised as revenue in the following year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2 Significant accounting policies continued

Revenue from the sale of intellectual property is recognised at a point in time when control of the asset has transferred to the customer. Control is generally considered to have transferred when the customer obtains the ability to direct the use of, and obtain substantially all of the remaining benefits from the intellectual property in accordance with the terms of the agreement. Revenue is measured at the transaction price, including any variable consideration to the extent that it is highly probable that a significant reversal of revenue recognised will occur.

The Company's performance obligation relating to the sale of intellectual property is satisfied at a point in time upon transfer of control to the customer. Payment is due in accordance with the contractual terms of the agreement.

Grant income

Revenue grants received by the Company are recognised in a manner consistent with the grant conditions using the performance model on an accrual basis. When conditions have been met, grant income is recognised in the Statement of Comprehensive Income as other operating income.

Research and development

All research expenditure has been written off to the profit and loss as incurred and the company has not capitalised any research and development activity to date. Research and Development expenditure is recognised in the Statement of Comprehensive Income as an expense until it can be demonstrated that the following conditions for capitalisation apply. As at the date of signing, the key capitalisation condition that has been judged to have not been met relates to technical feasibility of the projects so that they are available for use:

- it is technically feasible to complete the scientific product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Intangible assets

Software

Software developed for use in the business is initially recognised at historical costs, net of amortisation and provision for impairment. Subsequent development costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Software is amortised over its expected useful economic life, which is currently estimated to be 4 years. Amortisation expense is included within administrative expenses in the Statement of Comprehensive Income.

Property, plant and equipment

Property, plant and equipment are initially recognised at historical cost, net of depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

2 Significant accounting policies continued

Subsequently, property plant and equipment are measured at cost net of depreciation and any impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Software acquired with hardware is considered to be integral to the operation of that hardware and is capitalised with that equipment. Software acquired separately from hardware is recognised as an intangible asset and amortised over its estimated useful life.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected economic useful life as follows:

Right of use assets	The remaining length of the lease
Leasehold improvements	The lesser of the asset life or the remainder of the lease
Plant and machinery	4 years
Fixtures, fittings & equipment	4 years

Leases

The Company evaluates contracts at inception to determine whether they give rise to a lease arrangement. A lease exists where the Company obtains the right to direct the use of a specified asset for an agreed period in return for consideration. At the commencement date of a lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements, except for short-term leases and leases of low-value assets, for which the Company has elected to apply the recognition exemption permitted by IFRS 16. Payments relating to these leases are recognised in profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The right-of-use asset is initially measured at cost, comprising the initial measurement of the lease liability, adjusted for lease payments made at or before commencement, lease incentives received and any directly attributable costs. Subsequently, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Where ownership of the underlying asset is expected to transfer to the Company at the end of the lease term, the asset is depreciated over its useful economic life.

Lease liabilities are subsequently measured at amortised cost, with interest recognised using the effective interest method and the liability reduced as lease payments are made. The lease liability is remeasured when there is a change in future lease payments or a change in the Company's assessment of whether an extension, termination or purchase option will be exercised. Any resulting adjustment is generally recognised against the carrying amount of the right-of-use asset.

Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets may be tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2 Significant accounting policies continued

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. Value in use is based on estimated future cash flows from each cash-generating unit or individual asset, discounted at a suitable rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Company's latest approved budgets, adjusted as necessary to exclude any restructuring to which the Company is not yet committed. Discount rates are determined individually for each cash-generating unit or individual asset and reflect their respective risk profiles as assessed by the directors. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit.

Cash generating units and individual assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment charges are included in administrative expenses in the Statement of Comprehensive Income. An impairment charge that has been recognised is reversed if the recoverable amount of the cash-generating unit or individual asset exceeds the carrying amount.

Current tax and deferred tax

The tax expense for the year comprises current 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. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the UK, where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is determined using tax rates (and laws) that have been enacted, or substantively enacted, by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Share based employee compensation

The Company operates equity-settled share-based compensation plans for remuneration of its directors and employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. The fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability and remaining an employee of the Company over a specified time period).

Share based compensation is recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised. Market based conditions are also reflected in the valuation model used where applicable.

2 Significant accounting policies continued

Financial assets

Classification

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

- Those to be measured at amortised costs; and
- Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies its financial assets when and only when its business model for managing those assets changes.

Recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price.

Subsequent measurement of financial assets depends on the Company's business model for managing those financial assets and the cash flow characteristics of those financial assets. The Company only has financial assets classified at amortised cost. Cash and cash equivalents represent monies held in bank current accounts and bank deposits. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line in the profit and loss account.

Impairment

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. For other receivables the Company applies the three stage model to determine expected credit losses.

