

Registered number: 11554014

**BSF Enterprise Plc**

**Unaudited Interim Consolidated Financial Statements  
for the period ended 31 March 2023**

## Chairman's Statement

On behalf of the Board, I am pleased to present the unaudited interim report and financial statements of BSF Enterprise Plc for the six months ended 31 March 2023.

During the period, the Company successfully started to implement its go-to market strategy in order to progress a number of commercial opportunities and help bring its flagship City-Mix™ products to market. To this end 3DBT has now engaged with over 70 Cellular Agriculture and Biotech companies, of which 26 have progressed to new business opportunities.

As well as Cellular Agriculture companies, 3DBT has progressed two other key target markets. These include Biotech Companies, such as those working in gene therapy, stem cells and regenerative medicine; and Life Sciences companies and academia, which research the above disciplines. 2 product evaluations are currently underway with a view to creating efficiencies in serum free media formulations for stem cell applications.

In order to serve these opportunities, 3DBT more than doubled its lab production capacity to 2,400 sq ft and this contributed significantly to our research and development activities during the period. We now have the capacity to produce 2,500 litres per year of 3DBT's patented serum-free and animal-free City-mix™, enough to supplement 60,000 litres of media per year. This unique product enables the reduction of use of expensive growth factors whilst stimulating cells to produce more tissue, thereby increasing yield.

This in turn eliminates the requirement of conventional plant-based scaffolds, blends or fillers, to ensure structural integrity of cultivated meat and leather products. 3DBT's products are therefore 100% structured meat, produced without any animals suffering in the process. The lab facility also enables 3DBT to showcase its offering to potential customers such as manufacturers, distributors and wholesalers that are looking to commercialise lab-grown meat and leather for the mass market.

I am pleased to say that we have successfully produced two full-scale fillets of cultivated pork using our tissue-templating process aided by City-mix™, as well as a cultivated pork strip, which were presented at a technical event in May 2023. In addition, we have created animal skin at a thickness comparable to leather and have signed a first contract to evaluate this for its potential as a leather substitute.

In March 2023, we raised £2.9 million of new capital by way of a placing and subscription for new shares. This capital is being used to extend the development of 3DBT's research and development activities and to support the Group's strategic objectives.

Our marketing activities continues to expand to support anticipated revenues from serum-free cell culture media component sales and cosmetics research. These include commercialisation of City-Mix™ (cell culture media supplement) and peptides in skin cream.

We aim to deliver growth to shareholders through the continued commercialisation of 3DBT's IP, which has multiple applications, as well as through planned M&A opportunities. BSF aims to acquire a suite of technologies that underpins the development of tissue templating for corneas, meat and leather, and license out the IP to manufacturers, wholesalers and distributors to help manufacture the products at scale.

I am delighted with the progress we have made in the first half of our financial year which continues at pace. On behalf of the Board, I would like to thank all of our staff for their hard work and commitment to the Group and our shareholders for their continued support during the period.

Min Yang,

Chairman

29 June 2023

## Chief Executive's Report

I am pleased to present my report for the Company for the six months ended 31 March 2023.

### Financial summary

The net loss for the period ended 31 March 2023 was £656,206 (2022: £291,533 loss). The results for this period include those of 3DBT. Therefore, the comparative information for the period ended 31 March 2022, which relates to the Company only, is not directly comparable. The increase in the loss compared with the corresponding six-month period in 2022 is wholly the result of including losses from our subsidiary, 3DBT, of £420,719 as it continued its research and marketing activities.

The loss per share was reduced from 1.43 pence per share to 0.76 pence per share.

### Cash flow

The Group's cash balances as at 31 March 2023 were £343,451 (compared with £1,061,529 at 30 September 2022) and approximately £2.7 million as of the date of this report. The reduction in cash balances reflect the losses for the period. The Company raised £2.9 million by way of an oversubscribed placing of new ordinary shares and the subscription of new ordinary shares in the capital of the Company on 29 March 2023. However, £2.8 million of the proceeds from this capital raising were not received until after the period end.

### Dividends

During the period ended 31 March 2023, there were no dividends paid or proposed.

