

30 June 2025

capAI Plc (the "Company")

Interim Results for the six-month period ended 31 March 2025

capAI plc (LSE: CPAI) is pleased to announce its unaudited interim results for the six-month period ended 31 March 2025.

For further information, please contact:

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Chairman's Statement

The period under review marked a phase of exceptional activity and transformation for the Group.

I am absolutely delighted with the progress made, and the Group ends the period as a significantly improved and fundamentally different entity from the one that began it. Encouragingly, momentum has continued post period-end, with further progress already underway that positions the Group well for future value creation.

On 16 October 2024, I was appointed as Executive Chairman and immediately set about streamlining and strengthening the Company's affairs, resolving legacy matters, and establishing a strong foundation for future strategic growth.

Shortly thereafter, on 17 October 2024, the Company raised £150,000 through a combination of a £98,500 placing at £0.00025 per share and the issue of £51,500 of convertible loan notes. Each share and convertible loan note carried a warrant exercisable at £0.000375 for three years, and all existing warrants were re-priced to that level to ensure consistency and increase the likelihood of exercise based on the prevailing share price at that time. I participated in the October 2024 placing, investing £37,500, demonstrating personal financial commitment to the Company's transformation. The convertible loan notes were subsequently converted, and the resulting shares were admitted to trading on 7 and 11 April 2025.

On 29 January 2025, the Board announced a strategic repositioning of the Group to focus exclusively on the Artificial Intelligence ("AI") space, with a view to delivering significant capital growth. As part of this transformation, the Company changed its name to capAI plc (LSE: CPAI), effective from 4 February 2025.

To support this new direction, the composition of the Board was refreshed. Marcus Yeoman and Sarah Davy were appointed to the Board, while Paul Gazzard stepped down.

To further align management with shareholder value creation, share options were granted to Sarah Davy and me on 29 January 2025, subject to vesting conditions based on continued service and share price performance.

On 12 March 2025, we announced the proposed appointment of Professor Ronjon Nag to the Board as an Executive Director. His appointment represented a major milestone for the Company, bringing on board a globally recognised AI investor, inventor, and entrepreneur with over 40 years of experience. Professor Nag has cultivated deep, long-standing relationships with world-leading institutions including Stanford University, MIT, UC Berkeley, and Cambridge University. He is the Founder and Managing Director of R42, a Silicon Valley-based investment group focused on the invention and backing of AI, longevity, and deep tech ventures. Professor Nag formally joined the Board on 1 April 2025.

Since my appointment in October 2024, I have not accrued or received any salary, and both Professor Nag and I have agreed to forego fixed remuneration in favour of performance-linked remuneration. On the same date, I was therefore granted additional share options, while Professor Nag received new performance-based options. Both awards are subject to conditions relating to continued service and share price appreciation.

To support the repositioning, the Company announced a conditional fundraising of £275,000 at £0.0004 per share, representing a 6.7% premium to the closing mid-market price on 11 March 2025. The fundraising was conditional on shareholder approval at the Annual General Meeting on 31 March 2025 and the admission of the shares to the Official List and to trading on the Main Market. Current and

prospective Directors subscribed for £112,500, demonstrating strong internal alignment. Each share carried a warrant exercisable at £0.0008 for one year. Following AGM approval and completion of the listing process, the shares were admitted to trading on 7 April 2025.

Principal Risks and Uncertainties

As at 31 March 2025, the Group was executing its refined AI-led strategy under a refreshed leadership team, supported by a recent fundraising. The Board continues to monitor and manage risks actively.

Key risks for the remainder of the financial year include:

Strategic and Execution Risk: Delivery of the Group's AI strategy depends on identifying and developing quality opportunities, structuring ventures effectively, and scaling efficiently. Operational complexity and disciplined execution remain central priorities.

Key Personnel Risk: The Group's progress is closely tied to its small senior team, particularly Professor Nag. The loss of key individuals could impact delivery. This is mitigated through share options and robust governance.

Funding and Market Risk: While the Group had sufficient resources at the period end, this position was further strengthened post period-end through the receipt of proceeds from a placing and the exercise of warrants. The Board is on record as being disciplined and measured in its approach to dilution, seeking to balance funding needs with shareholder value. Nonetheless, future funding may be required to support the growth of projects. The Group recognises that investor sentiment and broader economic conditions may influence access to capital.

Regulatory and Related Party Risk: The Company is subject to the UK Listing Rules, Market Abuse Regulation, and Disclosure and Transparency Rules ("DTR"). Related party matters, especially regarding the strategic alliance with R42, are subject to clear procedures and oversight by independent directors.