Inventories

Inventories comprise consumables. Consumables inventory is stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Cost represents the amounts payable on the acquisition of materials. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling and distribution.

Financial liabilities

Financial liabilities comprise Trade and other payables and borrowings due within one year and after one year, which are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method. The Company does not use derivative financial instruments or hedge account for any transactions. Trade payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. Provisions for dilapidation charges that will crystallise at the end of the period of occupancy are provided for in full.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2 Significant accounting policies continued

Employee benefits – Defined contribution plan

The Company operates a defined contribution pension scheme which is open to all employees and directors. The assets of the schemes are held by investment managers separately from those of the Company. The contributions payable to these schemes are recorded in the Statement of Comprehensive Income in the accounting year to which they relate.

Foreign currency translation

The Company's functional currency is the pound sterling. Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Exchange differences arising on the settlement or on translating monetary items at rates different from those at which they were initially recorded are recognised in administrative expenses in the Statement of Comprehensive Income in the year in which they arise.

Equity

Equity comprises the following:

Called up share capital

Share capital represents the nominal value of equity shares.

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received of equity shares, net of expenses of the share issue.

Accumulated losses

Accumulated losses represent retained profits and losses.

Adoption of new and revised standards and changes in accounting policies

In the current year the following new and revised Standards and Interpretations have been adopted by the company. The adoption has had no impact on the current period however may have an effect on future periods.

IAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been in issue but are not yet effective. The Directors do not expect that the adoption of the other Standards listed below will have a material impact on the financial statements of the Company aside from additional disclosures and modified presentation of the statement of profit and loss in future periods.

IFRS 18*	New standard on presentation and disclosure of the statement of profit or loss	1 January 2027
IAS 21	The effects of changes in foreign exchange rates	1 January 2027

IFRS 18 introduces mandatory operating profit and profit before financing and tax subtotals, prescribed categories for income and expense classification, mandatory disclosures for management-defined performance measures, and enhanced aggregation/disaggregation guidance. The standard does not significantly alter recognition or measurement requirements but is expected to require changes to financial statement presentation, KPI reporting and disclosure processes. Management believe that much of the disaggregation is already present in the form of the cash flow statement presented, as well as disclosures already present, and do not believe that the new standard will have a material impact on the overall presentation of the financial statements presented.

3 Critical accounting estimates and judgements

Many of the amounts included in the financial statements involve the use of judgement and/or estimates. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policy and/or the notes to the financial statements and the key areas are summarised below:

Critical judgements in applying accounting policies

- **Revenue recognition.** The Company typically enters into a contract comprising one or more stages for each customer project. In the application of IFRS 15 "Revenue from Contracts with Customers" and the accounting policy set out in Note 2 to these financial statements, significant judgement is required to identify the individual performance obligations contained within each contract, particularly when a set-up charge is made relating to the initial collaboration with the customer to formulate a programme of development work, or when the pattern of sales invoices does not align with those stages explicit in the contract.

During the process of delivering the contract, where delivery is part way through a stage at the reporting date, an estimate is made of the amount of revenue to recognise for that stage to reflect the work performed up to that date. This amount is estimated on a percentage completion basis.

IAS 12 requires that a deferred tax asset relating to unused tax losses is carried forward to the extent that future taxable profits will be available. The company is in an investment phase, expecting to have increased expenditure on R&D and business development over the next two years which will increase the tax losses. After the investment period the Board expects the Company to generate healthy profits but it is difficult at this stage to reliably estimate the period over which profits may arise in the future. The Board has therefore determined to not recognise the asset at the reporting date. This approach does not affect the future availability of the tax losses for offset against future profits.

- **Expected credit loss.** Management applies judgement in assessing the recoverability of trade debtors and determining the level of expected credit losses recognised. The assessment considers factors including the age of outstanding balances, historical collection experience, the financial position of customers, and any known disputes. Actual credit losses may differ from those estimated and any differences are recognised in the period in which they become known.
- **Share Options.** The Company offers share options to employees in recognition of their service. These share options are valued using the Black Scholes model and accounted for under IFRS 2. Key estimates and judgements in the valuation model are the probability of exercise, as well as the volatility of the share price. For valuation, the Company has assumed that all outstanding options will vest and become exercisable. The Company has estimated volatility of the share price to be 100%-118% which is based on historical movement in the Company's share price.
- **Dilapidations.** The company leases space. A condition of the lease is to maintain the rented space and return the space in a suitable condition at the end of the lease period. The company maintain a dilapidation provision to account for any wear and tear during the lease period and to return the property to its original condition. At the time of leasing, the Company estimated future cost not to exceed £31k. This amount is reviewed annually and considered appropriate for the year ended 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

