

Company Registration No. 09910883

Belluscura plc

**Unaudited Interim Condensed Consolidated Financial
Statements for the period to 30 June 2024**

CHAIRMAN & CHIEF EXECUTIVE'S STATEMENT

We are pleased to present our Interim Results covering a period in which Belluscura has made significant progress.

Sales continue to grow with Q3 sales of \$1.6m, 20% up on H1 2024 and 40% up on Q2 2024.

The Company expects strong sales to continue with the broader market acceptance of the X-PLOR® and the upcoming full release of its new patented DISCOV-R™ device.

Demand for the new DISCOV-R™ portable oxygen concentrator, which was introduced to the US market via a soft launch in June 2024, has been strong, with every unit manufactured in Q3 being sold.

The DISCOV-R™ weighs a little over 6 pounds (2.75kg), provides fifty percent (50%) more oxygen than the leading oxygen concentrator and produces more oxygen by weight than any portable oxygen concentrator on the market. The full commercial launch of the DISCOV-R™ remains planned for the middle of Q4.

Financial Review

Revenue for the period was \$1.35 m (2023 H1: \$0.37m; FY 2023: \$0.83m), an increase of 264% on the same period last year. The Group made a Product Gross Profit in the period \$0.51m (2023 H1: Loss \$0.05m; FY 2023: Loss: \$0.07m).

We saw operating cost increases in staffing, up from \$1.6m to \$1.8m, marketing spend, up from \$0.3m to \$0.8m in Direct to Consumer advertising and other admin expenses up from \$0.9m to \$1.1m. This was largely counteracted by a positive FX benefit of \$350k (previously loss \$2.2m).

Non-recurring items include restricting costs of \$120k and impairment charge of \$1.5m on the TMT acquisition.

Operating Loss for the period was \$6.0m (2023 H1: \$6.2m; FY2023: \$17.7m). Total Comprehensive Loss was \$6.8m (2023 H1: \$4.4m; FY 2023: \$16.3m).

Adjusted EBITDA Loss of \$3.5m (2023 H1: \$2.9m; FY 2023: \$6.3m), (See note 16). The Board considers that Adjusted EBITDA to be an important key performance indicator, reflecting underlying business performance.

The basic and diluted loss per share was \$0.041 (2023 H1: \$0.052; FY 2023: \$0.142).

The Group net assets at the end of the period were \$18.6m (2023 H1: \$25.2m; FY 2023: \$17.7m). This comprised total assets of \$21.2m (2023 H1: \$27.2m; FY 2023: \$0.8m) and total liabilities of \$2.6m (2023 H1: \$2.0m; FY 2023: \$3.1m).

The total assets included intangible assets (capitalised research and development costs), property, plant and equipment and right-of-use assets of \$12.0m (2023 H1: \$10.6m; FY 2023: \$12.3m).

At the end of the period the Group had net cash of \$0.9m (2023 H1: \$3.8m; FY 2023: \$0.9m). Post period end, £1.92m was raised via a CLN/share issue.

During the period:

- Net cash inflow from funds raised in the period was \$5.6m (2023 H1: \$7.1m; FY 2023: \$12.5m).
- Net cash outflow from operating activities was \$4.1m (2023 H1: \$4.9m; FY 2023: \$9.1m).
- Net cash used in investing activities was \$1.6m (2023 H1: \$2.2m; FY 2023: \$4.5m).

Outlook

We are delighted with the growth in sales and distribution over the past nine months for both the X-PLOR® and DISCOV-R™ portable oxygen concentrators.

Furthermore, we are thankful for our shareholders' understanding during the development process for both products, which has taken time. Following this, we now have two premier lightweight portable oxygen enrichment concentrators that satisfy the strict criteria of the FDA and are excited about the forthcoming full commercial launch of DISCOV-R™ in Q4.

Q4 sales are expected to be not less than \$4M. However, delivery of these sales will be dependent upon two key factors:

- Timely receipt of Pricing Data Analysis and Coding (PDAC) codes that allow Durable Medical Equipment (DME) distributors to claim reimbursement from Medicare for sales of DISCOV-R to patients.
- Finalising further funding facilities to meet the significant increase in working capital requirements resulting from the anticipated strong Q4 sales demand in order for DISCOV—R. The Company has received several debt proposals and is evaluating and in discussion with prospective lenders to arrive at the optimal funding instruments, which are expected to be a combination of debt and invoice discounting.

We look forward to the remainder of 2024 and into 2025 with a real sense of confidence."