### Successful Prototypes and UK's First Fillet of Cultivated Meat

In November 2022, 3DBT reached a major industry milestone in successfully producing three small prototype fillets of cultivated meat, cultured in its patented, serum-free and animal-free cell booster, City-mix™. Although not eaten, the prototypes were cooked and they surpassed 3DBT's expectations in all respects regarding their quality and likeness to conventional meat, both in their raw and cooked forms.

3DBT then reached a further industry milestone in February 2023 by producing the UK's first full-scale fillet of cultivated meat. The fillet of pork was produced in 3DBT's laboratory in Newcastle and again cultured in City-mix™, such that there was no need for a plant-based scaffold. This resulted in a product that was 100% meat and 3DBT's management believed it to be the world's first 100% cultivated pork steak.

As with the prior prototypes, the cultivated pork fillet was in all respects very similar to conventional meat, both in its raw form and on cooking, with aromas similar to those of conventional pork. In addition, those eating the pork agreed that both the texture and taste in the mouth were indistinguishable from conventional pork steak.

### Technical Event

Post period end, 3DBT made further progress by producing two full fillets and a strip of cultivate pork which were tested at a technical event on 25 May 2023. Study participants were limited to those persons who had a direct working relationship or involvement with the Company. The meat was cooked and presented formally by a trained, independent chef, utilising an array of cooking methods. The chef's involvement was key to demonstrating that cultivated meat could be handled and cooked in the same way as traditional meat. The Study participants that tasted the cultivated meat provided very positive feedback in terms of its taste and texture.

### €100,000 Grant

In October 2022 3DBT was awarded a €100,000 grant to build upon the current capabilities of its proprietary serum-free media, City-mix™. The grant was awarded by leading food innovation organisations, EIT Food, co-founded by the European Union, in partnership with the Good Food Institute. EIT Food's aim is to drive the production of cultivated meat, reduce the cost of cultivated meat production,

and accelerate its commercialisation. The grant was a strong endorsement of 3DBT's team and its work from a range of prestigious groups within its sector.

### **Partnership with QKine**

In November 2022, 3DBT entered into a partnership with growth factor company Qkine. The collaboration involves 3DBT combining City-mix™ with Qkine's growth enabling protein engineering technology to accelerate the creation of affordable cultivated meat. Together 3DBT and Qkine are working to optimise the effectiveness of animal-free cultures to reduce the dependence on other protein compounds, increase yields, and lower overall costs. This is expected to pave the way for advances in cellular agriculture in the UK and world-wide.

### **Partnership with New Harvest**

In December 2022 3DBT announced a partnership with New Harvest Netherlands ("New Harvest"), a non-profit organisation dedicated to advancing cellular agriculture. New Harvest is providing 3DBT with a clear and comprehensive roadmap of the safety and regulatory requirements of animal-free media, its ingredients and derivatives in the European Union and the UK, and will include other jurisdictions as time allows. The 12-month project is focused on advancing 3DBT's route-to-market strategy and accelerating the commercialisation of its products worldwide.

### **City-Mix Commercial Progress**

During the period, the Company successfully started to implement its go-to market strategy in order to progress a number of commercial opportunities and help bring its flagship City-Mix™ products to market.

To this end 3DBT has now engaged with over 70 Cellular Agriculture and Biotech companies, of which 26 have progressed to new business opportunities. From these 26 business opportunities, 18 product evaluations are underway with a view to incorporating City-Mix™ into cultured media formulations. A further three companies have completed successful evaluations and began purchasing the product in April/May 2023 with an additional Cultured Meat company including City Mix™ in their production media formulation but yet to purchase.

As well as Cellular Agriculture companies, 3DBT has progressed two other key target markets. These include Biotech Companies, such as those working in gene therapy, stem cells and regenerative medicine; and Life Sciences companies and academia, which research the above disciplines. 2 product evaluations are currently underway with a view to creating efficiencies in serum free media formulations for stem cell applications.