4 Revenue

The activities of the Company for the year's presented are considered to fall within one business segment, that of research, development and manufacture of recombinant proteins and antibodies. The operational activities of the Company are reviewed on an ongoing basis by Adrian Kinkaid, the chief operating decision maker ("CODM"), to determine if criteria are met to justify reporting multiple business segments. These criteria are whether the operating segment engages in business activities, whether discrete financial information is available, and whether separate review and reporting is regularly reviewed by the CODM. For the years presented, no such segmented reporting or forecasting is present, and the business is considered to be made up of one segment. Further, all activities of the business are exposed to similar risks and returns and operate under one management team. Although the business is considered to be comprised of one business segment, we have nonetheless disaggregated revenue below between that which is generated at a point in time (IP Sale to Finn Therapeutics), and traditional development and manufacture of recombinant proteins and antibodies which comprises revenue which is recognised over time.

	2026 £'000	2025 £'000
Geographic analysis		
Recognised at a point in time		
UK	250	-
Recognised over time		
UK	402	569
Rest of Europe	505	101
North America and Rest of World	953	1,295
Total revenue	2,110	1,965

In the year there were three customers (2025: two) to whom sales exceeded 10% of revenues, those customers together accounted for £1,105k or 52% of revenues (2025: £909k or 47% of revenues). These customers accounted for £278k, £212k and £616k of revenue respectively.

At the end of the year the Company held accrued and deferred income balances relating to revenue contracts of £117k and £41k respectively (2025: £178k and £38k). Of the £38k contract liability balance at 31 March 2025, £37k was recognised as revenue in the current year.

During the year, the Company entered into a transaction involving the sale of intellectual property to an existing customer for £250,000. The revenue was recognised at a point in time when control of the intellectual property transferred to the customer in accordance with the contractual terms of the agreement. This sale represented the Company's only source of revenue recognised at a point in time, with all other revenue recognised over time. Management has considered the nature of this transaction and concluded that although the Company has not undertaken similar transactions in recent years, the transaction is not considered unusual within the industry in which the Company operates, where the sale and licensing of intellectual property forms part of normal commercial practice. As such, the transaction has not been disclosed as a separate business segment. Further details regarding the related party transaction, and the associated bad debt provision recognised against the outstanding balance, are disclosed in note 23 and note 16.

5 Other operating income

	2026 £'000	2025 £'000
RDEC – accrued not yet claimed	143	87
RDEC – receipt of prior year claim	89	64
FMI UKRI grant income	288	-
DR5 Innovate UK grant income	352	-
	872	151

Other operating income relates to grant income recognised during the year, and research and development expenditure credit (RDEC) accrued and received during the year.

The grant income related to two projects supported by, the Future Medicines Institute (FMI) and Innovate UK. These grants reimburse 60% and 70% respectively of expenditure for these projects (labour, overheads, materials, capital usage, and other).

The FMI grant is expected to span approximately six years, with income recognised systemically over the periods in which the related qualifying expenditure is incurred. During the year, grant income of £288k was recognised, none of which remained receivable at the reporting date.

The Innovate UK grant funding supports antibody design, optimisation, preclinical testing and preliminary safety evaluation activities undertaken in collaboration with academic partners. During the year, grant income of £352k was recognised, of which £109k remained receivable at the reporting date.

The grants are subject to compliance with agreed project delivery, expenditure and reporting requirements; management is not aware of any unfulfilled conditions, material contingencies, or circumstances that would give rise to repayment of amounts received.

Grant income is recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grants and that the grants will be received. Grants relating to income are recognised within other operating income in the statement of profit or loss on a systematic basis over the periods in which the related qualifying expenditure is incurred. Grant income recognised during the year relates to research and development activities undertaken by the Company. At the reporting date, management considers that the Company has complied with all material conditions attaching to the grants. Amounts receivable in respect of qualifying expenditure incurred but not yet received are recognised within trade and other receivables. The grants are intended to support research and development activities and do not require the Company to provide goods or services to the grant providers. Accordingly, the grants are accounted for under IAS 20 and are recognised as other operating income rather than as revenue from contracts with customers.

On the basis of consistency of success with regard to the Company's RDEC claim, the company has recognised the current year expected claim on the accrual basis which is a departure from prior year which has been recognised on a cash basis. The increased certainty arises from the Company's established history of successfully submitting and receiving RDEC claims, the consistent nature of the qualifying expenditure incurred year-on-year, and management's assessment that the current year claim meets the relevant eligibility criteria. Therefore, income recognised in the year comprises both the expected receipt for the current year and the actual receipt relating to the prior year. The current year claim has not yet been submitted at the date of authorisation of this report.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