Adam Reynolds
Chairman
26 September 2024

Robert Rauker
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

Group	Note	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Continuing Operations				
Revenue	5	1,345,757	366,221	825,409
Cost of sales		(839,064)	(421,994)	(890,497)
Product Gross Profit/(Loss)		506,693	(55,773)	(65,088)
Inventory Impairments and Adjustments		(33,787)	(109,185)	(4,138,030)
Gross Profit (Loss)		472,906	(164,958)	(4,203,118)
Other operating income	6.1	15,335	9,864	33,942
Other direct costs	6.2	(163,188)	(66,503)	(103,991)
Administrative expenses	6.3	(6,352,277)	(5,971,272)	(13,418,554)
Operating Loss		(6,027,224)	(6,192,869)	(17,691,721)
Finance income	7	396	28	2,127
Finance Costs		(478,827)	(226,291)	(828,025)
Loss before income tax		(6,505,655)	(6,419,132)	(18,517,619)
Income tax expense	8	-	-	-
Loss after tax for the period		(6,505,655)	(6,419,132)	(18,517,619)
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences – foreign operations		(279,816)	2,040,395	2,248,588
Total other comprehensive income		(279,816)	2,040,395	2,248,588
Total comprehensive loss for the period attributable to the equity holders		(6,785,471)	(4,378,737)	(16,269,031)
Earnings per share				
Basic: Loss per share	9	(0.041)	(0.052)	(0.142)
Diluted: Loss per share	9	(0.041)	(0.052)	(0.142)
Adjusted EBITDA¹				
Group		Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Total comprehensive loss for the period		(6,785,471)	(4,378,737)	(16,269,031)
<i>Add back:</i>				
Administrative expenses Realised & unrealised FX movements in		(361,575)	2,185,856	2,424,237
Other comprehensive income FX currency translation differences		282,621	(2,040,395)	(2,248,588)
Net foreign exchange movement²		(78,954)	145,461	175,649
Finance Income and Costs		6,624	11,770	19,337
Accrued interest on Convertible Loan Notes		471,808	214,493	806,561
Product development amortisation		798,526	580,142	3,293,232
Impairment of acquisition goodwill		1,478,968	-	-
Costs relating to fundraising activities		-	13,567	92,536
Former CFO compensation		120,179	-	96,393
Minimum royalties in excess of sales royalties		354,804	250,211	792,818
Contract Manufacturer Capacity Costs		-	-	86,440
Inventory Impairment and Adjustments		33,787	109,185	4,138,030
Accrued Bonus		-	-	315,000
Issue of share based payments		104,029	103,948	163,061
Adjusted EBITDA		(3,495,700)	(2,949,960)	(6,289,974)

1 Reconciliation to Adjusted EBITDA measure

Adjusted EBITDA is the Group's key adjusted profit measure. Total comprehensive loss for the period is adjusted to exclude; Foreign exchange translation differences along with unrealised and unrealised foreign exchange movements, depreciation and amortisation of product development, costs relating to fundraising activities, surrendered share options and share option taxes, minimum royalties in excess of sales royalties, share based payments, obsolete 1st generation X-PLOR inventory adjustments and contract manufacturer capacity costs.

2 Net foreign exchange movements

£Sterling to US\$ stayed broadly the same during the period (1 January 2024 - \$1.27:£1.00; 30 June 2024 - \$1.27:£1.00). Due to the size of the Intercompany Loan from the PLC to the US subsidiary which is fixed in £Sterling, this creates an accounting presentational impact between Administration Expenses and Other Comprehensive Income, which to a large extent can be netted off against one another.

- Realised FX movements in administrative expenses arise from the revaluation of £Sterling cash balances into US\$
- Unrealised FX movements in administrative expenses arise from the revaluation of the Intercompany Loan fixed in £Sterling into US\$
- Foreign currency translation differences in Other Comprehensive Income arise from the revaluation of the PLC balance sheet into US\$