Going Concern: The Board considers it appropriate to adopt the going concern basis, while remaining mindful of future delivery milestones and capital planning.

Financial Risk: The Group had limited borrowings at period end, comprising outstanding convertible loan notes which were subsequently converted in April 2025. Liquidity was managed conservatively to support operations and strategic objectives.

Post-Period Update: Following the period-end, the Group formally launched its AI operating strategy and entered into a strategic alliance with R42. While this enhances access to innovation and execution capability, it introduces partnership and delivery risk, which remains under close Board oversight.

Financial Review

The Group did not generate revenue during the period, reflecting its strategic repositioning toward the AI space.

The loss before taxation for the six-month period ended 31 March 2025 was £136,946 (six-month period ended 31 March 2024: profit of £198,326), primarily due to administrative expenses. The prior period profit resulted from a one-off write-back of loans and debts totalling £237,509.

Administrative expenses of £137,062 (six-month period ended 31 March 2024: £39,183) were incurred during the period, mainly in connection with maintaining the Company's listing on the Official List and supporting ongoing operations. These costs included regulatory and professional fees, consultancy services, D&O insurance, non-executive director fees, and executive director share-based remuneration.

Cash and cash equivalents as at 31 March 2025 stood at £101,101, up from £13,043 as at 31 March 2024, an increase due to fundraising during the period. This position has been further strengthened post period-end by the completion of a £275,000 conditional placing (of which £61,000 had been received on account as at 31 March 2025) and gross proceeds of £191,523 from warrant exercises.

The Directors remain confident in the Group's ability to continue as a going concern, supported by successful fundraisings and ongoing strategic developments.

Directors

The Directors of the Company during the period ended 31 March 2025 and after the period-end were:

Professor Ronjon Nag (appointed on 1 April 2025)
Richard Andrew Edwards (appointed on 16 October 2024)
Sarah Jane Davy (appointed on 29 January 2025)
Marcus Yeoman (appointed on 29 January 2025)
Paul Terence Gazzard (resigned on 29 January 2025)

Related Party Disclosures

Details of Director participation in fundraisings, share option grants, and related party transactions are disclosed in the Chairman's Statement and are further explained in the notes to the interim financial statements.

Directors' Responsibility Statement

The Directors confirm to the best of their knowledge:

- the interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the EU;

accounting standards, interim financial reporting, as accepted by the IASB,

- the interim financial statements give a true and fair view of the assets and liabilities, financial position and loss of the Group;
- the Interim Report includes a fair review of the information required by DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim financial information, and a fair description of the principal risks and uncertainties for the remaining six months of the year; and
- the interim financial information includes a fair review of the information required by DTR 4.2.8R, being the information required on related party transactions.

Subsequent Events

Since the period-end, several significant developments have taken place to advance the Group's AI-led strategy.

On 1 April 2025, Professor Ronjon Nag was appointed to the Board as an Executive Director.

The conditional fundraising of £275,000, announced on 12 March 2025, became unconditional. The shares were admitted to trading on 7 April 2025. Shares were also issued on conversion of outstanding convertible loan notes, admitted on 7 and 11 April 2025 respectively. This included the issue of shares in settlement of professional fees.

On 14 April 2025, the Group announced a strategic framework: Identify, Incubate, and Invent, designed to drive the development of transformative AI systems. This strategic approach reflects Professor Nag's deep experience and acknowledges the seismic shift in start-up creation driven by the "One-Person Unicorn" model. This concept envisions individuals, empowered by AI, building companies aspiring to billion-dollar valuations. While these ventures are rarely operated by just one person in practice, they typically begin with ultra-lean teams designed to maximise agility and innovation from the outset.

To support this direction, the Company launched refreshed branding, including a new logo and website at www.capai.group, and established an internal ecosystem to create and support new AI ventures.

On 23 April 2025, the Company announced warrant exercises for 110,728,300 ordinary shares, admitted to trading on 24 April 2025, raising gross proceeds of £41,523.

On 2 May 2025, the Company announced conditional warrant exercises for 400,000,000 shares, with expected proceeds of £150,000. To ensure timely delivery, a short-term stock loan agreement was entered into between the Company and me. As a related party transaction, I and my associates abstained from all Board and shareholder voting. The agreement was approved by independent directors, and then shareholders at a General Meeting on 28 May 2025. Following approval, shares were transferred, warrants delivered by 2 June 2025, and the loan repaid in full with an equivalent share allotment on 9 June 2025.

