

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside is now considered to be in the public domain.

30 September 2021

nanosynth group plc ("nanosynth", the "Company" or the "Group")

Half Yearly Report to 30 June 2021

nanosynth group plc, the AIM quoted company is pleased to present its unaudited half yearly report for the six-month period ended 30 June 2021.

OVERVIEW

- The financial commentary is set out below and the following events have all occurred post 30 June 2021.
 - On 17 August 2021, the Company agreed to return control of Gyrometric Systems Ltd to its founders, leaving the Company with a minority holding of 15%.
 - On 23 August 2021, Remote Monitored Systems plc changed its name to nanosynth group plc following shareholder approval at its Annual General Meeting
 - On 24 August 2021, the Company agreed to return the mask making machine to Lemu Group for a minimum of €180,000
 - On 1 September 2021, Mark Duffin was appointed Chief Executive Officer of nanosynth group plc and Antony Legge reverted to his previous role of non-executive Chairman.

CHAIRMAN'S STATEMENT

The arrival of Mark Duffin as Group CEO on 1 September 2021, has brought a new dynamism to the business. As previously announced, the year to date has posed several challenges as the Company has needed to undertake a number of significant changes. The restructuring of the Group is now nearly completed. The mask manufacturing machine will now be returned to Lemu Group within the next month with cash receipts to follow accordingly, and the manufacturing of the masks is now fully outsourced, leaving the Group free to concentrate on the development of the intellectual property that exists inside Pharm 2 Farm Ltd ("P2F"), the Group's main subsidiary. At the time of the Annual General Meeting, just six weeks ago, we announced that discussions were ongoing regarding several initiatives and we remain confident that these will be concluded satisfactorily in the near term. Sales remains a key focus and the team here is being strengthened with new sales and marketing hires.

There still remains work to be done, but I am confident that after all the developments in the year to date, the Group is positioned to move ahead positively.

Mark Duffin, CEO, commented:

"Since my arrival four weeks ago, it is clear that there is an opportunity within the Group to develop and productise a host of future R&D streams of activity. The depth of scientific knowledge is encouraging and this will support the commercialisation of future products. Notwithstanding this, changes need to be made so that the Group can develop the market opportunities. Significant progress has been made in a short space of time and we're looking forward to the future."

Financial Overview

During the six months to 30 June 2021, the Group recorded revenues from continuing operations of £135,116 compared with £13,563 for the six months to 30 June 2020. The operating loss from continuing operations for the period was £1,194,493 (30 June 2020: £199,740). This includes the previously announced payments to FortOak Rolls Limited (a company wholly owned by Alex Vergopoulos, a former director of the Company) of £150,000 and 8 million shares and options over a further 7 million shares in recognition of services provided. The loss for the period from continuing operations was £1,194,493 (30 June 2020: £202,862). The loss per share was 0.058 pence (30 June 2020: loss per share 0.041 pence).

- Consolidated net assets at 30 June 2021 amounted to £6,943,250 (31 December 2020: £6,896,805).
- Cash and cash equivalent balances at the period end amounted to £4,665,424 (31 December 2020: £3,741,135).
- As at 29 September 2021, the Group had cash and cash equivalents totalling £4,140,540.
- During the period the Company raised £939,225 net of costs through the issue of new shares as a result of the exercise of warrants and options. In addition £1,505,000 was received in respect of shares issued in the previous period.

Acknowledgments

On behalf of the Board, I would like to extend our thanks to our business partners, customers, employees and shareholders for their continued support throughout the period.