CONDENSED CONSOLIDATED BALANCE SHEET

Group	Note	Unaudited 30/06/2024 US \$	Unaudited 30/06/2023 US \$	Audited 31/12/2023 US \$
Assets				
Non-current assets				
Tangible assets	10	180,787	135,593	186,928
Product development	11	10,850,316	10,263,039	9,987,516
Other long-term receivable		976,324	-	1,952,649
Right of use asset	10	79,762	193,550	136,887
Non-current assets		12,087,189	10,592,182	12,263,980
Current assets				
Inventory	12	3,365,107	8,803,762	3,320,652
Trade and other receivables		5,166,562	3,957,967	4,306,492
Cash and cash equivalents		875,670	3,825,391	932,926
Current assets		9,407,339	16,587,120	8,560,070
Total assets		21,494,528	27,179,302	20,824,050
Current liabilities				
Trade and other payables		(2,891,747)	(1,866,633)	(3,070,621)
Current liabilities		(2,891,747)	(1,866,633)	(3,070,621)
Non-current liabilities				
Trade and other payables		(34,906)	(111,377)	(61,267)
Non-current liabilities		(34,906)	(111,377)	(61,267)
Total liabilities		(2,926,653)	(1,978,010)	(3,131,888)
Net assets		18,567,875	25,201,292	17,692,162
Equity attributable to the owners of the parent				
Share capital	13	2,205,182	1,809,806	1,845,523
Share premium	13	44,250,622	36,859,049	37,494,672
Other equity instruments	13	9,628,626	5,497,236	9,167,689
Capital contribution	14	165,000	165,000	165,000
Retained earnings	14	(35,081,567)	(16,625,857)	(28,614,934)
Share option reserve	14	(20,180)	-	(20,180)
Translation reserve	14	(2,579,808)	(2,503,942)	(2,345,608)
Total equity		18,567,875	25,201,292	17,692,162

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months to 30 June 2023
(Unaudited)

Attributable to equity holders of the parent company

Group	Note	Ordinary Shares US \$	Share Premium US \$	Other Equity Instruments US \$	Translation Reserve US \$	Capital Contribution US \$	Retained earnings US \$	Total US \$
Balance at 1 January 2023		1,662,185	33,379,947	-	(4,544,337)	165,000	(10,310,673)	20,352,122
Issue of ordinary shares	13	147,621	3,479,102	-	-	-	-	3,626,723
Issue of other equity instruments		-	-	5,497,236	-	-	-	5,497,236
<i>Loss for the period</i>	14	-	-	-	-	-	(6,419,132)	(6,419,132)
<i>Other comprehensive income</i>	14	-	-	-	2,040,395	-	-	2,040,395
Total comprehensive income		-	-	-	2,040,395	-	(6,419,132)	(4,378,737)
Issue of share based payments	14	-	-	-	-	-	103,948	103,948
Balance at 30 June 2023		1,809,806	36,859,049	5,497,236	(2,503,942)	165,000	(16,625,857)	25,201,292

Twelve months to 31 December 2023
(Audited)

Balance at 1 January 2023		1,662,185	33,379,947	-	(4,544,337)	165,000	(10,310,673)	20,352,122
Issue of ordinary shares	13	183,338	4,114,725	-	-	-	-	4,298,063
Issue of other equity instruments		-	-	9,167,689	-	-	-	9,167,689
<i>Loss for the period</i>	14	-	-	-	-	-	(18,517,619)	(18,517,619)
<i>Other comprehensive income</i>	14	-	-	-	2,198,729	-	-	2,198,729
Total comprehensive income		-	-	-	2,198,729	-	(18,517,619)	(16,318,890)
Issue of share based payments	14	-	-	-	-	-	193,178	193,178
Balance at 31 December 2023		1,845,523	37,494,672	9,167,689	(2,345,608)	165,000	(28,635,114)	17,692,162

Six months to 30 June 2024
(Unaudited)

Balance at 1 January 2024		1,845,523	37,494,672	9,167,689	(2,345,608)	165,000	(28,635,114)	17,692,162
Issue of ordinary shares	13	359,659	6,755,950	-	-	-	-	7,115,609
Convertible Loan Note	13	-	-	460,937	-	-	-	460,937
<i>Loss for the period</i>	14	-	-	-	-	-	(6,477,499)	(6,477,499)
<i>Other comprehensive income</i>	14	-	-	-	(234,200)	-	-	(234,200)
Total comprehensive income		-	-	-	(234,200)	-	(6,477,499)	(6,711,699)
Issue of share based payments	14	-	-	-	-	-	10,866	10,866
Balance at 30 June 2024		2,205,182	44,250,622	9,628,626	(2,579,808)	165,000	(35,101,747)	18,567,875

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Group	Note	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Cash flows from operating activities				
Cash generated from operations	15	(5,470,390)	(4,889,949)	(9,131,571)
Net cash used in operating activities		(5,470,390)	(4,889,949)	(9,131,571)
Cash flows from investing activities				
Purchases of property, plant and equipment	10	(28,510)	(6,841)	(85,409)
Intangible assets under development	11	(1,661,326)	(2,174,449)	(4,447,282)
Net cash used in investing activities		(1,689,836)	(2,181,290)	(4,532,691)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares (net)	13	7,501,102	3,536,649	4,236,474
Proceeds from issuance of other equity instruments (net)	13	(318,002)	5,265,184	8,401,168
Lease Payments		(75,763)	(73,482)	(126,347)
Net cash generated from financing activities		7,107,337	8,728,351	12,511,295
Net (decrease)/increase in cash and cash equivalents		(52,889)	1,657,112	(1,152,967)
Cash and cash equivalents at beginning of period		932,927	2,044,836	2,044,836
Exchange loss on cash and cash equivalents		(4,368)	123,443	41,057
Cash and cash equivalents at end of period		875,670	3,825,391	932,926

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2024.