At the same General Meeting, the historic serious loss of capital was discussed. This legacy matter arose from earlier activities under former management and had not been formally addressed at the time. In the interest of transparency and good governance, the current Board ensured the issue was considered in line with statutory requirements under Company Law. As this related to a historical matter, the Board considered it a necessary procedural step that does not reflect the Group's ongoing repositioning or forward-looking growth plans in the AI space.

On 27 May 2025, the Group announced a strategic alliance with R42, effective from 1 June 2025, another key milestone in delivering its AI operating strategy.

Under the agreement, the Group secured preferential development rights, including a right of first refusal to jointly develop selected R42 projects. This provides shareholders with structured access to early-stage AI opportunities typically available only through private US venture channels. The Group and R42 will also collaborate to incubate external AI projects beyond their current portfolios.

While the alliance initially targets opportunities in media and medicine, it offers strategic flexibility to pursue exceptional, high-growth ventures across the broader AI landscape, reinforcing the Group's ambition to remain agile and at the forefront of innovation.

Outlook

The Board is confident in the Group's strategic direction and its ability to deliver meaningful long-term value for shareholders. The Group is progressing its three-pillar strategy to Identify, Incubate and Invent high-impact AI ventures, supported by its partnership with R42 and the proven track record of its leadership team.

The Group's core philosophy is to grow the business through high-efficiency, AI operating ventures while mitigating dilution for shareholders. This approach challenges the traditional reliance on large teams, significant capital, and lengthy development cycles, both within the day-to-day operations of capAI and in its approach to project development.

The Board extends its sincere thanks to shareholders, partners and advisers for their continued support and belief in the Group's vision.

We look forward to the journey ahead as the Board remains focused on executing the Group's strategic vision.

On behalf of the Board
Richard Edwards
Executive Chairman
30 June 2025

Consolidated Condensed Statement of Comprehensive Income
For the six-month period ended 31 March 2025

| | Note | Group Unaudited Six-month period ended 31 March 2025 £ | Group Unaudited Six-month period ended 31 March 2024 £ | Group Audited Year ended 30 September 2024 £ |
|--|------|--|--|--|
| Continuing operations | | | | |
| Administrative expenses | | (137,062) | (39,183) | (226,866) |
| Operating loss | | (137,062) | (39,183) | (226,866) |
| Interest receivable | | 116 | - | - |
| Write-back of loans and debts | | - | 237,509 | 248,198 |
| (Loss)/profit before taxation | | (136,946) | 198,326 | 21,332 |
| Taxation | | - | - | - |
| (Loss)/profit for the period from continuing operations | | (136,946) | 198,326 | 21,332 |
| Discontinued operations | | | | |
| Profit for the period from discontinued operations | | - | - | 91,380 |
| Total comprehensive (loss)/income for the period | | (136,946) | 198,326 | 112,712 |
| Total comprehensive (loss)/income for the period attributable to: | | | | |
| Equity holders of the company | | (136,946) | 198,326 | 112,712 |
| | | (136,946) | 198,326 | 112,712 |
| (Loss)/earnings per share attributable to equity owners | | | | |
| Continuing operations - basic | 5 | (0.00007) | 0.0004 | 0.0002 |
| Continuing operations - diluted | 5 | (0.00003) | 0.0004 | 0.0002 |
| Discontinued operations - basic and diluted | 5 | - | - | 0.00010 |

Consolidated Condensed Statement of Financial Position
As at 31 March 2025

| | Note | Group Unaudited As at 31 March 2025 £ | Group Unaudited As at 31 March 2024 £ | Group Audited As at 30 September 2024 £ |
|-------------------------------|------|--|--|--|
| Assets | | | | |
| Non-current assets | | | | |
| Investment in subsidiaries | 3 | - | - | - |
| Current assets | | | | |
| Trade and other receivables | 4 | 40,108 | 18,098 | 31,022 |
| Cash and cash equivalents | | 101,101 | 13,043 | 28,329 |
| Total assets | | 141,209 | 31,141 | 59,351 |
| Equity and liabilities | | | | |
| Equity | | | | |

Consolidated Condensed Statement of Changes in Equity
For the six-month period ended 31 March 2025