6 Operating loss is stated after charging/(crediting):

	2026 £'000	2025 £'000
Employee benefit costs		
-wages and salaries	1,112	1,032
-social security costs	143	108
-other pension costs	48	44
-share based payments	94	35
	1,397	1,219
Depreciation of property, plant and equipment (owned)	52	102
Depreciation of property, plant and equipment (leased)	75	3
Other operating expenses		
Rates, utilities and property maintenance	140	180
IT costs	21	62
Fees payable to the Company's auditors		
- for the audit of the financial statements	51	47
- for audit-related assurance services	2	-
Raw materials and consumables used	491	617
Decrease/(increase) in inventories	(93)	191
Patent costs	75	51
Marketing costs	155	149
Loss/(gain) on foreign exchange	24	53
Provision for bad debt	320	42
Other expenses	1,405	1,028
Total cost of sales and administrative expenses	4,115	3,744

Included in the costs above is expenditure on research and development totalling £861k (2025: £191k). Accountancy fees of £178k (2025: £155k) were paid in the year and are included in other expenses above, none of which were paid to the Company's auditor Price Bailey LLP.

7 Average staff numbers

	2026 Monthly Avg Number	2025 Monthly Avg Number
Employed in UK (including executive directors)	24	21
Non-executive directors	3	3
	27	24

8 Remuneration of directors and key senior management

Directors

	2026 £'000	2025 £'000
Emoluments	524	421
Pension contributions	21	20
	545	441

8 Remuneration of directors and key senior management continued

Highest paid director

The highest paid director received the following emoluments:

	2026 £'000	2025 £'000
Emoluments	258	207
Pension contributions	12	12
	270	219

The highest paid director did not exercise any share options in the year (2025: £nil). Retirement benefit contributions are being accrued for two directors (2025: two directors) in accordance with the terms of their service contracts. These contributions are made to defined contribution pension schemes and are recognised as an expense in the period in which they are incurred.

Key senior management personnel

Key senior management is considered to comprise the directors of the Company with total remuneration for the year of £545k (2025: £414k). Share-based payments of £87k were attributable to key senior management in the year. (2025: £62k).

9 Finance income and expense

	2026 £'000	2025 £'000
Income		
Bank interest receivable	4	5

	2026 £'000	2025 £'000
Expense		
Interest expense on lease liabilities	20	3

10 Share based payments

Share based payments recognised during the year relate to shares granted to executive directors as part of their remuneration, as well as the vesting of share options granted to eligible employees and directors of the Company. The split of these expenses is reflected in the table below:

	2026 £'000	2025 £'000
Shares granted to executive directors	61	45
Vesting (forfeiture/lapse) of share options during the year	33	(10)
Total share based payment for the year	94	35

At the reporting date the Company had three share-based reward schemes: two schemes under which options were previously granted and are now closed to future grants and a third active scheme in place in which grants were made in recent periods.

- A United Kingdom tax authority approved scheme for executive directors and senior staff;
- An unapproved scheme for awards to those, such as non-executive directors, not qualifying for the approved scheme; and
- A United Kingdom tax authority approved scheme for executive directors and senior staff which incorporates unapproved options for grants to be made following listing of the Company shares, "2017 EMI and Unapproved Employee Share Option Scheme".

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

10 Share based payments continued

Certain options granted under the above schemes have been granted to executive and non-executive directors as detailed in the Director Options section of the Directors' Report on page 33.

Certain share options granted are subject to market-based vesting conditions linked to the Company's share price performance. The options vest in three equal tranches, subject to the achievement of specified share price targets. Once the relevant market condition has been satisfied, the corresponding tranche becomes exercisable in accordance with the terms of the award. The vesting conditions are detailed below, and the detailed table following identifies the population of awards subject to these conditions.

Tranche	Vesting condition
1	Closing mid-market share price at or above 5p for 20 consecutive business days prior to exercise
2	Closing mid-market share price at or above 6.375p for 20 consecutive business days prior to exercise
3	Closing mid-market share price at or above 8.5p for 20 consecutive business days prior to exercise

The total share-based remuneration recognised in the Statement of Comprehensive Income was £94k (2025: £35k). Options granted in prior years were valued using the Black-Scholes method. Market based vesting conditions were incorporated into the grant date fair value of the awards. Consequently, no adjustment is made to the cumulative charge for differences between expected and actual achievement of the share price targets. The share price on grant used the share price of open market value, expected volatility of 100%-118% and a compound risk free rate assumed of 3.97% based on historical experience.