Since the period end 3DBT has also entered into direct sales agreements with two lab-grown meat companies and one biotech company, acting as importance references for the Company. These are initial sales and revenues are relatively small at this early stage but are expected to grow over time.

In order to be ready to serve these opportunities the Company has now more than doubled its lab production space to 2,400 sq ft and validated its City-Mix™ production and quality control processes. Current production capacity is 2,500 litres per year, equivalent to 60,000 litres of end product in the diluted form in which it is used, and 3DBT will continue to scale production appropriately.

### **Sales Channels**

3DBT also plans to roll-out a web-based sales channel for City-Mix™ in the coming months to facilitate an e-commerce route to market. This is an additional approach to penetrating both Cultivated Meat and Biopharma markets and will include links to suppliers, FAQs, companion documentation and datasheets. BSF also intends to open an office in Hong Kong to service the huge emerging opportunity in China.

In addition, 3DBT has made positive progress in building its indirect sales network, which extends the reach for the Biotech and Life Sciences markets, with the Company securing its first distribution partner, Abacus dx., part of Diploma PLC, covering Australia, New Zealand and Fiji. 3DBT also has signed BIOZOL Diagnostica Vertrieb GmbH as a European distribution partner in the German speaking regions of Europe namely, Germany, Austria and Switzerland, which will further expand its geographic reach.

### **Lab-grown Leather Update and Contract Win**

Post year 3DBT announced it had bio-engineered samples of animal skin tissue, measuring up to 10 by 10 cm in size and between 0.5 mm to 1 mm in thickness. The production of tissues with such thickness represents an important milestone in the industry. Various properties of the samples will be analysed to evaluate their potential as a substitute starting material for traditional leather products. The global leather goods market was valued at £\$253 billion in 2023 and is expected to grow to \$405 billion by 2030, a CAGR of 6.6%.

In order to meet this opportunity BSF has engaged with a number of companies within the leather industry in the UK and abroad regarding potential Proof of Concept (PoC) engagements to establish the suitability of the skin product as a sustainable, ethical alternative to traditional leather goods. This has led to 3DBT signing its first contract with a leather company for them to test and develop lab-grown animal skin for leather production. Once suitability is established, BSF will seek to develop plans to scale-up production of 3DBT animal skin products.

### **Innovation Award Win**

3DBT was voted 'University Spinout of the Year' at the North East Innovation Awards ceremony, a competition organised by the Innovation SuperNetwork on 10 May 2023. The award recognises companies spun out of universities that are making an impact in terms of innovation, ground-breaking research or furthering a specific sector or technology. 3DBT was recognised for its lab-grown animal tissue products, which were described as an inspired, transformative innovation with world-leading levels of functionality.

### **Admittance to trading on OTCQB**

BSF's Ordinary Shares were admitted to trading on the OTCQB Venture Market in the United States on 24 May 2023 under the symbol BSFAF, providing access to one of the world's largest investment markets, and thereby creating the potential for greater liquidity in BSF's shares.

To maximise the benefits the Company is undertaking a US investor roadshow between June 26-30, 2023 and has appointed a US agency to manage its Investor Relations in the region. In addition to the roadshow, BSF will attend the Future Food Tech Summit in New York City on 27 and 28 June as part of its strategy to raise its profile amongst prospective partners and investors, over 800 of which will be at the event.

### **Oversubscribed £2.9m fundraise**

In order to support 3DBT's rapid growth, BSF raised £2.9m in an oversubscribed placing at the end of the period under review. The net proceeds of the Placing are being used to provide working capital to support the organic growth of the Company.

Specific uses of the funds include: the continued development of cultivated meat fillets; expansion of 3DBT's City-Mix™ production capacity to support new business; entry into new global target markets, including, among others, gene therapy, stem cells and regenerative medicine companies; further development of 3DBT's lab-grown leather products; and the advancement of 3DBT's cornea proposition, finalising the process for full thickness cornea production.

### **Further acquisition opportunities**

The Board continues to evaluate potential acquisition opportunities in line with its strategy to acquire a suite of technologies that underpins the development of tissue templating for corneas, meat and leather. To date, several opportunities have been identified and internal assessment is progressing.