Consolidated Condensed Statement of Cash Flows
For the six-month period ended 31 March 2025

| | | | | | | |
|-------------|-------------|------------|------------|------------|--------|---------|
| 81. | 12. | 2. | 1. | 1. | 22,500 | 240,000 |
|-------------|-------------|------------|------------|------------|--------|---------|

| | | | |
|---|----------------|----------------|----------------|
| Net cash generated from financing activities | 98,500 | - | 340,000 |
| Cash flows from investing activities | | | |
| Net cash generated from investing activities | - | - | - |
| Net increase/(decrease) in cash and cash equivalents in period | 72,772 | (3,607) | 11,679 |
| Cash and cash equivalents at beginning of period | 28,329 | 16,650 | 16,650 |
| Cash and cash equivalents at end of period | 101,101 | 13,043 | 28,329 |

Notes to the Unaudited Condensed Interim Financial Statements
For the six-month period ended 31 March 2025

1. General information

capAI plc (the "Company") is a public limited company incorporated in England and Wales on 20 April 2011. During the reporting period, on 4 February 2025, the Company changed its name from Dukemount Capital plc to capAI plc to reflect its strategic repositioning in the AI sector.

The Company was admitted to the Official List of the Financial Conduct Authority by way of a Standard Listing and to trading on the Main Market of the London Stock Exchange on 29 March 2017. Following UK Listing Reforms effective 29 July 2024, the Company has been mapped to the Equity Shares (Transition) category, under which it continues to comply with the Standard Listing requirements.

The interim report and financial statements for the six-month period ended 31 March 2025 comprise the results of the Company and its subsidiaries (together referred to as the "Group").

The Group's principal activity is the development and commercialisation of artificial intelligence technologies through its strategic framework: Identify, Incubate and Invent. It focuses on sourcing, building and scaling high-efficiency, high-impact ventures, with an initial emphasis on media and medicine, while retaining flexibility to pursue exceptional opportunities across the broader AI, deep tech and longevity landscape.

The Company's registered office is 9 Innovation Place, Douglas Drive, Godalming, Surrey, GU7 1JX.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared under the historical cost convention, on a going concern basis, and in accordance with International Financial Reporting Standards, International Accounting Standards and IFRIC interpretations as adopted for use in the United Kingdom ("IFRS"). The condensed consolidated interim financial statements contained in this document do not constitute statutory accounts. In the opinion of the Directors, the condensed consolidated interim financial statements fairly present the financial position, performance and cash flows for the period. The Board of Directors approved this Interim Financial Report on 30 June 2025.

The Group's accounting reference date is 30 September. Accordingly, this interim reporting period covers the six months from 1 October 2024 to 31 March 2025, with comparatives presented for the six-month period ended 31 March 2024 and the year ended 30 September 2024.

Statement of compliance

The interim report includes the condensed consolidated interim financial statements, which have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. These financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 September 2024, which were prepared in accordance with IFRS as adopted in the United Kingdom.

Accounting policies

The accounting policies and methods of computation followed in the preparation of the interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 September 2024. There have been no new accounting standards or interpretations adopted in the current period that have a material impact on the financial information.

Going concern

The Directors have assessed the Group's ability to continue as a going concern, taking into account its financial position as at 31 March 2025 and developments since the period end. While the Group had sufficient resources at the reporting date, this position was further strengthened post period-end through proceeds received from a placing and the exercise of warrants.

The Directors believe it is appropriate to prepare these interim financial statements on a going concern basis. While further funding may be required to support the execution and scale-up of the Group's AI strategy, the Board is confident in its ability to secure such funding as and when required. This confidence is underpinned by the Group's strategic repositioning into a high-growth and topical sector, strong shareholder alignment, and the recent appointment of Professor Ronjon Nag, a globally recognised AI investor and entrepreneur, to the Board.

The Board remains committed to a disciplined approach to capital raising, with a focus on balancing growth and shareholder value. Although the timing and availability of future funding are subject to market conditions, the Directors consider that the Group is well placed to attract further investment. However, the potential requirement for additional capital represents a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors are satisfied that the going concern basis remains appropriate

3. Investment in subsidiaries

| | Group Unaudited As At 31 March 2025 | Group Unaudited As at 31 March 2024 | Group Audited As at 30 September 2024 |
|-----------------------------|---|---|---|
| | £ | £ | £ |
| Investments in subsidiaries | - | - | - |

Details of subsidiaries

Details of the subsidiaries at 31 March 2025 are as follows:

capAI opportunities Ltd (formerly Dukemount Ltd)

4 Trade and other receivables

| | Group Unaudited As At 31 March 2025 | Group Unaudited As at 31 March 2024 | Group Audited As at 30 September 2024 |
|--|---|---|---|
| | £ | £ | £ |
| Other receivables, including prepayments | 40,108 | 18,098 | 31,022 |
| | 40,110 | 18,099 | 31,022 |

