

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.

24 February 2025

Solvonis Therapeutics plc
("Solvonis" or the "Company")

Entry into an Arrangement Agreement with Awakn Life Sciences Corp.

Unaudited results for nine months ended 30 September 2024

Solvonis Therapeutics plc (LSE: SVNS), ("Solvonis" or the "Company") an innovative biotechnology company co-developing therapeutics for mental health disorders, is pleased to announce that, further to its announcement on 16 December 2024 regarding its proposed acquisition of Awakn Life Sciences Corp. ("Awakn"), the Company has entered into an arrangement agreement (the "Arrangement Agreement") with Awakn setting out the basis on which the parties will cooperate to execute a transaction whereby Solvonis will acquire all issued and outstanding common shares in the capital of Awakn (the "Common Shares"), all outstanding restricted share units in the capital of Awakn (the "RSUs") and all outstanding deferred share units in the capital of Awakn (the "DSUs") by way of a Court approved plan of arrangement under the British Columbia Business Corporations Act (together the "Arrangement" or the "Proposed Acquisition").

In addition, Solvonis is today announcing its unaudited results for the 9 months ended 30 September 2024. These unaudited results are required to be included in the circular being sent by Awakn to its shareholders in the coming days.

Solvonis intends to issue approximately 2,074,378,592 new ordinary shares of £0.001 each ("Ordinary Shares") as consideration for the Proposed Acquisition (the "Consideration Shares"). The Proposed Acquisition values Awakn at approximately £4.98 million (CAN 8.89 million) based upon the closing price of the Ordinary Shares on 13 December 2024, being 0.24 pence per Ordinary Share (the "Issue Price"). Solvonis will issue to Awakn shareholders 46.67 Consideration Shares for every one Common Share held by or due to them (the "Exchange Ratio"). Based on the same Exchange Ratio, the holders of DSUs and RSUs will receive 46.67 Consideration Shares for each one DSU and for each one RSU held by them.

It is proposed that all issued and outstanding common share purchase warrants in Awakn (the "Warrants") shall be exchanged for approximately 703,465,432 new warrants over new Ordinary Shares in Solvonis based upon the Exchange Ratio. Finally it is also intended that Awakn will seek the consent from holders of stock options to cancel all existing stock options issued by Awakn.

Further details on the Arrangement

The Arrangement will, inter alia, require the approval of the Supreme Court of British Columbia and the approval of the Awakn security holders at an annual general and special meeting of Awakn security holders to consider the Arrangement (the "Awakn Meeting"), in particular: (i) 66 2/3 per cent. of the votes cast on the security holder resolution to approve the Arrangement at the Awakn Meeting; and (ii) any other shareholder approvals required by the Canadian Securities Exchange. The Proposed Acquisition is conditional on the satisfaction (or waiver) of a number of conditions including:

- the receipt, by Solvonis, of all necessary regulatory consents and approvals required for the Proposed Acquisition;
- the approval of the Plan of Arrangement by the Supreme Court of British Columbia;
- the approval of Awakn's shareholders (as detailed above);
- the receipt of any necessary approvals of the Canadian Securities Exchange;
- the consent of holders of stock options in Awakn to the cancellation of such stock options;
- obtaining the necessary regulatory approvals of the Financial Conduct Authority (the "FCA") in relation to a prospectus (the "Prospectus") which Solvonis is required to publish pursuant to the Prospectus Regulation rules in order for Solvonis to issue the Consideration Shares;
- the approval of the Company's shareholders, at a general meeting of the Company (to be convened), of resolutions to provide authority to the Directors to issue and allot the Consideration Shares, otherwise than on a pre-emptive basis;
- the procurement of equity fundraising by the Company to raise sufficient working capital for the requirements of the enlarged group for a period of at least 12 months;
- the admission of Consideration Shares to trading on the Main Market of the London Stock Exchange and to listing on the equity shares (transition) category of the FCA's Official List (together "Admission").

As such, there is no certainty that the Proposed Acquisition will proceed nor any certainty regarding the final terms or the final timings on which it will proceed.

The date of the Awakn Meeting remains to be confirmed. Awakn will publish an information circular for its security holders providing relevant information on the Proposed Acquisition ahead of the Awakn Meeting. Prior to publication of the information circular Awakn shall procure voting support undertakings from certain holders of Common Shares. Further details of the Awakn Meeting, and the voting support agreements, will be announced by Awakn at the time of posting of the information circular to its shareholders.