### **Outlook**

The period under review has been one of significant progress on both technical and commercial fronts. Technical milestones have included us producing the UK's first 100% cultivated steak, an enormous step forward for our industry, as well as skin products thick enough to be used to make leather goods. Commercial progress has been demonstrated through the numerous partnerships and proof-of-concepts as well as the signing of our first contracts, while expanding our sales channels both direct and indirect.

Activity has continued apace since the end of the period and we have no intention of slowing, given the many opportunities available to us and the huge global potential for our innovative technology. We have a strong balance sheet which will support our well-defined growth strategy and we look forward to updating the market on future successes.

Che Connon

Chief Executive Officer

29 June 2023

## **Statement of directors' responsibilities in respect of the interim results**

The Directors; being Min Yang (Non-Executive Chairman), Dr Che Connon (Managing Director), Geoffrey Baker (Executive Director) and Dennis Ow (Non-Executive Director) confirm that the set of Interim Financial Statements has been prepared in accordance with International Accounting Standard 34 "interim financial reporting", as it applies in the European Union and that interim report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year;
- and material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board

Min Yang

Chairman

29 June 2023

**Consolidated Statement of Comprehensive Income  
for the period ended 31 March 2023**

	Note	6-month period to 31 March 2023 (Unaudited) £	6-month period to 31 March 2022 (Unaudited) £
<b>Continuing operations</b>			
Grant income	3	84,926	-
Administrative expenses	4	(728,435)	(291,533)
<b>Operating loss for the period</b>		<b>(643,509)</b>	<b>(291,533)</b>
Finance expense – right-of-use lease liabilities		(5,550)	-
Loss before taxation		<b>(649,059)</b>	(291,553)
<b>Taxation</b>	5	<b>(7,147)</b>	-
<b>Loss for the period</b>		<b>(656,206)</b>	(291,553)
<b>Loss and total comprehensive loss for the financial period</b>		<b>(656,206)</b>	<b>(291,533)</b>
<b>Earnings per share</b>			
Basic and diluted (pence per share)	6	(0.76)	(1.43)

There are no items of other comprehensive income.

The notes to the interim financial statements form an integral part of these interim financial statements.



**Consolidated Statement of Financial Position  
as at 31 March 2023**

		As at 31 March 2023 (Unaudited) £	As at 30 September 2022 (Audited) £
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	7	121,675	73,488
Right-of-use assets	8	185,680	223,560
Intangible assets		2,485,290	2,485,290
<b>Total non-current assets</b>		<b>2,792,645</b>	<b>2,782,338</b>
<i>Current assets</i>			
Cash and cash equivalents	9	348,451	1,061,529
Receivables and prepayments	10	3,012,603	132,762
Corporation tax receivable	5	33,950	33,950
Inventory	11	40,299	21,855
<b>Total current assets</b>		<b>3,435,303</b>	<b>1,250,096</b>
<b>Total assets</b>		<b>6,227,948</b>	<b>4,032,434</b>
<b>Equity and liabilities</b>			
<i>Capital and reserves</i>			
Share capital – issued and fully paid	14	785,326	781,884
Share capital – issued but unpaid	14	244,396	77,985
Share premium – fully paid	14	3,571,946	3,711,576
Share premium – unpaid	14	2,662,583	-
Warrant reserve	14	34,785	12,537
Retained deficit		(1,657,226)	(1,001,020)
<b>Total equity</b>		<b>5,641,810</b>	<b>3,582,962</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	12	304,738	142,821
Taxes and social security		65,405	60,809
Lease liabilities	13	76,888	74,946
		<b>447,031</b>	<b>278,576</b>
<i>Non-current liabilities</i>			
Lease liabilities	13	117,997	156,933
Deferred tax	5	21,110	13,963
		139,107	170,896
<b>Total liabilities</b>		<b>586,138</b>	<b>449,472</b>
<b>Total equity and liabilities</b>		<b>6,227,948</b>	<b>4,032,434</b>

The notes to the interim financial statements form an integral part of these interim financial statements.