5. Earnings per share

Basic (loss)/earnings per share is calculated by dividing the total comprehensive (loss)/income attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

| | Group- Unaudited- As at- 31 March- 2025- | Group Unaudited As at 31 March 2024 | Group Audited As at 30 September 2024 |
|---|--|---|---|
| | £- | £ | £ |
| (Loss)/profit on continuing operations | (136,946) | 198,326 | 21,332 |
| Profit on discontinued operations | -- | - | 91,380 |
| Total comprehensive (loss)/income attributable to equity holders of the Group | (136,946) | 198,326 | 112,712 |
| Weighted average number of shares in issue - expressed in thousands | | | |
| Basic | 2,063,525- | 498,171 | 923,869 |
| Diluted | 5,108,272- | 498,171 | 923,869 |
| Basic and diluted (loss)/earnings per share | | | |
| Continuing operations - basic | (0.00007) | 0.0004 | 0.00002 |
| Continuing operations - diluted | (0.00003) | 0.0004 | 0.00002 |
| Discontinued operations - basic and diluted | -- | - | 0.00010 |

Diluted earnings per share for the period ended 31 March 2025 includes the potential impact of outstanding share options and warrants, where these are dilutive.

The Company had warrants in issue as at 30 September 2024. However, the inclusion of such warrants in the weighted average number of shares as potential dilutive instruments for the year ended 30 September 2024 would have been anti-dilutive. Accordingly, diluted earnings per share is identical to basic earnings per share for the period to 31 March 2024 and year to 30 September 2024.

6. Share capital

| Ordinary shares Allotted, issued and fully paid | Number of Shares | Share Capital |
|--|---------------------|------------------|
| | Number | £ |
| As at 1 October 2023 | 616,243,164 | 616,243 |
| Share consolidation and subdivision into deferred shares | (554,618,848) | (554,619) |
| | 61,624,316 | 61,624 |
| Shares issued (admitted on 18 January 2024) | 7,692,307 | 7,692 |
| Shares issued (admitted on 5 March 2024) | 900,000,000 | 900,000 |
| As at 31 March 2024 | 969,316,623 | 969,316 |
| Subdivision into deferred shares | - | (959,623) |
| | 969,316,623 | 9,693 |
| Shares issued (admitted on 19 April 2024) | 750,000,000 | 7,500 |
| As at 30 September 2024 | 1,719,316,623 | 17,193 |
| Shares issued (admitted on 24 October 2024) | 394,000,000 | 3,940 |
| As at 31 March 2025 | 2,113,316,623 | 21,133 |

On 17 October 2024, the Company raised £150,000 by way of a placing of £98,500 through the issue of 394,000,000 ordinary shares of £0.00001 at a price of £0.00025 each ("the Placing Shares") and the issue of £51,500 of Convertible Loan Notes ("CLNs").

The CLNs were convertible at £0.00025 into 206,000,000 new ordinary Shares of £0.00001 (the "CLN Shares"). These were converted in their entirety, with the resulting ordinary shares admitted to trading on 7 and 11 April 2025.

The Placing Shares and the CLN Shares had a one for one warrant attached (the "Warrants"). The 600,000,000 Warrants are exercisable at £0.000375 per share for a period of 3 years from the date of admission of the Placing Shares.

As at 31 March 2025, the Company had 2,113,316,623 ordinary shares of £0.00001 each in issue, with a total

nominal value of £21,133.

| Deferred shares Allotted, issued and fully paid | Number of Shares | Share Capital |
|--|-----------------------------|--------------------------|
| | Number | £ |
| As at 1 October 2023 | - | - |
| Subdivision from ordinary shares | 61,624,316 | 554,619 |
| As at 31 March 2024 | 61,624,316 | 554,619 |
| Subdivision from ordinary shares | 969,316,623 | 959,623 |
| As at 30 September 2024 and 31 March 2025 | 1,030,940,939 | 1,514,242 |

Both classes of deferred Shares have no voting rights, no entitlement to attend General Meetings of the Company, no right to any dividend or other distribution and will carry only the right to participate in any return of capital to the extent of the amount paid up or credited as paid up on each deferred Share after the holders of existing ordinary shares have received, not only the aggregate amount paid up on those shares, but also £1 million per new ordinary share.