	2026 Weighted average exercise price £	2026 Number	2025 Weighted average exercise price £	2025 Number
2017 Scheme – Market based vesting conditions				
Outstanding at beginning of the year	0.0425	1,935,000	0.0425	2,280,000
Surrendered during the year	0.0425	(85,000)	0.0425	(345,000)
Outstanding at the end of the year	0.0425	1,850,000	0.0425	1,935,000
2017 EMI Scheme – Service only vesting				
Outstanding at beginning of the year	0.0425	675,700	0.0425	765,700
Surrendered during the year	0.0425	(5,000)	0.0425	(90,000)
Outstanding at the end of the year	0.0425	670,700	0.0425	675,700
2017 Scheme – Service only vesting				
Outstanding at beginning of the year	0.0425	750,000	0.0425	750,000
Surrendered during the year	0.0425	-	0.0425	-
Outstanding at the end of the year	0.0425	750,000	0.0425	750,000

10 Share based payments continued

	2026 Weighted average exercise price £	2026 Number	2025 Weighted average exercise price £	2025 Number
Unapproved Scheme – Service only				
Outstanding at beginning of the year	0.04	3,750	0.04	3,750
Surrendered during the year	0.04	-	0.04	-
Outstanding at the end of the year	0.04	3,750	0.04	3,750

The options outstanding at the end of each year were as follows:

	Nominal share value	Exercise price £	2025 Number	2025 Number
Expiry				
May 2027	£0.04	0.0400	3,750	3,750
February 2034	£0.04	0.0425	3,270,700	3,360,700
Total			3,274,450	3,364,450

Of the total number of shares outstanding, 2,184,217 were exercisable at the reporting date at a weighted average price of £0.04p/share (2025: 3,750 at a weighted average price of £0.04p/share).

11 Income tax

	2026 £'000	2025 £'000
Current tax – UK corporation tax	-	-

The difference between loss before tax multiplied by the standard rate of 25% (2024: 25%) and the income tax credit is explained in the reconciliation below:

	2026 £'000	2025 restated £'000
Factors affecting the tax credit for the year		
Loss before tax	(1,149)	(1,777)
Loss before tax multiplied by standard rate of UK corporation tax of 25% (2025: 25%)	(287)	(444)
Deferred tax not recognised on current year losses	287	444
Total income tax credit	-	-

Impact of future tax changes are not expected to materially impact the position of the Company, and no corporate tax liability is expected in the subsequent period.

The Company has unrecognised tax losses of ca. £15 million (2025: £14 million) available for offset against future taxable profits. No deferred tax asset has been recognised in respect of these losses as management does not consider it probable that sufficient future taxable profits will be available against which the losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

11 Income tax continued

The Company did not recognise any current or deferred tax in other comprehensive income or directly in equity during the year. All tax charges and credits recognised have been recorded within profit or loss.

The Company has assessed the applicability of the OECD Pillar Two global minimum tax rules and has concluded that it is not within the scope of the legislation, as the Company does not meet the revenue threshold for application of the rules. Accordingly, no current or deferred tax impacts relating to Pillar Two legislation have been recognised in the financial statements.

12 Loss per share

	2026 £'000	2025 £'000
Loss for the financial year	(1,149)	(1,626)
Loss per share	pence	pence
Basic and diluted	(1.0)	(1.7)

	Number	Number
Issued ordinary shares at the end of the year	125,021,878	104,902,120
Weighted average number of shares in issue during the year	115,306,656	95,879,480

Basic earnings per share is calculated by dividing the basic earnings for the year by the weighted average number of shares in issue during the year. Diluted earnings per share is calculated by dividing the basic earnings for the year by the diluted weighted average number of shares in issue inclusive of share options outstanding at year end.

13 Intangible assets

	2025/2026 Software £'000	2024/2025 Software £'000
Cost		
At 1 April	8	8
At 31 March	8	8
Accumulated amortisation		
At 1 April	8	8
Amortisation charged in the year	-	-
At 31 March	8	8
Net book value		
At 31 March	-	-

Amortisation is included in administrative expenses on the statement of comprehensive income.

14 Property, plant and equipment

	Right of use assets £'000	Leasehold improvements £'000	Plant & machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost					
At 1 April 2024	14	844	2,398	277	3,533
Additions	-	-	-	10	10
Disposals	-	-	(5)	-	(5)
At 1 April 2025	14	844	2,393	287	3,538
Additions	359	-	60	-	419
Transfer	(14)	-	14	-	-
At 31 March 2026	359	844	2,467	287	3,957
Accumulated depreciation					
At 1 April 2024	11	844	2,271	249	3,375
Charge for the year	3	-	81	21	105
Disposals	-	-	(5)	-	(5)
At 1 April 2025	14	844	2,347	270	3,475
Charge for the year	75	-	44	9	127
Transfer	(14)	-	14	-	-
At 31 March 2026	75	844	2,405	279	3,602
Net book value					
At 31 March 2025	-	-	46	17	63
At 31 March 2026	284	-	62	9	355

Plant & machinery with a net book value of £59k is held under hire purchase agreements (2025: £32k).

The carrying value of right of use assets at the reporting date comprises leased office and lab space, fixtures, fittings and equipment of £284k (2025: £nil).