**Consolidated Statement of Changes in Equity  
for the period ended 31 March 2023**

	Share capital issued and paid up £	Share capital issued and unpaid £	Share premium fully paid £	Share premium unpaid £	Warrant reserve £	Retained deficit £	Total £
<b>As at 30 September 2021</b>	203,400	-	407,984	-	-	(246,568)	364,816
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	-	(291,533)	(291,533)
Total comprehensive loss for the period	-	-	-	-	-	(291,533)	(291,533)
<b>As at 31 March 2022</b>	<b>203,400</b>	<b>-</b>	<b>407,984</b>	<b>-</b>	<b>-</b>	<b>(538,101)</b>	<b>73,283</b>
<b>As at 30 September 2022</b>	781,884	77,985	3,711,576	-	12,537	(1,001,020)	3,582,962
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	-	(656,206)	(656,206)
Total comprehensive loss for the period	-	-	-	-	-	(656,206)	(656,206)
Issue of shares	3,442	166,411	54,058	2,662,583	-	-	2,886,494
Issue of warrants	-	-	(22,248)	-	22,248	-	-
Share issue costs	-	-	(171,440)	-	-	-	(171,440)
Transactions with shareholders	3,442	166,411	(139,630)	2,662,583	22,248	-	2,715,054
<b>As at 31 March 2023</b>	<b>785,326</b>	<b>244,396</b>	<b>3,571,946</b>	<b>2,662,583</b>	<b>34,785</b>	<b>(1,657,226)</b>	<b>5,641,810</b>

**Consolidated Statement of Cash Flows  
for the period ended 31 March 2023**

		<b>6-month period to 31 March 2023 (Unaudited) £</b>	<b>6-month period to 31 March 2022 (Unaudited) £</b>
	Note		
<b>Cash flow from operating activities</b>			
Loss after tax		(656,205)	(291,533)
Tax expense		7,147	-
Depreciation		52,752	-
<b>Changes in working capital:</b>			
Increase in trade and other payables		166,512	131,850
Decrease / (increase) in receivables		(50,846)	24,483
Increase in inventory		(18,444)	-
<b>Net cash used in operating activities</b>		<u>(499,084)</u>	<u>(135,200)</u>
<b>Cash flow from investing activities</b>			
Acquisition of plant and equipment	7	(63,060)	-
<b>Net cash from investing activities</b>		<u>(63,060)</u>	-
<b>Cash flow from financing activities</b>			
Issue of shares	14	57,500	-
Costs of share issues	14	(171,440)	-
Repayment of lease liabilities	13	(36,994)	-
<b>Net cash used in financing activities</b>		<u>(150,934)</u>	-
<b>Net cash flow for the period</b>		(713,078)	(135,200)
<b>Cash and cash equivalents at beginning of the period</b>	9	1,061,529	359,868
<b>Cash and cash equivalents at end of the period</b>	9	<u>348,451</u>	<u>224,668</u>

**BSF Enterprise Plc**  
**Unaudited Interim Consolidated Financial Statements**  
**For the period ended 31 March 2023**

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**Notes to the Interim Consolidated Financial Statements for the period ended 31 March 2023**

**1. Accounting policies**

**Basis of preparation of Interim Financial Statements**

The Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 “Half Year Financial Reporting” as it applies in the United Kingdom and the Disclosure and Transparency Rules of the Financial Conduct Authority. These Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006, do not include all the notes of the type normally included in an annual financial report and have not been audited or reviewed by the auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 September 2022 (the “Annual Report and Consolidated Financial Statements”), which has been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Annual Consolidated Financial Statements constitute statutory accounts as defined in section 434 of the Companies Act 2006 and a copy of these statutory accounts has been delivered to the Registrar of Companies. The auditor’s report on those statutory accounts was unqualified, drew attention to a material uncertainty in relation to going concern by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The accounting policies adopted in the preparation of the Interim Consolidated Financial Statements are consistent with those used to prepare the Consolidated Financial Statements for the year ended 30 September 2022 and those applicable for the year ended 30 September 2023. The preparation of the Interim Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these Interim Consolidated Financial Statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Consolidated Financial Statements described above. The Interim Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention.