Antony Legge

Non-Executive Chairman

ENQUIRIES:

nanosynth group plc

Mark Duffin (Chief Executive Officer)

via IFC Advisory

SP Angel Corporate Finance LLP

Nominated Adviser and Joint Broker

Stuart Gledhill

Caroline Rowe

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NANOSYNTH GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2021

	Notes	Unaudited 6 months ended 30 June 2021 £	Unaudited 6 months ended 30 June 2020 (restated) £
Revenue		135,116	13,563
Cost of sales		(99,285)	(24,750)
Gross profit/(loss)		35,831	(11,187)
Administration expenses		(1,230,324)	(188,553)
Operating Loss		(1,194,493)	(199,740)
Finance income		-	55
Finance costs		-	(3,177)
Loss before income tax		(1,194,493)	(202,862)
Income tax		-	-
Loss for the period from continuing operations		(1,194,493)	(202,862)
Profit/(loss) for the period from discontinued operations		2,483	(34,199)
Total comprehensive income for the period		(1,192,010)	(237,061)
Loss and total comprehensive income attributable to:			
Equity holders of the parent		(1,175,284)	(230,705)
Non-controlling interests		(16,726)	(6,356)
Earnings per ordinary share attributable to owners of the parent during the period (expressed in pence per share)			
	4		
Basic and diluted – continuing operations		(0.058)	(0.035)
Basic and diluted – discontinued operations		0.000	(0.006)
Basic and diluted - total		(0.058)	(0.041)

NANOSYNTH GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		Unaudited 30 June 2021	Audited 31 December 2020	Unaudited 30 June 2020
	Note	£	£	£
Non-current assets				
Intangible assets		1,764,419	1,764,419	371,045
Property, plant and equipment		258,206	25,661	8,190
Total non-current assets		2,022,625	1,790,080	379,235
Current Assets				
Trade and other receivables		277,983	1,925,987	25,360
Corporation tax		1,396	1,396	-
Inventories		497,168	63,491	15,017
Assets classified as held for sale		10,786	-	-
Cash and cash equivalents		4,662,778	3,741,135	254,523
Total current assets		5,450,111	5,732,009	294,900
TOTAL ASSETS		7,472,736	7,522,089	674,135
Equity attributable to owners of the parent				
Share capital	3	5,805,331	5,795,751	5,448,924
Share premium		13,674,215	12,445,569	6,876,182
Convertible loan stock		2,000	2,000	106,000
Other reserves		1,319,214	1,675,276	(464,441)
Translation reserve		92,181	92,181	92,181
Retained loss		(13,852,286)	(13,033,293)	(11,872,756)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		7,040,655	6,977,484	186,090
Non-controlling interests		(97,405)	(80,679)	(54,401)
TOTAL EQUITY		6,943,250	6,896,805	131,689
Current liabilities				
Trade and other payables		252,340	333,087	477,821
Social security and other taxes		204,112	242,322	-
Lease liabilities		-	29,500	29,500
Liabilities classified as held for sale		73,034	-	-
Total current liabilities		529,486	604,909	507,321
Non-current liabilities				
Lease liabilities		-	7,375	22,125
Provisions		-	13,000	13,000
Total non-current liabilities		-	20,375	35,125
TOTAL LIABILITIES		529,486	625,284	542,446
TOTAL EQUITY AND LIABILITIES		7,472,736	7,522,089	674,135

NANOSYNTH GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2021

	Attributable to owners of the parent								Total
	Share capital	Share premium	Convertible loan stock	Other reserves	Translation reserve	Retained Loss	Minority Interests		
	£	£	£	£	£	£	£	£	
As at 1 January 2020	5,128,124	6,822,694	103,000	(475,153)	92,181	(11,642,051)	(48,045)	(19,250)	
Loss and total comprehensive income for the period	-	-	-	-	-	(230,705)	(6,356)	(237,061)	
Shares and warrants issued (net of costs)	320,800	53,488	-	10,712	-	-	-	385,000	
Cumulative interest on loan stock	-	-	3,000	-	-	-	-	3,000	
Transactions with owners, recognised directly in equity	320,800	53,488	3,000	10,712	-	-	-	388,000	
As at 30 June 2020	5,448,924	6,876,182	106,000	(464,441)	92,181	(11,872,756)	(54,401)	131,689	
As at 1 January 2021	5,795,751	12,445,569	2,000	1,675,276	92,181	(13,033,293)	(80,679)	6,896,805	
Loss and total comprehensive income for the period	-	-	-	-	-	(1,175,284)	(16,726)	(1,192,010)	
Shares issued (net of costs)	9,580	1,227,845	-	(78,183)	-	-	-	1,159,242	
Warrants exercised	-	801	-	(801)	-	-	-	-	
Share based payments issued	-	-	-	79,213	-	-	-	79,213	
Share based payments expired/exercised	-	-	-	(356,291)	-	356,291	-	-	
Transactions with owners, recognised directly in equity	9,580	1,228,646	-	(356,062)	-	356,291	-	1,238,455	
As at 30 June 2021	5,805,331	13,674,215	2,000	1,319,214	92,181	(13,852,286)	(97,405)	6,943,250	