1. General Information

Belluscura plc is a public company limited by shares incorporated in England and Wales and domiciled in the UK. Company No. 09910883. On 28 November 2017 the Company changed its name from Belluscura Limited to Belluscura plc.

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2. Electronic communications

Copies of this Interim Report for the six months ended 30 June 2024 will not be sent to shareholders unless specifically requested by individual shareholders. The Board believes that by utilising electronic communication it delivers savings to the Company in terms of administration, printing and postage, and environmental benefits through reduced consumption of paper and inks, as well as speeding up the provision of information to shareholders.

News updates, Regulatory News and Financial statements can be viewed and downloaded from the Group's website, www.belluscura.com. Copies can also be requested from; Company Secretary, Belluscura plc, 15 Fetter Lane, London EC4A 1BW or by email: tony.dyer@belluscura.com.

3. Accounting Policies

These condensed consolidated financial statements are prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS) and issued by the International Accounting Standards Board (IASB). The consolidated financial statements are presented in US Dollars, the Group's functional currency. The preparation of this financial information in conformity with IFRS requires the use of certain critical accounting estimates and consistent with the accounting policies used in the Financial Statements for the year ended 31 December 2023.

The condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard No. 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of Belluscura plc "the Company" as at and for the year ended 31 December 2023. These condensed interim financial statements for the six months ended 30 June 2024 and 30 June 2023 are unaudited and do not constitute full accounts. The comparative figures for the period ended 31 December 2023 are extracted from the 2023 audited financial statements.

The independent auditor's report on page 12 of the 2023 financial statements noted a Material uncertainty related to going concern:

"We draw attention to note 2.1.1 of the financial statements which notes the uncertainty in the Group's and Company's level of projected production of DISCOV-R products and financial returns thereon following the expected launch of the new product in Summer 2024 and the potential consequential impact on the Group's ability to secure additional funding. As stated in note 2.1.1, these conditions are necessarily considered to represent a material uncertainty that may cast significant doubt over the Group's and 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."

4. Going concern

Commercial Background

US FDA 510(k) clearance of the Group's X-PLOR was received on 2 March 2021 and was launched in the US in September 2021. The Group launched the next generation X-PLOR in October 2022 and released the DISCOV-R for Pre-Market Evaluation in June 2023.

In March 2022, the Group signed a manufacturing Master Supply Agreement ("MSA") with InnoMax Medical Technology, Ltd ("InnoMax") to manufacture our devices in China alongside US manufacturing.

In April 2022, the Group took the decision to transfer its US manufacturing in-house, to increase production output at high quality standards, and achieve a significant reduction in production costs. This was successfully completed at the end of July 2022. The decision to bring our US manufacturing in-house from our contract manufacturer along with the initial support of the set-up of InnoMax manufacturing in China, resulted in significant investment in Raw Material Inventory and Deposits which at 31 December 2022 stood at \$10.8m. The Group has transferred Raw Materials to InnoMax for utilisation in China manufacturing and alongside this, as anticipated, InnoMax is beginning to directly source most of their own components, which will progressively result in a significant margin improvement through lower unit cost of sales and has resulted in a reduction in the Company's inventory levels of components.

Cash at 30 June 2024 was \$0.9m (30 June 2023: \$3.8m; 31 December 2023: \$0.9m).

Prospects and Forecasts

The Board is confident the full commercial launch of the award winning DISCOV-R product in Q4 2024 will be transformational for the Group. Demand is expected to be very strong because a major competitor has left the market, the two others have

larger, more bulky products, and the small size of our product is very appealing to the customer base. Additionally, most of the development and capital costs for DISCOV-R have already been incurred.

At 30 June 2024 the Group had \$0.9m in cash (30 June 2023: \$3.8m; 31 December 2023: \$0.9m), \$3.1m in Finished Goods & Raw Material inventory and £5.2m in Current Debtors and other Receivables.