**2. Going concern**

The Group had cash of £348,451 as at 31 March 2023. In addition, the Company had issued shares immediately prior to 31 March 2023, proceeds from which totalling £2,828,994 were received subsequent to the period end. At the date of this report, the Group had approximately £2.7 million of cash. On this basis, the Board considers the Group to have sufficient resources to remain in operational existence for the foreseeable future.

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**Notes to the Interim Consolidated Financial Statements for the period ended 31 March 2023**

**3. Grant income**

	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>6-month period ended 31 March 2022 (Unaudited) £</b>
Grant income	84,926	-
	<u>84,926</u>	<u>-</u>

**4. Administrative expenses**

	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>6-month period ended 31 March 2022 (Unaudited) £</b>
Legal and professional fees	136,676	176,084
Consulting fees	126,150	-
Accounting and tax fees	7,369	92,150
Directors' remuneration (see below)	95,192	15,000
Staff costs	149,381	-
Service charges - BSF International Limited (Note 15)	30,000	-
Purchase of consumables	35,955	-
Marketing	5,310	-
Bank charges	448	57
Depreciation	52,752	-
Property costs	20,128	-
Travel and accommodation	27,911	8,242
Other	41,163	-
	<u>728,435</u>	<u>291,533</u>

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**Directors' remuneration**

	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>6-month period ended 31 March 2022 (Unaudited) £</b>
<b>Executive Directors</b>		
Dr Che Connon	50,192	-
<b>Non-executive Directors</b>		
Geoff Baker	15,000	15,000
Min Yang	15,000	-
Dennis Ow	15,000	-
	<u>95,192</u>	<u>15,000</u>

**5. Taxation**

The charge for the period is made up as follows:

	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>6-month period ended 31 March 2022 (Unaudited) £</b>
<i>Current tax</i>		
Research and development tax credit	-	-
<i>Deferred tax</i>		
Deferred tax expense	7,147	-
Tax charge for the period	<u>7,147</u>	<u>-</u>

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The movements in tax receivable balances are summarised as follows:

	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>Year ended 30 September 2022 Audited £</b>
Balance brought forward	33,950	-
Acquired on acquisition of 3DBT	-	33,950
Balance carried forward	<u>33,950</u>	<u>33,950</u>

The balance receivable represents a claim for research and development tax claims due to 3DBT.

**Deferred tax:**

The movements in deferred tax liabilities are summarised as follows:

	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>Year ended 30 September 2022 Audited £</b>
Balance brought forward	(13,963)	-
Acquired on acquisition of 3DBT	-	(13,356)
Deferred tax expense	(7,147)	(607)
Balance carried forward	<u>(21,110)</u>	<u>(13,963)</u>

**6. Earnings per share**

The calculation of earnings per share is based on the following loss and number of shares:

	<b>6-month period ended 31 March 2023 (Unaudited)</b>	<b>6-month period ended 31 March 2022 (Unaudited)</b>
Loss for the period from continuing operations	£(656,206)	£(291,533)
Weighted average shares in issue	86,280,375	20,340,002
Earnings per share (in pence)	(0.76p)	(1.43p)

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The Company presents basic and diluted loss per share information for its ordinary shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

There is no difference between the basic and diluted earnings per share, as the Company's outstanding warrants are anti-dilutive.

**7. Property, plant and equipment**

<b>Plant and equipment</b>	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>Year ended 30 September 2022 Audited £</b>
Cost:		
Balance brought forward	80,914	-
Additions	63,060	10,620
Acquired on acquisition of 3DBT	-	70,294
Balance carried forward	<u>143,974</u>	<u>80,914</u>
Depreciation:		
Balance brought forward	7,426	-
Charge for the period	14,873	7,426
Balance carried forward	<u>22,299</u>	<u>7,426</u>
Net book value:		
As at period / year end	<u>121,675</u>	<u>73,488</u>