NANOSYNTH GROUP PLC
CONSOLIDATED STATEMENT OF CASH FLOW

For the six month period ended 30 June 2021

	Note	Unaudited 6 months ended 30 June 2021 £	Unaudited 6 months ended 30 June 2020 (restated) £
Cash Flows from Operating Activities			
Loss for the period on continuing activities		(1,194,493)	(202,862)
Profit/(loss) for the period from discontinued operations		2,483	(34,199)
Depreciation of property, plant and equipment		6,086	2,789
Share based payments		299,230	-
Profit on business disposal		-	(1)
Release of lease liabilities and provision		(29,253)	-
Impairments and amortisation		-	7,300
Finance costs		-	3,177
Finance income		-	(69)
(Increase) in inventories		(433,677)	(428)
Decrease in trade and other receivables		135,140	40,730
(Decrease) in provisions		-	(7,500)
(Decrease) in trade and other payables		(46,544)	(47,776)
Cash used in operations		(1,261,028)	(238,839)
Interest expense		-	(177)
Net cash used in operating activities		(1,261,028)	(239,016)
Cash Flows used in Investing Activities			
Purchases of property, plant and equipment		(238,908)	-
Proceeds from disposal of property, plant and equipment		-	160,274
Proceeds from disposal of goodwill		-	1
Interest income		-	69
Net cash (used)/generated in investing activities		(238,908)	160,344
Cash Flows from Financing Activities			
(Repayments of)/net proceeds from borrowings		-	(60,825)
Repayments of lease liabilities		(20,000)	(14,750)
Issue of shares and warrants, net of issue costs		2,444,225	334,000
Net cash generated from financing activities		2,424,225	258,425
Net increase in cash and cash equivalents		924,289	179,753
Cash and cash equivalents at beginning of period		3,741,135	74,770
Cash and cash equivalents at end of period	7	4,665,424	254,523

NOTES TO THE INTERIM RESULTS:

1. General information and accounting policies

The principal activity of nanosynth group plc (“the Company”) and its subsidiaries (together “the Group”) is the development of nano-particle technology with associated applications within Pharm 2 Farm Ltd and the provision of intelligence services and security risk management within Cloudveil.

The Company is a public limited company, incorporated and domiciled in the United Kingdom, with its shares traded on the London Stock Exchange’s AIM. Its registered office is: 27-28 Eastcastle Street, London W1W 8DH.

This announcement is for the unaudited interim results for the period ended 30 June 2021.

The Directors approved these unaudited interim results on 29 September 2021.

2. Basis of preparation

The condensed consolidated interim financial information (the “Financial Information”) has been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this Financial Information. The Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2020. The interim financial statements have been prepared in accordance with UK-endorsed International Financial Reporting Standards (IFRSs) which have not differed from the previously EU endorsed IFRS, and hence the previously reported accounting policies still apply. In the opinion of the Directors the Financial Information for the period represents fairly the financial position, results from operations and cash flows for the period in conformity with generally accepted accounting principles consistently applied.

The Financial Information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. The Financial Information has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the United Kingdom. Statutory financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 8 June 2021 and subsequently delivered to the Registrar of Companies and are also available on the Group’s website: www.nanosynthgroup.com.

The 2021 Financial Information of the Group has not been audited.

These interim results are presented in sterling rounded to the nearest pound.