The depreciation expense is included in administrative expenses in the statement of comprehensive income in each of the financial years shown.

15 Inventories

	2026 £'000	2025 £'000
Raw materials and consumables	362	269

The cost of inventories recognised as an expense for the year was £491k (2025: £619k).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

16 Trade and other receivables

	2026 £'000	2025 restated £'000
Trade receivables	938	420
Loss allowance	(408)	(88)
Trade receivables – net	530	332
Other receivables	31	156
Prepayments and accrued income	261	231
	822	719

The fair value of trade and other receivables approximates to their carrying value.

At the reporting date trade receivables loss allowance/impairment as follows:

	2026 £'000	2025 £'000
Individually impaired	367	45
Expected credit loss allowance	41	43
	408	88

Included in the balance individually impaired is a material balance owed to the Company from Finn Therapeutics. The total balance receivable from Finn Therapeutics was £377k as at 31 March 2026. The balance is comprised three outstanding invoices, including £300k relating to the sale of intellectual property (IP) during the year. Under the terms of the agreement, the IP consideration was due within 12 months of the contract date. The receivable also includes an amount £61k that has been outstanding for approximately two and a half years at the reporting date. Having considered the age of the debt and the financial position of Finn Therapeutics, based on the most recent publicly available financial information, management concluded that the receivable was impaired, with recoverability assessed by reference to Finn Therapeutics' reported current assets of £39k. An impairment loss of £338k was therefore recognised, resulting in a carrying value of £39k at the reporting date. No material amounts had been received from Finn Therapeutics up to the date of authorisation of these financial statements. Finn Therapeutics is considered a related party, as discussed in note 23.

The carrying amount of trade and other receivables are denominated in the following currencies:

	2026 £'000	2025 restated £'000
UK pound	708	194
Euros	-	34
US dollar	230	192
	938	420

16 Trade and other receivables continued

The expected credit loss allowance has been calculated as follows:

		More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 March 2026	Current					
Expected loss rate	7.63%	3.07%	0.00%	5.40%	13.33%	
Gross carrying amount (£'000)	230	116	73	23	130	572
Loss allowance (£'000)	19	4	0	1	17	41

		More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 March 2025	Current					
Expected loss rate	1.9%	2.1%	2.7%	4.9%	26.6%	
Gross carrying amount (£'000)	108	101	33	-	142	384
Loss allowance (£'000)	2	2	1	-	38	43

Movements on trade receivables loss allowance is as follows:

	£'000	£'000
At 1 April 2025/2024	43	45
Movement in loss allowance	(2)	(2)
At 31 March 2026/2025	41	43

The creation and release of the loss allowance for trade receivables has been included in administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income. Other receivables are considered to have low credit risk and the loss allowance recognised during the year was therefore limited to trade receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

17 Trade and other payables

	2026 £'000	2025 £'000
Trade payables	494	372
Social security and other taxes	40	35
Other payables	17	18
Accruals and deferred income	191	178
	742	603

The fair value of trade and other payables approximates to their carrying value.

The Company hold a lease with Invest Northern Ireland which is represented by a lease liability for future lease payments and a right of use asset on the balance sheet (note 23). At the reporting date a balance of £29,100 (2025: £nil) was due to Invest Northern Ireland representing lease invoice that has been received but not yet paid as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

18 Borrowings and net debt

	Lease liabilities £'000	Hire Purchase Contracts £'000	Total £'000
At 1 April 2025	-	20	20
Additions	352	60	412
Interest charged in year	16	4	20
Repayments	(73)	(48)	(121)
At 31 March 2026	295	36	331
Amounts due in less than 1 year	83	17	100
Amounts due between 1-2 years	97	19	116
Amounts due between 2-5 years	115	-	115
	295	36	331

	Lease liabilities £'000	Hire Purchase Contracts £'000	Total £'000
At 1 April 2024	3	40	43
Additions	-	-	-
Interest charged in year	-	3	3
Repayments	(3)	(23)	(26)
At 31 March 2025	-	20	20
Amounts due in less than 1 year	-	20	20
Amounts due after more than 1 year	-	-	-
	-	20	20

All borrowings are denominated in UK pounds. Using a discount rate of 5.93% per annum the fair value of borrowings at the reporting date is £295k (2025: £20k discounted at 8.5%).

The lease and hire purchase liabilities included within this note are accounted for under IFRS16. The related right-of-use assets are disclosed within property, plant and equipment (note 14), with depreciation recognised within operating expenses and interest charged recognised within finance costs.

Hire purchase borrowings are secured by a fixed and floating charge over the whole undertaking of the Company, its property, assets and rights in favour of Northern Bank Ltd trading as Danske Bank.

Net debt comprises cash and cash equivalents and financing liabilities, being lease liabilities and hire purchase obligations. The table below analyses the movements in net debt during the year.