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**8. Right-of-use assets**

<b>Land and buildings</b>	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>Year ended 30 September 2022 Audited £</b>
Cost:		
Balance brought forward	237,656	-
Additions	-	133,886
Acquired on acquisition of 3DBT	-	103,770
Balance carried forward	<u>237,656</u>	<u>237,656</u>
Depreciation:		
Balance brought forward	14,096	-
Charge for the period	37,880	14,096
Balance carried forward	<u>51,976</u>	<u>14,096</u>
Net book value:		
As at period / year end	<u>185,680</u>	<u>223,560</u>

**9. Cash and cash equivalents**

	<b>As at 31 March 2023 (Unaudited) £</b>	<b>As at 30 September 2022 (Audited) £</b>
Cash at bank	<u>348,451</u>	<u>1,061,529</u>

All bank balances are denominated in pounds sterling. The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

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**10. Receivables and prepayments**

	<b>As at 31 March 2023 (Unaudited) £</b>	<b>As at 30 September 2022 (Audited) £</b>
Prepayments	11,069	11,759
Amounts receivable on issue of restricted shares	77,985	77,985
Amounts receivable on issue of shares (Note 14)	2,828,994	-
Vat recoverable	94,555	43,018
	3,012,603	132,762

The amounts receivable on the shares issued during the period have been received in full subsequent to 31 March 2023.

**11. Inventories**

	<b>As at 31 March 2023 (Unaudited) £</b>	<b>As at 30 September 2022 (Audited) £</b>
Raw materials and laboratory consumables	40,299	21,855
	40,299	21,855

**12. Trade and other payables**

	<b>As at 31 March 2023 (Unaudited) £</b>	<b>As at 30 September 2022 (Audited) £</b>
Trade payables	46,065	58,498
Accruals	258,673	84,323
	304,738	142,821

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**13. Lease liabilities**

<b>Land and buildings</b>	<b>6-month period ended 31 March 2023 (Unaudited) £</b>	<b>Year ended 30 September 2022 Audited £</b>
Cost:		
Balance brought forward	231,879	-
Additions	-	133,886
Acquired on acquisition of 3DBT	-	112,026
Lease payments	(36,994)	(14,033)
Balance carried forward	<u>194,885</u>	<u>231,879</u>

The finance expense recognised in respect of these leases amounted to £5,550 in the period ended 31 March 2023 (period ended 31 March 2022: £nil).

The maturity of lease liabilities is as follows:

<b>Land and buildings</b>	<b>As at 31 March 2023 (Unaudited) £</b>	<b>As at 30 September 2022 Audited £</b>
Non-current liabilities	117,997	156,933
Current liabilities	76,888	74,946
Right-of-use lease liabilities	<u>194,855</u>	<u>231,879</u>

**14. Share capital and share premium**

	<b>Number of shares</b>	<b>Share capital £</b>	<b>Share premium £</b>
Issued Ordinary shares of £0.01 each			
At 30 September 2022	85,986,937	859,869	3,711,576
Exercise of warrants	50,000	500	7,000
Placing of Ordinary shares	16,317,648	163,176	2,610,824
Subscription for Ordinary shares	617,613	6,176	98,818
Costs of share issue	-	-	(171,440)
Issue of warrants	-	-	(22,248)
As at 31 March 2023	<u>102,972,198</u>	<u>1,029,721</u>	<u>6,234,530</u>

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Issue and fully paid	95,173,707	785,325	3,571,947
Issued and unpaid	7,798,491	244,396	2,662,583
As at 31 March 2023	102,972,198	1,029,721	6,234,529

Shares issued during the period ended 31 March 2023 were as follows:

**Exercise of warrants**

On 9 February 2023, the Company issued 50,000 ordinary shares following the exercise of warrants at a price of £0.15 per share.

**Placing and subscription**

On 29 March 2023, the Company raised £2,924,000 by way of an oversubscribed placing (the “Placing”) of 16,317,648 new ordinary shares in the capital of the Company (“Placing Shares”) at a price of 17p per share (the “Placing Price”) and additionally, the subscription of 882,352 new ordinary shares (“Subscription Shares”) by investors procured directly by the Company (“Subscribers”) also at the Placing Price (the “Subscription”).