As at 31 March 2025, there were two classes of deferred shares in issue:

- 61,624,316 deferred shares of £0.009 each, and
- 969,316,623 deferred shares of £0.00099 each,

totalling 1,030,940,939 deferred shares with an aggregate nominal value of £1,514,242.

| Ordinary and deferred shares Allotted, issued and fully paid | Group Unaudited As at 31 March 2025 | Group Unaudited As at 31 March 2024 | Group Audited As at 30 September 2024 |
|---|--|--|--|
| | £ | £ | £ |
| Ordinary shares | 21,133 | 969,316 | 17,193 |
| Deferred shares | 1,514,242 | 554,619 | 1,514,242 |
| | 1,535,375 | 1,523,935 | 1,531,435 |

7. Share premium

| Ordinary shares Allotted, issued and fully paid | Share Premium £ |
|--|--------------------------------|
| As at 1 October 2023 | 1,249,305 |
| Shares issued (admitted on 18 January 2024) | 492,308 |
| Shares issued (admitted on 5 March 2024) | - |
| As at 31 March 2024 | 1,741,613 |
| Shares issued (admitted on 19 April 2024) | 292,500 |
| As at 30 September 2024 | 2,034,113 |
| Shares issued (admitted on 24 October 2024) | 94,560 |
| As at 31 March 2025 | 2,128,673 |

8. Share based payments

Warrants

Warrants issued for services provided are accounted for as equity-settled share-based payments under IFRS 2 - Share-Based Payment. These comprise adviser warrants granted in consideration for professional services rendered to the Company. The fair value of such warrants has been determined using the Black-Scholes option pricing model and is recognised in the statement of comprehensive income over the relevant service

option pricing model and is recognised in the statement of comprehensive income over the relevant service period.

In contrast, warrants issued pursuant to a placing of ordinary shares are considered to form part of a financing arrangement. As such, they fall outside the scope of IFRS 2 and are treated as part of the equity instruments issued. Accordingly, no charge has been made recognised in the statement of comprehensive income in respect of these placing-related warrants.

As at 31 March 2025, the Company had the following warrants outstanding:

| | Number of Warrants |
|--|---------------------------|
| | Number |
| As at 1 October 2023 | - |
| Warrants issued for services provided (expiry on 5 March 2027) | <u>29,079,499</u> |
| As at 31 March 2024 | 29,079,499 |
| Warrants issued pursuant to a placing of Ordinary Shares (expiry on 17 May 2027) | 750,000,000 |
| Warrants issued for services provided (expiry on 5 March 2027) | <u>22,500,000</u> |
| As at 30 September 2024 | 801,579,499 |
| Warrants issued pursuant to a placing of Ordinary Shares (expiry on 29 October 2027) | 600,000,000 |
| Warrants issued for services provided (expiry on 5 March 2027) | <u>18,000,000</u> |
| As at 31 March 2025 | <u>1,419,579,499</u> |

On 17 October 2024, the Company re-priced all its outstanding warrants to an exercise price of £0.000375 per share, to ensure consistency and increase the likelihood of exercise based on the prevailing share price at that time.

Share options

The Company has implemented equity-settled share-based payment arrangements for its directors, accounted for under IFRS 2 - Share-Based Payment. These options have been granted under performance-linked incentive schemes designed to align director remuneration with shareholder value creation.

Vesting of the options is conditional on achieving specific share price hurdles and maintaining continuous service over defined periods. The fair value of each grant has been determined using the Black-Scholes option pricing model, with the total value expensed over the vesting periods in accordance with IFRS 2.

As at 31 March 2025, the Company had the following options outstanding:

| | Number of Options |
|---|--------------------------|
| | Number |
| As at 1 October 2023, 31 March 2024 and 30 September 2024 | -- |
| Directors' options (granted on 29 January 2025) | 500,000,000 |
| Directors' options (granted on 12 March 2025) | <u>1,875,000,000</u> |
| As at 31 March 2025 | <u>2,375,000,000</u> |

Further details of the specific options granted are set out below:

Options granted on 29 January 2025

| Richard Edwards | Sarah Davy | Total | Share Price Hurdle | Vesting condition |
|-----------------|------------|-------------|--------------------|--------------------------------|
| Number | Number | Number | £ | |
| 160,000,000 | 40,000,000 | 200,000,000 | £0.0005 | Continuous employment |
| 120,000,000 | 30,000,000 | 150,000,000 | £0.0010 | 6 months continuous employment |
| 120,000,000 | 30,000,000 | 150,000,000 | £0.0015 | 12 months continuous |

| | | |
|-------------|-------------|-------------|
| 400,000,000 | 100,000,000 | 500,000,000 |
|-------------|-------------|-------------|

The options were granted with an exercise price of £0.000315, being the closing mid-market price on 28 January 2025.