18 Borrowings and net debt continued

	Cash and cash equivalents £'000	Lease liabilities £'000	Hire purchase contracts £'000	Net cash/ (debt) £'000
At 1 April 2025	359	-	(20)	339
Net cash generated during the year	684	-	-	684
New lease liabilities recognised	-	(352)	-	(352)
Proceeds from financing activities	-	-	(60)	(60)
Repayments of financing liabilities	-	73	48	121
Interest charged	-	(16)	(4)	(20)
At 31 March 2026	1,043	(295)	(36)	712

19 Provisions for other liabilities and charges

	2026 £'000	2025 £'000
Due after more than 1 year	31	31

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The Company's premises are held under a lease which is renewed annually. The costs of dilapidations would be incurred on vacating the premises.

20 Financial instruments

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and methods used to measure them. There have been no substantive changes in the Company's exposure to financial instrument risks and the methods used to measure them from previous years unless otherwise stated in this note.

The principal financial instruments used by the Company, from which the financial instrument risk arises, are trade receivables, cash and cash equivalents and trade and other payables. The fair values of all the Company's financial instruments are the same as their carrying values.

Financial instruments by category

Financial instruments categories are as follows:

	As at March 2026 £'000	As at March 2025 £'000
Financial assets at amortised cost		
Trade receivables	530	332
Other receivables	31	156
Accrued income	117	178
Cash and cash equivalents	1,043	359
Total	1,721	1,025

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

20 Financial instruments continued

	As at March 2026	As at March 2025
Financial Liabilities at amortised cost	£'000	£'000
Trade payables	494	372
Other payables	49	91
Accruals and deferred income	222	140
Borrowings	331	20
Total	1,096	623

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. KPI review weekly and budget variance analysis conducted at least monthly to monitor capital management requirements and targets.

Consistent with others in the industry at this stage of development, the Company has relied on issuing new shares and cash generated from operation. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to provide working capital. Changes from the prior year relate solely to the issuance of additional share capital.

General objectives, policies and processes – risk management

The Company is exposed through its operations to the following financial instrument risks: credit risk; liquidity risk and foreign currency risk. The policy for managing these risks is set by the Board following recommendations from the Chief Financial Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The policy for each of the above risks is described in more detail below.

Credit risk

Credit risk arises from the Company's trade and other receivables, and from cash at bank. It is the risk that the counterparty fails to discharge their obligation in respect of the instrument.

The Company is mainly exposed to credit risk from credit sales. It is Company policy to assess the credit risk of new customers before entering contracts. Also, for certain new customers the Company will seek payment at each stage of a project to reduce the amount of the receivable the Company has outstanding for that customer.

Information regarding customer concentration risk, including revenue derived from the Company's principal customers and the geographical distribution of revenue, is disclosed in note 4.

At the year end the Company's bank balances were all held with Northern Bank Ltd trading as Danske Bank (Moody's rating P-1).

Liquidity risk

Liquidity risk arises from the Company's management of working capital, and is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

At each Board meeting, and at the reporting date, the cash flow projections are considered by the Board to confirm that the Company has sufficient funds and available funding facilities to meet its obligations as they fall due.

20 Financial instruments continued

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the undiscounted cash flows:

	Less than 6 months £'000	6 to 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000
31 March 2026				
Trade and other payables	543	-	-	-
Accruals	149	-	-	-
Borrowings	50	50	116	115
	742	50	116	115
31 March 2025				
Trade and other payables	463	-	-	-
Accruals	140	-	-	-
Borrowings	11	9	-	-
	614	9	-	-

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company seeks to transact its business in its reporting currency (£Sterling). However, many customers and suppliers are outside the UK and a proportion of these transact with the Company in US Dollars and Euros. For that reason, the Company operates current bank accounts in US Dollars and Euros as well as in its reporting currency. Where possible, receipts and payments in a particular currency are made through the bank account in that currency to reduce the amount of funds translated to or from the reporting currency. Cash flow projections are used to plan for those occasions when funds will need to be translated into different currencies so that exchange rate risk is minimised.

If the exchange rate between Sterling and the Dollar had been 10% higher/lower at the reporting date the effect on profit and equity would have been approximately £19,000 (2025: £12,000) higher/lower. If the exchange rate between Sterling and Euro had been 10% higher/lower at the reporting date the effect on profit and equity would have been £3,000 higher/lower (2025: £1,000). This analysis is calculated based on year end rates of 1.29 and 1.19 for USD:GBP and EUR:GBP respectively and is considered representative of the exposure during the year.