Going concern basis

The interim financial information has been prepared assuming that the Group will continue as a going concern. As at 29 September 2021, the group had cash and cash equivalents totalling £4,140,540.

The operational requirements of the Group comprise of maintaining Head Office operations in the UK alongside its UK divisions. The Directors have reviewed the Group’s working capital forecasts and whilst both divisions will require ongoing funding from nanosynth to achieve sales growth, the directors do not believe that further funds will need to be raised at the present time given the current cash resources.

Risks and uncertainties

The Board continuously assesses and monitors the key risks facing the business. The key risks that could affect the Group’s medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s 2020 Annual Report and Financial Statements. The Group is exposed to market risks (including foreign exchange risk and price risk), credit risk and to a limited extent, interest rate risk and liquidity risk.

Critical accounting estimates and judgements

The preparation of Financial Information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in Note 4 of the Group's 2020 Annual Report and Financial Statements.

Accounting policies

There have been no changes to the Group's accounting policies, presentation, and methods of computation in this Financial Information compared to those which were applied in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2020.

The comparative information for the six months ended 30 June 2020 has been restated to reflect discontinued operations.

3. Share capital

During the period 13 January 2021 to 12 February 2021, 38,801,755 options were exercised by Paul Ryan, a former director raising £336,000. In addition, on 23 February 2021 8,000,000 ordinary shares were issued to Trevor Brown in place of his remaining 14,801,756 share options and directors fees.

On 23 February 2021, 5,000,000 ordinary shares were issued to John Richardson in recognition of his work supporting the company and Pharm2Farm over the year and his salary sacrifice taken in 2020. Also on that date 8,000,000 ordinary shares were issued to Ordian Ltd, a company wholly owned by Alex Vergopoulus in recognition of services provided.

On each of 29 January 2021 and 15 April 2021 6,000,000 warrants were exercised raising £30,000.

4. Earnings per share

Basic earnings per share have been calculated by dividing the loss attributable to equity holders of the Company after taxation by the weighted average number of shares in issue during the period. There is no difference between the basic and diluted earnings per share as the effect on the exercise of options and warrants would be to decrease the earnings per share.

	6 months ended 30 June 2021	6 months ended 30 June 2020 (restated)
Basic and Diluted	£	£
Loss after taxation on continuing operations	(1,194,493)	(202,862)
Profit/(loss) after taxation on discontinued operation	2,483	(34,199)
Total loss after taxation	(1,192,010)	(237,061)
Weighted average number of shares	2,052,536,524	573,133,713
Earnings per share (pence)		
On continuing operations	(0.058)	(0.035)
On discontinued operations	0.000	(0.006)
On total operations	(0.058)	(0.041)

5. Disposal of business

On 17 August 2021 approval was received by the shareholders, to return control of the GyroMetric Systems business to its founders at a consideration of £1 in accordance with an agreement announced by the directors in June 2021. The Company will retain an interest of 15% of the share capital of Gyrometric Systems Ltd.

The operations of Gyrometric have been classed as discontinued in these interim financial statements and the assets and liabilities of the operations classified as for sale at the lower of carrying value or expected net proceeds.

6. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2021 (2020: nil).

7. Cash and cash equivalents

Included within assets classified as held for sale is an amount of cash and cash equivalents totalling £2,646.

8. Events after the reporting period

The following events have all occurred post 30 June 2021.

- On 17 August 2021, the Company agreed to return control of Gyrometric Systems Ltd to its founders, leaving the Company with a minority holding of 15%.
- On 23 August 2021, Remote Monitored Systems plc changed its name to nanosynth group plc following shareholder approval at its Annual General Meeting
- On 24 August 2021, the Company agreed to return the mask making machine to Lemu Group for a minimum of €180,000
- On 1 September 2021, Mark Duffin was appointed Chief Executive Officer of nanosynth group plc and Antony Legge reverted to his previous role of non-executive Chairman.

9. Approval of the interim financial information

The condensed Financial Information was approved by the Board of Directors on 29 September 2021.