Options granted on 12 March 2025

| Richard Edwards | Professor Ronjon Nag | Total | Share Price Hurdle | Vesting condition |
|-----------------|----------------------|---------------|--------------------|---------------------------------|
| Number | Number | Number | £ | |
| 125,000,000 | 500,000,000 | 625,000,000 | £0.0005 | Continuous employment |
| 125,000,000 | 500,000,000 | 625,000,000 | £0.00125 | 6 months continuous employment |
| 125,000,000 | 500,000,000 | 625,000,000 | £0.0030 | 12 months continuous employment |
| 375,000,000 | 1,500,000,000 | 1,875,000,000 | | |

The options were granted with an exercise price of £0.00001 (nominal value).

In accordance with the directors' remuneration arrangements as disclosed in the Company's RNS dated 12 March 2025, the Company has committed that, in the event the Company's current outstanding warrants (including those issued as part of the March 2025 conditional fundraising) and previous options (as set out in the RNS dated 29 January 2025) are exercised, Professor Nag and Richard Edwards will be granted further options proportionately and on the same terms as their existing awards. This mechanism is designed to maintain their options as a consistent percentage of the enlarged issued share capital following such exercises.

As at the date of approval of these interim financial statements, a total of 510,728,300 warrants had been exercised since the reporting date. In line with the above arrangements, the Company expects to grant proportionate additional options to Professor Nag and Richard Edwards in due course. To minimise administrative burden, such options will be granted in periodic tranches rather than individually following each warrant or option exercise. No such additional options had been granted as at 30 June 2025.

Fair value measurement

A Black-Scholes model has been used to determine the fair value of both warrants and share options at the respective grant dates. The model incorporates several factors, including:

- the market price of the Company's shares at grant date,
- the exercise price of the instrument,
- expected share price volatility,
- expected life of the option/warrant,
- risk-free interest rate, and
- the expected level of future dividends (assumed nil).

The inputs into the model were as follows:

| | Granted on 5 March 2024 | Granted on 19 April 2024 | Granted on 24 October 2024 |
|----------------------|-------------------------------|--------------------------------|----------------------------------|
| Warrant life (years) | 3 | 3 | 2.375 |
| Risk free rate (%) | 5.25% | 5.25% | 5.00% |
| Expiry date | 5 March 2027 | 5 March 2027 | 5 March 2027 |

| | | | |
|-----------------------------|-----------|-----------|-----------|
| Exercise price at grant (£) | £0.001 | £0.001 | £0.000375 |
| Expected volatility (%) | 20% | 20% | 20% |
| Expected dividend yield | -- | -- | -- |
| Share price at grant (£) | £0.000525 | £0.000350 | £0.000310 |

| | Granted on 29 January 2025 | Granted on 12 March 2025 |
|-----------------------------|---|---|
| Options life (years) | 3 | 3 |
| Risk free rate (%) | 4.75% | 4.50% |
| Expiry date | N/A | N/A |
| Exercise price at grant (£) | £0.000315 | £0.00001 |
| Expected volatility (%) | 20% | 20% |
| Expected dividend yield | -- | -- |
| Share price at grant (£) | £0.000315 | £0.000375 |

The share options granted on 29 January 2025 and 12 March 2025 do not contain a fixed contractual expiry date. However, for the purposes of calculating the fair value under IFRS 2, the Company has applied an expected option life of 3 years from the respective grant dates, consistent with small-cap market norms.

The Company has applied an expected volatility of 20% in valuing share-based payment arrangements using the Black-Scholes model. This reflects historical share price movement and is considered appropriate for a UK small-cap issuer, such as the Company. Volatility is assessed at the grant date and is not adjusted retrospectively.

Share-based payment expense

The total fair value of equity-settled share-based payment arrangements granted during the period was determined using the Black-Scholes option pricing model, as detailed above.

The following table presents the fair value of the share-based awards granted during the period and the corresponding charge recognised in the income statement:

| | Fair Value | Charge- Six-month- period ended- 31 March- 2025 |
|---|-----------------------|--|
| | £ | £ |
| Directors' options (granted on 29 January 2025) | 32,343 | 1,831 |
| Directors' options (granted on 12 March 2025) | 686,743 | 12,543 |
| | <u>719,086</u> | <u>14,374</u> |

The fair value of each option was determined using the Black-Scholes model, assuming a three-year option life, consistent with small-cap norms. Although the awards vest in tranches over shorter service milestones and share price performance targets, the Board considers the options to form part of a longer-term incentive plan. Accordingly, the total fair value is recognised on a straight-line basis over a three-year service period, reflecting the substance of the arrangement.