21 Called up share capital

	No. Shares	£'000
Ordinary shares allotted, called up and fully paid		
Opening balance 01 April 2025: Ordinary shares of £0.04	104,902,120	4,197
Issuance of shares during the year	20,119,758	805
Closing balance 31 March 2026: Ordinary shares of £0.04	125,021,878	5,002

The Company has one class of ordinary shares with a nominal value of £0.04 per share. Each ordinary share carries one vote at general meetings of the Company and ranks equally with all other ordinary shares in respect of participation in dividends and distributions. Holders of ordinary shares are entitled to receive dividends when declared and are entitled to participate in any distribution of surplus assets on a winding up in proportion to their shareholdings after satisfaction of the Company's liabilities. There are no restrictions on voting rights or the transfer of ordinary shares other than those that may arise under applicable law or the Company's Articles of Association.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

21 Called up share capital continued

No dividends were paid during the year (2025: £nil) and the directors do not recommend payment of a final dividend (2025: £nil).

During the year, the Company issued 20,119,758 additional Ordinary shares with a nominal value of £0.04 per share, resulting in an increase in the total number of shares in issue. The excess proceeds received from shares issued at a price above nominal value was recognised in the share premium, net of directly attributable transaction costs. See note 27 for further details.

22 Retirement benefits obligations

The Company operates a defined contribution scheme, the assets of which are managed separately from the Company. During the year the Company charged £48,000 to the Statement of Profit or Loss and Other Comprehensive Income (2025: £44,000) in respect of Company contributions to the scheme. At the reporting date there was £9,000 (2025: £18,000) payable to the scheme and included in other payables.

23 Transactions with related parties

Invest Northern Ireland ("Invest NI") is a shareholder in the Company. The Company received invoices for rent and estate services amounting to £96,000 (2025: £83,000). A balance of £29,100 (2025: nil) was due and payable to Invest NI at the reporting date.

Walsh Strategic Management Limited ("Walsh") is a company wholly owned by Colin Walsh, a director of the Company. The Company received strategic management consultancy services from Walsh amounting to £27k (2025: £nil). A balance of £7k (2025: £nil) was accrued at year end and payable to Walsh as at the reporting date.

Finn Therapeutics Limited is a customer of the Company. Colin Walsh became a shareholder of Finn Therapeutics in June 2026. The Company provides services to Finn as part of its core operations. Colin Walsh was not party to any of these negotiations, having become a shareholder of Finn after the year ended March 2026. Invoices to Finn amounted to £351k for the current year (2025: £58k). The total balance receivable from Finn at 31 March 2026 was £377k. Management assessed the recoverability of the balance and it was determined to be credit impaired. Further details can be found in note 4 and note 16.

Laigo Bio Limited ("Laigo") is a customer of the company. Matthew Baker, a director of the Company, is also a director of Laigo. The Company provides services to Laigo as part of its core operations. Matthew Baker did not take part in negotiations of terms or agreements to engage the Company with Laigo. Invoices to Laigo amounted to £64k for the current year (2025: £0). The total balance receivable from Laigo at 31 March 2026 was £17k. The balance is unsecured, interest-free and repayable on demand. No guarantees have been given in respect of this balance and management considers this balance fully recoverable, therefore no impairment provision has been recognised.

24 Ultimate controlling party

There is no ultimate controlling party.

25 Post balance sheet events

Following the financial year end, on 20 June 2026 the Company granted 2,910,000 share options under the Fusion Antibodies EMI and Unapproved Employee Share Option Scheme to certain Executive Directors and employees. The options carry an exercise price of 10.30 pence per share, vest equally over a three-year period subject to continued employment, and may be exercised for up to ten years from the grant date.

26 Reconciliation of loss to EBITDA

	2026 £'000	2025 restated £'000
Loss before tax	(1,149)	(1,626)
Finance income	(4)	(5)
Finance expense	20	3
Depreciation and amortisation	127	105
EBITDA	(1,006)	(1,523)

27 Capital Commitments

At 31 March 2026 the Company had no contracted capital expenditure of (2025: £nil).

28 Reserves

Share Premium Reserve

The share premium reserve represents the excess of proceeds received over the nominal value of shares issued. During the year, the reserve increased by £1,177k following the issuance of 8,416,020 Ordinary shares at £0.0675 per share, 338,113 Ordinary Shares at £0.061 per share, and 11,365,625 Ordinary shares at £0.13 per share. The increase is stated net of directly attributable transaction costs of £84k.

COMPANY INFORMATION

Directors

Dr Simon Douglas (*Non-Executive Chairman*)
Dr Adrian Kinkaid (*Chief Executive Officer*)
Dr Richard Buick (*Chief Scientific Officer*)
Dr Matthew Baker (*Non-Executive Director*)
Mr Colin Walsh MBE (*Non-Executive Director*)
Mr Stephen Smyth (*interim CFO*)

Company secretary

Mr Stephen Smyth (*interim*)

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