The Arrangement Agreement includes mutual covenants typical for transactions of this nature, including non-solicitation covenants and the completion of a concurrent financing by Solvonis. The Arrangement Agreement provides for a CAN 1,000,000 termination fee payable by either Awakn or Solvonis in certain circumstances.

Solvonis and Awakn expect that the Proposed Acquisition will be completed in Q2 2025.

Directors' interests in the Proposed Acquisition

The Company's CEO, Anthony Tennyson, also serves as CEO of Awakn and has a shareholding in Awakn of 4.85 per cent. Anthony Tennyson does not have an interest in the share capital of Solvonis. The corporate board of Awakn comprises five directors, of which there are 4 independent non-executive directors. It is noted that Anthony Tennyson is, nevertheless, a member of the key management personnel of Awakn and as a consequence could be deemed to have a significant influence over Awakn. Accordingly, Awakn could be considered a related party of the Company given that Anthony Tennyson is a member of the key management personnel of Awakn.

As Anthony Tennyson is the Company's CEO he is deemed to be a related party of the Company. Anthony Tennyson will, should the Proposed Acquisition complete, receive approximately 108,400,689 Consideration Shares based upon his current holdings in Awakn (being valued at approximately, £260,161 based on the Issue Price).

In addition, Dennis Purcell, the non-executive chairman of Solvonis, is a holder of 30,000 Common Shares and 30,000 outstanding warrants over common shares of Awakn (the "Purcell Warrants"), each with an exercise price of CAN 0.68 per common share. On closing of the Acquisition, Dennis Purcell will be issued with 1,400,100 Consideration Shares and the Purcell Warrants will be exchanged for approximately 1,400,100 new warrants over new Ordinary Shares in Solvonis, each with an exercise price of 0.814 pence. Notwithstanding his holding of Common Shares and the Purcell Warrants, Dennis Purcell is not considered to be a related party of Awakn, his economic interest being *de minimis* and the Purcell Warrants giving him no voting rights as a shareholder of Awakn. Dennis Purcell is accordingly considered to be an independent director of the Company, for the purposes of the Proposed Acquisition.

On the basis of Anthony Tennyson's position as CEO of Awakn, and his interest in Awakn Common Shares, the Proposed Acquisition could therefore constitute a material related party transaction for the purpose of Rule 7.3 of the FCA's Disclosure Guidance and Transparency Rules. This material related party transaction has been approved by the directors independent of the Proposed Acquisition, being Dennis Purcell (Chairman) and Nicholas Nelson (Non-Executive Director). Anthony Tennyson recused himself from the Company board's consideration of the Arrangement Agreement and did not vote on the relevant board resolution.

In reaching their decision, the independent Directors considered that the terms of the Proposed Acquisition were fair and reasonable from the perspective of the Company and of its shareholders (not accounting for any person who is a related party). In particular, the independent Directors considered the following:

- Awakn's advanced clinical pipeline with medium-term revenue potential through Awakn's lead programme, AWK-001;
- complementary expertise and synergies because of both companies' therapeutic focus on addiction and mental health; and
- the enlarged group's strengthened position in the UK biotechnology ecosystem due to a significant proportion of Awakn's research being conducted in the UK.

UNAUDITED RESULTS FOR NINE MONTHS ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024

	Note	Unaudited Nine months to 30 Sep 2024 £'000	Unaudited Nine months to 30 Sep 2023 £'000
Continuing operations			
Revenue	5	-	380
Cost of sales		-	(294)
Gross profit		-	86
Operational costs	6	(31)	(150)
Administrative expenses	6	(1,142)	(1,229)
Gain on deconsolidation	14	139	-
Operating loss		(1,034)	(1,293)
Depreciation		-	(132)
Finance costs		(64)	(3)
Loss before taxation		(1,098)	(1,428)
Income tax		-	-
Loss for the period from continuing operations		(1,098)	(1,428)
Loss from discontinuing operations	14	(157)	-
Total loss for the period attributable to equity holders of the parent		(1,255)	(1,428)
<i>Other comprehensive income</i>			
Foreign currency translation		76	1
Derecognition of foreign exchange reserve	14	(123)	-
Other comprehensive income (net of tax) for the year		(47)	1
Total comprehensive loss for the period attributable to equity holders of the parent		(1,302)	(1,427)
Loss per share (p)	7	(0.14)	(1.37)