Strong sales of X-PLOR and the expected significant demand for the DISCOV-R, alongside the release of working capital through the sale of goods from its existing inventory, and capital raise in July, indicate that the Group has sufficient cash reserves to operate within the level of its current facilities for a period of 12 months from the date of approval of the financial statements.

Given that projected sales and prices may not materialize as anticipated in the Group's forecasts, the Board continues to actively consider further fundraising and other mitigating actions.

These conditions are necessarily considered to represent a material uncertainty that may cast significant doubt over the Group's and the Company's ability to continue as a going concern.

The Group's forecasts, taking account of reasonably possible downsides in trading performance and development costs/timelines, and the risks to these projections have been considered by the Board in its assessment of these forecasts.

Based on the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

5. Segmental reporting

The chief operating decision makers consider that in the period to 30 June 2024 there is only one operating segment, being the sale of oxygen concentrators in the United States.

The Group generated gross revenue of \$1,345,757 in the period (2023 H1: \$366,221; 2023: \$825,409). All sales were in the United States.

6. Other operating income and administrative expenses

6.1 Inventory impairments and adjustments

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Obsolete raw material inventory and inventory adjustments	33,787	109,185	845,827
Impairment of Batteries	-	-	1,077,626
Impairment of Finished Goods Value	-	-	1,888,122
Provision for 2024 RMA's ("Return to Manufacturer Authorizations")	-	-	326,455
Total	33,787	109,185	4,138,030

6.1 Other operating income

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Freight Charged	7,308	9,758	14,795
Rent charged	4,300	-	19,147
Other Direct Income	3,727	106	-
Total	15,335	9,864	33,942

6.2 Other direct costs

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Sales Royalties	56,196	27,690	40,884
Freight Costs	106,992	38,813	63,107
Total	163,188	66,503	103,991

6.3 Expenses by nature

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
<i>Operating Expenses</i>			
Employee Benefit expense	1,803,228	1,624,637	3,433,042
Sales & Marketing	828,919	274,871	655,229
Other administration expenses	1,122,386	857,207	1,903,776
	3,754,533	2,756,715	5,992,047
<i>Depreciation & Amortisation</i>			
Depreciation of property plant and equipment	32,933	24,281	49,559
Depreciation of right of use asset	56,745	56,552	113,231
Amortisation of product development	798,526	580,142	3,293,232
Impairment of TMT Goodwill (see Note 19 below)	1,478,968	-	-
	2,367,172	660,975	3,456,022
<i>Staff Related Exceptional Costs</i>			
IFRS2 Share-based Payment Charge	104,029	103,948	163,061
Accrued Bonus	-	-	315,000
Former CFO Compensation	120,179	-	96,393
	224,208	103,948	574,454
<i>Foreign Exchange movements in Administration Expenses</i>			
Realised and Unrealised foreign exchange movements	(348,440)	2,185,856	2,424,237
<i>Other</i>			
Minimum Royalties in excess of Sales Royalties	354,804	250,211	792,818
Costs related to fundraising activities	-	13,567	92,536
Contract Manufacturer Capacity Costs	-	-	86,440
	354,804	263,778	971,794
Administration expenses	6,352,277	5,971,272	13,418,554

7. Finance income and costs

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Income: Interest Income	(396)	(28)	(2,127)
Costs: Interest cost on Right of Use Asset	6,033	10,668	19,256
Accrued Interest Other Equity Instruments	471,808	214,493	806,561
Other Interest Income and Costs	986	1,130	2,208
Finance Cost	478,431	226,263	825,898

8. Income tax expense

Due to the Group still being loss making there is no tax charge in the period or previous periods.

9 Loss per share

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Loss for the period	(6,505,655)	(6,419,132)	(8,152,985)
Weighted Average Shares in Issue	158,709,628	124,216,681	130,395,343
Basic Loss per Share US\$	(0.041)	(0.052)	(0.142)
Weighted Average Shares, Warrants and Options in Issue	171,328,554	136,357,669	131,949,445
Diluted Loss per Share US\$	(0.041)	(0.052)	(0.142)

Potentially dilutive items are disregarded when calculating diluted earnings per share as they are considered antidilutive.