The remainder of the fair value of the share options will be recognised in future periods over the three-year service period, in accordance with the requirements of IFRS 2.

Warrants issued for services during the period were assessed to have immaterial fair value, and accordingly, no charge has been recognised in the statement of comprehensive income. This repricing on 17 October 2024 did not give rise to any material incremental charge under IFRS 2.

9. Trade and other payables

| Group Unaudited As at 31 March | Group Unaudited As at 31 March | Group Audited As at 30 September |
|---|---|---|
|---|---|---|

| | 2025 | 2024 | 2024 |
|--------------------------|----------------|----------------|----------------|
| | £ | £ | £ |
| Trade and other payables | 89,878 | 115,703 | 88,516 |
| Other creditors | 117,243 | 81,089 | - |
| Accruals | 29,425 | 120,000 | 42,100 |
| | 236,546 | 316,792 | 130,616 |

10. Related Party Transactions

During the period and up to the date of this report, the Group entered into the following related party transactions in accordance with IAS 24:

Directors' participation in fundraisings

- Richard Edwards (Executive Chairman) subscribed £37,500 in the placing announced on 17 October 2024. This comprised £16,750 in ordinary shares and £20,750 in convertible loan notes ("CLNs"). The CLNs were converted into ordinary shares, admitted to trading on 7 April 2025.
- As part of the conditional £275,000 fundraising announced on 12 March 2025, Richard Edwards subscribed for £50,000, Professor Ronjon Nag (Executive Director with effect from 1 April 2025) subscribed for £50,000, and Sarah Davy (Non-Executive Director) subscribed for £12,500. Professor Nag's subscription was received on 31 March 2025 and is included in other creditors as at that date.

Professional fees

Included within administrative expenses for the six-month period ended 31 March 2025 is an accrual of £6,000 in respect of accounting services relating to the preparation of this interim report and associated financial statements. This amount is payable to Coat Capital Limited, a company jointly owned by Richard Edwards, a director of the Company, and his spouse. The balance remains outstanding as at 31 March 2025 and is included in accruals.

As previously disclosed, administrative expenses for the year ended 30 September 2024 included accounting fees of £16,000, also payable to Coat Capital Limited, in respect of bookkeeping, preparation of financial statements, auditor liaison, and tax compliance. This amount was settled through the issue of ordinary shares, which were admitted to trading on 7 April 2025.

Share-based payments

- On 29 January 2025, the Company granted 500,000,000 share options to directors, comprising 400,000,000 to Richard Edwards and 100,000,000 to Sarah Davy.
- On 12 March 2025, the Company granted 1,875,000,000 share options to directors, comprising 375,000,000 to Richard Edwards and 1,500,000,000 to Professor Nag.

Further details are set out in note 8.

Stock loan

To facilitate timely delivery of shares following warrant exercises announced on 2 May 2025, the Company entered into a short-term stock loan agreement with Richard Edwards. This related party transaction was approved by the independent directors and subsequently by shareholders at a General Meeting on 28 May 2025. The loan was repaid in full via share allotment on 9 June 2025. Further detail is provided in note 11.

11. Events after the Reporting Period

Since 31 March 2025, the Group has undertaken several material developments:

- On 1 April 2025, Professor Ronjon Nag was appointed as an Executive Director.
- On 7 April 2025, the conditional fundraising of £275,000 became unconditional and the related shares were admitted to trading. The remaining convertible loan notes were converted and admitted on 7 and 11 April 2025.
- On 14 April 2025, the Group announced its refined AI operating strategic framework: Identify, Incubate, Invent.
- On 23 April 2025, the Company announced warrant exercises for 110,728,300 ordinary shares, which were admitted to trading on 24 April 2025, raising gross proceeds of £41,523.
- On 2 May 2025, the Company announced conditional warrant exercises for a further 400,000,000 shares, expected to raise gross proceeds of £150,000. To ensure timely delivery, a short-term stock loan agreement was entered into between the Company and Richard Edwards. As a related party transaction, the arrangement was approved by the independent directors and subsequently by shareholders at a General Meeting on 28 May 2025. Following approval, shares were transferred, warrants exercised by 2 June 2025, and the loan was repaid in full via share allotment on 9 June 2025.
- On 27 May 2025, the Group announced a strategic alliance with R42, effective from 1 June 2025. The alliance provides preferential access to selected R42 projects and a joint incubation and development framework for new ventures.

These developments reinforce the Group's transformation into a high-efficiency AI operating group aligned with its three-pillar strategy and have been further described in the Interim Management Report.

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