The notes form an integral part of the Condensed Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024

	Note	Unaudited Nine months to 30 Sep 2024 £'000	Audited as at 31 Dec 2023 £'000
Non-current assets			
Property, plant and equipment	8	-	-
Intangible assets	9	2,068	2,068
Other non-current assets		-	13

Right of use assets	-	39
Total non-current assets	2,068	2,120
Current assets		
Cash and cash equivalents	940	155
Trade and other receivables	402	108
Inventory	-	51
Total current assets	1,342	314
TOTAL ASSETS	3,410	2,434
Non-current liabilities		
Lease liability	-	22
Total non-current liabilities	-	22
Current liabilities		
Trade and other payables	138	249
Deferred Income	-	93
Lease liability	-	12
Provisions	-	32
Total current liabilities	138	386
Total liabilities	138	408
NET ASSETS	3,272	2,026
Equity		
Issued share capital	12	41
Share premium	12	7,001
Share capital to issue	-	175
Share based payments reserve	1,652	1,227
Capital reduction reserve	2,500	2,500
Foreign exchange reserve	-	47
Accumulated losses	(10,475)	(8,965)
TOTAL EQUITY	3,272	2,026

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024**

	Unaudited Nine months to 30 Sep 2024 £'000	Unaudited Nine months to 30 Sep 2023 £'000
Cash flow from operating activities		
Loss before tax	(1,255)	(1,428)
<i>Adjustments for:</i>		
Depreciation	-	131
Finance charge	64	-
Share based payments	171	-
Settlement of fees through issue of equity	230	-
Gain on deconsolidation	(139)	-
Foreign exchange movements	-	62
<i>Changes in working capital:</i>		
Decrease in trade and other receivables	29	(99)
Increase / (decrease) in in trade and other payables	(81)	(6)
Increase in inventories	-	60
Net cash outflow from operating activities	(981)	(1,280)
Cash flow from investing activities		
Loan advance to Awakn	(300)	-
Purchase of property, plant and equipment	-	(197)
Repayments on right of use assets	(4)	(12)
Disposed subsidiary cash balance	(13)	-
Net cash outflow from investing activities	(317)	(209)
Cash flows from financing activities		
Net proceeds from issue of shares	1,883	-
Proceeds from issue of convertible note	200	-
Net cash inflow from financing activities	2,083	-
Net (decrease) in cash and cash equivalents	785	(1,489)
Cash and cash equivalents at beginning of period	155	1,640
Foreign exchange impact on cash	-	4
Cash and cash equivalents at the end of the period	940	155

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Capital Reduction reserve £'000	SBP reserve £'000	Foreign exchange Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2022	41	-	7,001	2,500	858	(1)	(5,845)	4,554
Loss for period	-	-	-	-	-	-	(1,428)	(1,428)
Other comprehensive income	-	-	-	-	-	1	-	1
Total comprehensive loss for year	-	-	-	-	-	1	(1,428)	(1,427)
Transactions with owners in own capacity								
Transactions with owners in own capacity	-	-	-	-	-	-	-	-
Balance at 30 September 2023	41	-	7,001	2,500	858	-	(7,273)	3,127
Balance at 31 December 2023	41	175	7,001	2,500	1,227	47	(8,965)	2,026

	2024	2023	2024	2023	2024	2023	2024	2023
Loss for period	-	-	-	-	-	-	(1,255)	(1,255)
Other comprehensive income	-	-	-	-	-	(47)	-	(47)
Total comprehensive loss for year	-	-	-	-	-	(47)	(1,255)	(1,302)
Transactions with owners in own capacity								
Shares issued during the year	2,192	(175)	361	-	-	-	-	2,378
Employee and consultant options	-	-	-	-	170	-	-	170
Transactions with owners in own capacity	2,192	(175)	361	-	170	-	-	2,548
Balance at 30 September 2024	2,233	-	7,362	2,500	1,397	-	(10,220)	3,272

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024**

1. GENERAL INFORMATION

Solvonis Therapeutics Plc ("the Company" or "Solvonis") - formerly Graft Polymer (UK) plc - was incorporated in England and Wales as a limited company on 18 May 2017 as Graft Polymer (UK) Limited and was re-registered as a public limited company on 1 July 2021 and renamed Solvonis on 10 January 2025. The Company is domiciled in England and Wales with its registered office at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF. The Company's registered number is 10776788.