10. Property, plant and equipment

Group	Land & buildings (Right of Use Asset) US\$	Furniture and Equipment US \$	Computer Equipment US \$	Production Equipment US \$	Leased Units US\$	Vehicles US \$	Total US \$
At 1 January 2023	645,788	47,821	84,308	65,025	-	33,173	876,115
Additions during the period	-	-	-	6,841	-	-	6,841
FX revaluation	-	-	-	-	-	-	-
At 30 June 2023	645,788	47,821	84,308	71,866	-	33,173	882,956
Additions during the period	-	7,687	6,393	-	65,104	-	79,184
FX revaluation	3,918	184	353	-	-	-	4,455
At 31 December 2023	649,706	55,692	91,054	71,866	65,104	33,173	966,595
Additions during the period	-	6,523	-	-	21,701	-	28,224
FX revaluation	(534)	-	(48)	-	-	-	(582)
At 30 June 2024	649,172	62,215	91,006	71,866	86,805	33,173	994,237
Accumulated depreciation							
At 1 January 2023	(398,864)	(39,385)	(26,571)	(10,272)	-	(1,382)	(476,474)
Depreciation charge for the period	(53,374)	(1,073)	(13,468)	(6,659)	-	(2,765)	(77,339)
At 30 June 2023	(452,238)	(40,458)	(40,039)	(16,931)	-	(4,147)	(553,813)
Depreciation charge for the period	(60,581)	(2,008)	(14,440)	(7,230)	(1,944)	(2,764)	(88,967)
At 31 December 2023	(512,819)	(42,466)	(54,479)	(24,161)	(1,944)	(6,911)	(642,780)
Depreciation charge for the period	(56,591)	(2,626)	(14,100)	(7,230)	(7,596)	(2,765)	(90,908)
At 30 June 2024	(569,410)	(45,092)	(68,579)	(31,391)	(9,540)	(9,676)	(733,688)
Net book value							
At 30 June 2023	193,550	7,363	44,269	54,935	-	29,026	329,143
At 31 December 2023	136,887	13,226	36,575	47,705	63,160	26,262	323,815
At 30 June 2024	79,762	17,123	22,427	40,475	77,265	23,497	260,549

11. Intangible assets

Group	Product Development US\$	Total US\$
At 1 January 2023	11,737,503	11,737,503
Additions during the period	2,174,449	2,174,449
At 30 June 2023	13,911,952	13,911,952
Additions during the period	2,272,833	2,272,833
At 31 December 2023	16,184,785	16,184,785
Additions during the period	1,661,326	1,661,326
At 30 June 2024	17,846,111	17,846,111
Accumulated amortisation and impairment		
At 1 January 2023	(3,068,771)	(3,068,771)
Amortisation during the period	(580,142)	(580,142)
At 30 June 2023	(3,648,913)	(3,648,913)
Amortisation during the period	(2,548,356)	(2,548,356)
At 31 December 2023	(6,197,269)	(6,197,269)
Amortisation during the period	(798,526)	(798,526)
At 30 June 2024	(6,995,795)	(6,995,795)
Net book value		
At 30 June 2023	10,263,039	10,263,039
At 31 December 2023	9,987,516	9,987,516
At 30 June 2024	10,850,316	10,850,316

12. Inventory

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Finished goods	1,536,672	1,721,612	1,426,357
Raw Materials	1,828,435	7,082,150	1,894,295
Total inventory	3,365,107	8,803,762	3,320,652

13. Share capital and premium

Share capital

Group	No of shares of £0.01 each	Total US \$
Issued and fully paid up		
At 1 January 2023	123,017,161	1,662,185
Shares issued for cash	12,652,906	147,621
At 30 June 2023	135,670,067	1,809,806
Shares issued for cash	1,862,500	35,717
At 31 December 2023	137,532,567	1,845,523
Shares issued for cash	21,177,061	359,659
At 30 June 2024	158,709,628	2,205,182

Share premium

Group	Ordinary Shares US \$	Total US \$
Allotted and fully paid up		
At 1 January 2023	33,379,947	33,379,947
Premium on shares issued	3,819,878	3,819,878
Cost of issue of shares	(340,776)	(340,776)
At 30 June 2023	36,859,049	36,859,049
Premium on shares issued	753,746	753,746
Cost of issue of shares	(118,123)	(118,123)
At 31 December 2023	37,494,672	37,494,672
Premium on shares issued	7,252,330	7,252,330
Cost of issue of shares	(496,380)	(496,380)
At 30 June 2024	44,250,622	44,250,622

Other equity instruments

Group	Total US \$
At 1 January 2023	-
Convertible loan notes issued	5,854,754
Costs related to issuance	(578,590)
10% coupon accrual	221,072
At 30 June 2023	5,497,236
Convertible loan notes issued	3,334,773
Costs related to issuance	(249,809)
10% coupon accrual	585,489
At 31 December 2023	9,167,689
10% coupon accrual	460,937
At 30 June 2024	9,628,626