The Company has entered into deeds of variation with each of the subscribers in respect of the Subscription Shares pursuant to which 264,739 of the Subscription Shares (“Second Tranche Shares”) will be allotted and issued conditional on (i) the Company convening a general meeting and obtaining approval from shareholders to disapply statutory pre-emption rights (“Resolutions”) and (ii) the publication of a prospectus, as soon as reasonably practicable following Admission. The Second Tranche Shares and the Fundraising Warrants shall be allotted and issued conditional on the passing of the Resolutions and the publication of a prospectus.

Placees were granted one warrant for every two Placing Shares subscribed for as part of the Placing, exercisable at 34 pence per Ordinary Share (“Exercise Price”), representing 8,158,824 warrants, all exercisable at the Exercise Price and expiring on the third anniversary of Admission.

In addition, the Subscribers have also been granted a warrant for every two Subscription Shares purchased. Representing 441,176 warrants, exercisable at the Exercise Price and which also expire on the third anniversary of Admission (the Subscription and the Placing together referred to as the “Fundraising” and the Placing Warrants and the Subscription Warrants together referred to as the “Fundraising Warrants”). The Fundraising Warrants are granted conditional on (i) any requirement for the Company to publish or procure the publication of a prospectus as soon as reasonably practicable following Admission, and (ii) the Company obtaining approval from shareholders to disapply statutory pre-emption rights.

In total, 8,600,000 warrants were granted pursuant to the Placing, all exercisable at the Exercise Price and expiring on the third anniversary of Admission.

In addition, Shard Capital has also been granted broker warrants equal to 2 per cent of the total number of Placing Shares subscribed for pursuant to the Placing, representing 326,352 warrants.

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A total of 16,985,261 Ordinary shares of £0.01 each (being the aggregate of the Placing Shares, the Subscription Shares less the Second Tranche Shares and 50,000 ordinary shares issued on 9 February 2023 following the exercise of warrants) were admitted to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange (“Admission”) on 14 April 2023. Following Admission, the total number of ordinary shares in the Company in issue is 102,972,198.

A total of £171,440 of costs were incurred in relation to the issue of Ordinary Shares and this amount has been deducted from the share premium account.

**Issue of warrants**

As noted above, the Company issued an aggregate of 8,926,352 warrants during the period. A total of 50,000 warrants (issued in 2022) were exercised during the period. Accordingly, a total of 21,196,569 warrants remained outstanding at 31 March 2023, summarised as follows:

	<b>Number of warrants</b>
At 30 September 2022	12,320,217
Exercise of warrants	(50,000)
Issue of Fundraising Warrants	8,600,000
Issue of Broker Warrants	326,352
As at 31 March 2023	<u>21,196,569</u>

Using the Black-Scholes pricing model, the valuation of the Broker Warrants has been calculated at 6.82p each, giving rise to an aggregate value of the Warrants of £22,248. The issue of the Broker Warrants resulted in an increase to the warrant reserve of £22,248 and a decrease to share premium of £22,248.

The inputs in the model were as follows:

- Share price: 17.0 pence
- Exercise price: 24.0 pence
- Expected life of warrant: 3 years
- Risk-free rate: 3.47%
- Volatility: 85.0%

**15. Related party transactions**

- a) Geoff Baker and Min Yang are directors of both BSF Enterprise plc and BSF International Limited. Both Geoff Baker and Min Yang who are directors of 3DBT and are directors of BSF Angel Funding Limited which is a shareholder in the Company.
- b) Key management are considered to be the directors and their remuneration is disclosed in Note 4 above.

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- c) BSF International Limited, a shareholder in BSF Angel Funding Limited, provided accounting support and other administration services to the Group during the period ended 31 March 2023 totalling £30,000 (2022: Nil).

**16. Subsequent events**

The Company's Ordinary Shares were admitted to trading on the OTCQB Venture Market in the United States on 24 May 2023. The shares trade under the symbol BSFAF. Trading on the OTCQB market provides BSF with access to one of the world's largest investment markets, expanding the Company's reach to a broader pool of investors while creating the potential for greater liquidity in its shares.