At the beginning of the period the principal activities of the Company and all of its subsidiaries (collectively referred to as "the Group") were the research and development of polymer modification technologies and polymer modification techniques. However towards the end of the period the board of directors undertook a review of its business and operations, pursuant to which it was decided that Graft Polymer Slovenia ("Graft Polymer D.O.O") (principally, an industrial polymer products manufacturer) was considered no longer commercially viable due to forecasted negative cashflow as a result of falling sales and rising costs, with no immediate prospect of becoming profitable in the short to medium term and as a result the decision was made to dispose of Graft Polymer D.O.O on 2 May 2024.

Post the divestment the Company has focussed its attention and resources on its Graft Bio division, which represents strong prospectivity through its intellectual property (IP), licensing agreements, and sales contracts, has entered into a Letter of Agreement ("LOA") to acquire the entire ordinary share capital of Awakn Life Sciences Corp ("Awakn").

The condensed consolidated interim financial statements ("interim financial statements") were approved for issue by the Board of Directors on 23 February 2025.

2. ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

3. BASIS OF PREPARATION

The interim financial statements of Solvonis Therapeutics Plc for the nine-month period ended 30 September 2024 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023, which was prepared in accordance with UK adopted International Accounting Standards (IFRS) and the Companies Act 2006, and any public announcements made by Solvonis Therapeutics Plc during the interim reporting period and since.

These interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2023 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company's subsidiary (which was disposed of on 2 May 2024) was the Euro. The presentational currency of the Group is Pounds Sterling as this is the functional currency of the parent entity and also the currency in which equity fundraising has been facilitated. Amounts have been rounded to the nearest £'000.

The interim financial statements have not been audited.

The business is not considered to be seasonal in nature.

3.1. CRITICAL ACCOUNTING ESTIMATES

The preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to the financial statements for the period ended 31 December 2023 (unless specifically detailed below) with the nature and amounts of such estimates have not changed significantly during the interim period. New critical accounting estimates considered by management for the interim period were:

Disposal of Graft Polymer D.O.O

On 2 May 2024, the board of directors undertook a review of its business and operations, pursuant to which it was decided to dispose of Graft Polymer D.O.O on 2 May 2024. On contemplation of various factors relating to Graft Polymer D.O.O the board decided there was not significant value in the subsidiary and hence decided to dispose of it for nominal consideration.

4. SEGMENT REPORTING

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segments based on the reports reviewed by the Board.

The Board considers that during the six month period ended 30 June 2024, the Group operated in two segments being the corporate function in the United Kingdom and polymer development and production in Slovenia.

However, due to the disposal of the Slovenian operations on 2 May 2024, the contributions from the Slovenian operating segment are not reported in the loss from continuing operations in the statement of comprehensive income. For details of the contribution of the Slovenian operations during the period up until the point of disposal, refer to Note 14.

5. REVENUE

	Period to 30 Sep 2024 £'000	Period to 30 Sep 2023 £'000
Sales revenue	-	380
	-	380

For details of the revenue from the Slovenian operations during the period up until the point of disposal refer to Note 14.

6. OPERATING LOSS

Operating loss from continued operations is stated after (charging):

	Period to 30 Sep 2024 £'000	Period to 30 Sep 2023 £'000
Operational costs	(31)	(150)
Director and employee costs	(422)	(866)
Share based payments	(170)	-
Professional and consulting fees	(384)	(183)
Corporate and administrative costs	(159)	(93)
Other expenses	(7)	(31)
Foreign exchange	-	(56)
Gain on deconsolidation	139	-
	<u>(1,034)</u>	<u>(1,379)</u>

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	Period to 30 Sep 2024 £'000	Period to 30 Sep 2023 £'000
Loss for the period from continuing operations - £ '000s	(1,098)	(1,428)
Weighted number of ordinary shares in issue	774,227,470	104,097,229
Loss per share from continuing operations - p	<u>(0.14)</u>	<u>(1.37)</u>