14. Reserves

Retained earnings	Group US \$
At 1 January 2023	(10,310,673)
Loss for the period	(6,419,132)
Share based payments charge	103,948
At 30 June 2023	(16,625,857)
Loss for the period	(12,078,307)
Share based payments charge	89,230
At 31 December 2023	(28,614,934)
Loss for the period	(6,477,499)
Share based payments charge	10,866
At 30 June 2024	(35,081,567)

Capital Contribution	Group US \$
At 1 January 2023	165,000
Capital contribution received	-
At 30 June 2023	165,000
Capital contribution received	-
At 31 December 2023	165,000
Capital contribution received	-
At 30 June 2024	165,000

The Capital Contribution relates to the acquisition of intangible product licences.

Share option reserve	Company US \$
At 1 January 2023	-
Lapsed share options	-
At 30 June 2023	-
Lapsed share options	(20,180)
At 31 December 2023	(20,180)
Lapsed share options	-
At 30 June 2024	(20,180)

Translation reserve	Company US \$
At 1 January 2023	(4,544,337)
Foreign exchange gain/(loss)	2,040,395
At 30 June 2023	(2,503,942)
Foreign exchange gain/(loss)	158,334
At 31 December 2023	(2,345,608)
Foreign exchange (loss)/gain	(234,200)
At 30 June 2024	(2,579,808)

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, primarily relating to the statement of financial position at the reporting dates.

15. Cash generated from operating activities

Group	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6 months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Loss before income tax	(6,505,655)	(6,419,132)	(18,497,540)
Adjustments for			
- Depreciation	34,389	24,282	51,503
- ROU Depreciation	56,745	56,552	122,517
- Amortisation and impairment	798,526	580,142	3,128,499
- No cash interest expense	475,493	222,941	813,041
- Movement in foreign exchange	370,513	602,454	(620,714)
- Issue of share based payments	35,998	103,948	142,981
Movement in trade and other receivables	(471,512)	48,079	(1,502,346)
Inventory movement	(44,460)	(372,731)	5,109,920
Movement in trade and other payables	(220,427)	263,516	2,120,568
Cash generated from operating activities	(5,470,390)	(4,889,949)	(9,131,571)

16. Alternative Performance Measures Adjusted EBITDA

	Unaudited 6 months to 30/06/2024 US \$	Unaudited 6months to 30/06/2023 US \$	Audited 12 months to 31/12/2023 US \$
Total comprehensive loss for the period	(6,785,471)	(4,378,737)	(16,269,031)
<i>Add back:</i>			
Administrative expenses: Realised & unrealised FX movements	(361,575)	2,185,856	2,424,237
Other comprehensive income: FX translation differences	282,621	(2,040,395)	(2,248,588)
Net foreign exchange movement²	(78,954)	145,461	175,649
Finance Income and Costs	6,624	11,770	19,337
Accrued interest on Convertible Loan Notes	471,808	214,493	806,561
Product development amortisation	798,526	580,142	3,293,232
Impairment of acquisition goodwill	1,478,968	-	-
Costs relating to fundraising activities	-	13,567	92,536
Former CFO compensation	120,179	-	96,393
Minimum royalties in excess of sales royalties	354,804	250,211	792,818
Contract Manufacturer Capacity Costs	-	-	86,440
Inventory Impairment and Adjustments	33,787	109,185	4,138,030
Accrued Bonus	-	-	315,000
Issue of share based payments	104,029	103,948	163,061
Adjusted EBITDA	(3,495,700)	(2,949,960)	(6,289,974)

1 Reconciliation to Adjusted EBITDA measure

Adjusted EBITDA is the Group's key adjusted profit measure. Total comprehensive loss for the period is adjusted to exclude; Foreign exchange translation differences along with unrealised and unrealised foreign exchange movements, depreciation and amortisation of product development, costs relating to fundraising activities, surrendered share options and share option taxes, minimum royalties in excess of sales royalties, share based payments, obsolete 1st generation X-PLOR inventory adjustments and contract manufacturer capacity costs.

2 Net foreign exchange movements

£Sterling to US\$ stayed broadly the same during the period (1 January 2024 - \$1.27:£1.00; 30 June 2024 - \$1.27:£1.00). Due to the size of the Intercompany Loan from the PLC to the US subsidiary which is fixed in £Sterling, this creates an accounting presentational impact between Administration Expenses and Other Comprehensive Income, which to a large extent can be netted off against one another.