Share options and warrants could potentially dilute basic earnings per share in the future. These were not included in the calculation and no diluted earnings per share presented as the Group is loss making and additional equity instruments are anti-dilutive for the periods presented.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2023	89	937	1,026
Additions	15	201	216
Disposals	-	(27)	(27)
Impairment	(107)	(1,117)	(1,224)
Exchange impact	3	6	9
At 31 December 2023 (audited)	-	-	-
Impairment	107	1,117	1,224
Disposal on derecognition of subsidiary	(107)	(1,117)	(1,224)
At 30 September 2024 (unaudited)	-	-	-
Depreciation			
At 1 January 2023	(29)	(323)	(352)
Charge for the year	(11)	(143)	(154)
Disposals	-	6	6
Impairment	40	463	503
Exchange impact	-	(3)	(3)
At 31 December 2023 (audited)	-	-	-
Impairment	(40)	(463)	(503)
Disposal on derecognition of subsidiary	40	463	503
At 30 September 2024 (unaudited)	-	-	-
Net book value at 31 December 2023 (audited)	-	-	-
Net book value at 30 September 2024 (unaudited)	-	-	-

9. INTANGIBLE ASSETS

	Unaudited 30 Jun 2024 £'000	Audited 31 Dec 2023 £'000
Opening balance	2,068	2,068
	<u>2,068</u>	<u>2,068</u>

Intangible assets relate to the issue of 22,500,000 shares to founding director Victor Bolduev on the acquisition of his "Know-how" and patents that have been transferred to the Group.

At each period end, the Directors assess the intangible assets for any indicators of impairment and have concluded no presence of such indicators. Consequently no impairment charge has been processed during the period (31 Dec 2023: £nil).

10. INVESTMENTS

Company subsidiary undertakings

The Group owned interests in the following subsidiary undertakings, which are included in the financial statements:

Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Graft Polymer IP Limited	Intellectual property	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%
GRAFTBIO Limited	Bio-Polymer development and production	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%

11. LOAN NOTE

	Unaudited 30 Sep 2024 £'000	Audited 31 Dec 2023 £'000
Opening balance	-	-
Principal drawn down	200	-
Interest charged	64	-
Principal repaid	(264)	-
	-	-

On 15 March 2024, the Company entered into a £100,000 working capital loan facility, which was subsequently increased by a further £100,000 in April 2024. The facility has been drawn down in full and attracts an interest rate of 10% per month. The loan was repayable on demand, together with accumulated interest which was settled in July 2024.

12. SHARE CAPITAL

	Unaudited 30 Sep 2024	Audited 31 Dec 2023
Number of shares	2,295,930,633	104,097,299
Nominal value (£'000)	2,233	41

Issued and fully paid ordinary shares with a nominal value of £0.001 (2023: £0.001)

Changes in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary shares				
Opening balance at 31 December 2023	104,097,299	41	7,001	7,042
Issue of shares at placing price of 0.6 pence	20,666,667	21	103	124
Issue of shares at placing price of 0.1 pence	1,800,000,000	1,800	-	1,800
Issue of shares on conversion of loan ¹	264,000,000	264	-	264
Issue of shares to settle outstanding fees ²	59,666,667	60	298	358
Issue of shares to settle outstanding fees ³	47,500,000	47	-	47
Share issue costs	-	-	(40)	(40)
Closing balance at 30 June 2024	2,295,930,633	2,233	7,362	9,595

¹ Shares issued as full repayment of working capital loan and accrued interest

² Shares issued in satisfaction of fees owed to Directors as at 31 March in connection to the July 24 transaction

³ Shares issued to various directors and advisors in lieu of fees owed

13. SHARE BASED PAYMENT RESERVE

Warrants

As at 30 September 2024		
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2024	22.0p	2,031,008
Granted in period	1.0p	10,333,333
Granted in period	0.6p	1,500,000
Granted in period	0.1p	294,500,000
Expired during period	22.0p	(775,194)
Outstanding at 30 September 2024	0.2p	307,589,147
Exercisable at 30 September 2024	0.2p	307,589,147

The following table lists the Black Scholes inputs to the model used for valuation of the warrants:

	0.1p warrants	1p warrants	0.6p warrants
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	92.1%	92.4%	92.4%

Risk-free interest rate (%)	3.8%	3.6%	3.6%
Time to maturity	2-3 years	2 years	2 years
Exercise price (£)	0.001	0.01	0.006
Share price at grant date (£)	0.001	0.006	0.006

Options

	As at 30 September 2024	
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2024	0.1p	11,000,000
Granted in period	0.1p	55,000,000
Expired during period	0.1p	(11,000,000)
Outstanding at 30 September 2024	0.1p	55,000,000
Exercisable at 30 September 2024	0.1p	18,333,333

The following table lists the Black Scholes inputs to the model used for valuation of the options:

	0.1p warrants
Dividend yield (%)	0%
Expected volatility (%)	92.1%
Risk-free interest rate (%)	3.8%
Time to maturity	2 years
Exercise price (£)	0.001
Share price at grant date (£)	0.0022

14. BUSINESS COMBINATIONS

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income.

The Board recently undertook a review of its business and operations, pursuant to which it was decided that the Slovenian operation, Graft Polymer D.O.O (principally, an industrial polymer products manufacturer), was considered no longer commercially viable due to forecasted negative cashflow as a result of falling sales and rising costs, with no immediate prospect of becoming profitable in the short to medium term. The Group disposed of Graft Polymer D.O.O on 2 May 2024.

A gain on deconsolidation as at date of disposal of £139k was recognised and taken to the Statement of Comprehensive Income.

Gain on deconsolidation of Graft Polymer D.O.O

	2 May 2024
	£'000
Consideration received	
Cash	-
Carrying amount of net liabilities sold	16
	16
Reclassification of foreign exchange reserve	123
Gain on deconsolidation	139

Financial Performance for Graft Polymer D.O.O

	Unaudited	Unaudited
	Four months to 2 May 2024	Nine months to 30 Sep 2023
	£'000	£'000
Revenue	221	380
Cost of sales	(162)	(294)
Gross profit	59	86
Operational costs	(17)	(150)
Depreciation	(57)	(132)
Administrative expenses	(141)	(295)
Operating loss	(156)	(491)
Finance costs	(1)	(3)
Loss before taxation	(157)	(494)
Income tax	-	-

Loss for the period from discontinuing operations	(157)	(494)
<i>Assets and liabilities of Graft Polymer D.O.O</i>		
	Unaudited	Audited
	2 May 2024	31 Dec 2023
	£'000	£'000
Non-current assets		
Right of use assets	38	39
Other non-current assets	13	13
Total non-current assets	51	52
Current assets		
Cash and cash equivalents	13	143
Trade and other receivables	44	78
Inventory	11	50
Total current assets	68	271
TOTAL ASSETS	119	323
Non-current liabilities		
Lease liability	-	22
Total non-current liabilities	-	22
Current liabilities		
Trade and other payables	71	132
Deferred Income	36	93
Lease liability	28	12
Total current liabilities	135	237
Total liabilities	135	259
NET ASSETS	(16)	64

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About Solvonis Therapeutics plc

Solvonis Therapeutics plc is an innovative biotechnology company focused on developing intellectual property related to the treatment of mental health and substance use disorders, and co-developing therapeutics for mental health disorders. Solvonis' mission is to improve outcomes for individuals suffering from mental health disorders, with an initial focus on trauma-related mental health conditions, such as PTSD. PTSD affected approximately 13 million adults in the U.S. in 2020, with the Company estimating a current affected population of 20 million across the U.S., UK, and key EU markets.

www.solvonis.com | [LinkedIn](#) | [X \(formerly Twitter\)](#)

About Awakn Life Sciences Corp.

Awakn Life Sciences Corp. is a clinical-stage biotechnology company developing therapeutics targeting substance use and mental health disorders. Awakn has a near-term focus on AUD, a condition affecting approximately 29 million adults in the US with Awakn estimating a current affected population of 40 million in the US and US and key European markets for which the current standard of care is inadequate. Awakn's goal is to provide breakthrough therapeutics to addiction sufferers in desperate need and its strategy is focused on commercialising its R&D pipeline across multiple channels.

awaknlifesciences.com | [LinkedIn](#) | [X \(formerly Twitter\)](#)

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