- o Realised FX movements in administrative expenses arise from the revaluation of £Sterling cash balances into US\$
- o Unrealised FX movements in administrative expenses arise from the revaluation of the Intercompany Loan fixed in £Sterling into US\$
- o Foreign currency translation differences in Other Comprehensive Income arise from the revaluation of the PLC balance sheet into US\$

17. Related party transactions

As disclosed in the Admission Document, prior to Robert Rauker joining the Company, he undertook independent patent work for Separation Design Group IP Holdings LLC ("SDG"). Pursuant to a Patent Broker Agreement dated 22 October 2015 SDG entered into an agreement with Medicinus IP LLC ("Medicinus"), of which Robert Rauker is the sole shareholder, under which Medicinus has agreed to facilitate the sale and/or licence of intellectual property owned by SDG which includes soliciting potential buyers and licencees of such intellectual property. In consideration for the provision of these services, Medicinus receives a fee of 12.5 per cent. of the licence fees, sales price and/or royalties received by SDG which will include 12.5 per cent. of the royalties the Company will pay to SDG in relation to sales of the X-PLOR and DISCOV-R, pursuant to the agreement entered into between SDG and the Company. The agreement can be terminated by either party by written notice.

The non-executive fees paid to Adam Reynolds were paid through his company Reyco Limited.

In the period the Company paid \$0.31m (2023 H1: \$0.58m; FY 2023: \$0.44m) to Dowgate Capital Limited in relation to brokerage fees, research and fundraising activities. David Poutney is the Chief Executive Officer of Dowgate Capital Limited

In 2023, Robert Rauker was awarded a bonus program worth \$625,000 based on milestones on commercial progress with InnoMax. To date \$312,000 has been earned, although payment of \$157,000 of the earned amount has been deferred until 2025 at the Company's election.

18. Contingent Liability
SDG Licence

On 24 February 2017, the Company entered into a co-exclusive licence and development agreement with Separation Design Group, LLC and SDG (together the “SDG Parties”) (“SDG Licence”) which was subsequently amended by an amendment agreement dated 19 March 2023. Pursuant to the SDG Licence: if by 3 September 2025, cumulative sales of the X-PLOR and DISCOV-R have not exceeded \$20 million dollars, Belluscura must make a one-time payment of \$3 million to the SDG Parties to maintain the exclusive SDG licence. By 30 June 2024 cumulative sales of X-PLOR were \$3.2 million.

The Directors assess that the Group will meet the minimum obligations and therefore no provision has been made in these Financial Statements.

Supplier Claim 1

During 2023 the Company received a claim from a supplier regarding alleged default by the Company under an ongoing contract. The Company has subsequently counter-claimed against the supplier for alleged poor service. The supplier has subsequently filed a lawsuit in the United States.

The Company has received an independent legal opinion and believes that any claim against the Company is lower than the claim made by the Company.

Accordingly, no provision has been made as at 30 June 2024. The Directors believe that based on their current assessment of the facts the current \$nil provision is appropriate. However, the final amount is dependent upon the outcome of the agreements between the two parties and/or the lawsuit.

Supplier Claim 2

During 2024 the Company received a claim from a supplier regarding alleged default by the Company under an ongoing contract. The Company has subsequently counter-claimed against the supplier for alleged poor service. The supplier has subsequently filed a lawsuit in the United States.

The Company has received an independent legal opinion and believes that any claim against the Company is lower than the claim made by the Company.

Accordingly, no provision has been made as at 30 June 2024. The Directors believe that based on their current assessment of the facts the current \$nil provision is appropriate. However, the final amount is dependent upon the outcome of the agreements between the two parties and/or the lawsuit.

19. Acquisition of TMT Acquisition plc

On 31 October 2023, Belluscura announced a recommended all share offer for TMT Acquisition plc, which operated as a cash shell. The offer became wholly unconditional on 9 February 2024 and the acquisition completed in March 2024.

TMT Acquisition plc held assets of approximately \$5.8m in cash. Based on the Closing Price per Belluscura Share of 21.0 pence on 9 February 2024 (being the latest practicable date prior to the Offer going unconditional), the value of TMT Acquisition plc was approximately \$7.3m. Due to the Company’s working capital needs, the directors believed that the premium represented reasonable value. The \$1.5m of goodwill this created has been fully impaired in the period.

20. Events after the reporting period

The Group announced on 2 July 2024 that it has raised gross proceeds of £1.9 million (before expenses) through (i) the conditional issue of £1.7 million of 7% unsecured convertible loan notes 2029 and (ii) the issue of 1,375,665 new ordinary shares of 1 penny each at the price of 15 pence per share.