



Aptamer Group plc
("Aptamer", the "Company" or the "Group")

Interim results for the six months ended 31 December 2021

Admitted to AIM, raised funds to scale up operations and increasing commercial momentum

Aptamer Group plc (AIM: APTA), the developer of novel Optimer® binders to enable innovation in the life sciences industry, today announces its unaudited interim results for the six months ended 31 December 2021.

Financial Highlights (H1 2022; period end 31 December 2021):

- Revenue increased by 183% to £1.4 million (H1 2021: £0.5m)
- Cash balance at 31 December 2021 increased to £9.8 million (H1 2021: £1.0 million, FY 2021: £0.4m)
- EBITDA loss of £1.0 million, partially offset by increased sales, due to investment in the team and capabilities (H1 2021: loss £1.0 million)

Operational Highlights:

- Contract secured with a top five global pharma company to develop Optimer binders as Quality Control (QC) reagents to support the development of a novel neurodegenerative disease vaccine
- Research collaboration with WuXi AppTec Research Services Division to identify new Optimer-enabled therapeutics
- Large commercial agreement signed with a public life science research tool company to develop Optimer ligands for use on a multiplex platform
- Partnership with ProAxis to develop Optimer binders to replace the antibodies in respiratory diagnostic assays
- Agreement with Bio-Works Technologies to co-develop a new affinity resin for improved purification and scale up of gene therapy vector manufacturing
- Large-scale Optimer development and commercialisation agreement signed with a life science research company for over 250 targets for proteomics research
- Expansion of partnership with DeepVerge, following successful evaluation of SARS-CoV-2 Optimer performance, to develop new Optimer binders for additional microbial testing capabilities within DeepVerge's wastewater monitoring system

Post-period end

- Continuation of the collaboration with AstraZeneca to support development of Optimer binders as next-generation drug delivery vehicles in kidney disease
- Successful conclusion of the proof-of-concept phase of the collaboration with PinotBio to develop Optimer-drug conjugates for precision oncology. Further extension of this partnership and analysis of appropriate targets is under discussion
- Contract signed with a precision oncology company to develop Optimer binders for use in a companion diagnostic assay
- Optimer binder to the SARS-CoV-2 Spike protein, developed using the Company's proprietary discovery and development platform, was proven to detect the Omicron variant
- Optimer-enabled wastewater monitoring system installed at multiple UK sites as part of Environmental Monitoring for Health Protection (EMHP) programme to detect SARS-CoV-2 in wastewater, in partnership with DeepVerge

Corporate Highlights:

- Company's successful Admission to AIM completed in December 2021, raising gross proceeds of £10.8 million

- Appointment of Dr Ian Gilham as Non-Executive Chairman and Angela Hildreth as Non-Executive Director

Outlook

- The Group anticipates increasing revenues in the second half of the year as many of the current development projects near completion and full invoicing can be recognised or secondary phases initiated
- Further partnering progress and new partnerships expected in the second half
- Global demand for Aptamer's services continues to strengthen across the life science market
- Trading post period end in line with the Board's expectations for the full year

Arron Tolley, Chief Executive Officer, commented: "Aptamer Group has delivered strong revenue growth during the first half, driven by increases in contracts won across all business units and good operational performance to progress our custom services. This has reinforced that there is both market need and demand for aptamer technology to support innovation across the life science industry and that Aptamer Group has a clear, differentiated technology offering. The strong performance of the business, together with key R&D initiatives and the Group's strong financial position, positions Aptamer Group to take advantage of a growing market and we look forward to updating the market in the second half and beyond."

A webcast presentation will take place at 11.30am this morning, which can be accessed here: <https://www.lsegissuerservices.com/spark/APTAMERGROUP/events/5d074d40-e884-4522-bc9d-eac331bfa4f0>

For further information, please contact:

Aptamer Group plc

Dr Arron Tolley – CEO /
Eleanor Brown (formerly Courtman-Stock) – CFO +44 (0) 1904 56 7790

Liberum Capital Limited – Broker

Richard Lindley / Ben Cryer / Will Hall / Cara Murphy +44 (0) 20 3100 2000

SPARK Advisory Partners Limited - Nominated Adviser

Andrew Emmott +44 (0) 20 3368 3550

Consilium Strategic Communications

Matthew Neal / Sukaina Virji / Lucy Featherstone +44 (0) 20 3709 5700
aptamergroup@consilium-comms.com

About Aptamer Group plc

[Aptamer Group](#) develops custom affinity binders through its proprietary Optimer® platform to enable new approaches in therapeutics, diagnostics and research applications. The Company strives to deliver transformational solutions that meet the needs of life science researchers and developers through the use of its proprietary Optimer platform.

Optimer binders are oligonucleotide affinity ligands that can function as an antibody alternative. The global antibody market is currently worth over \$145.0 billion. Optimer binders are engineered to address many of the issues found with alternative affinity molecules, such as antibodies, and offer new, innovative solutions to bioprocessing, diagnostic and pharmaceutical scientists.

Aptamer Group has successfully delivered projects for global pharma companies, diagnostic development companies, and research institutes covering a range of targets and applications with the objective of establishing royalty-bearing licenses. Through the unique Optimer technology and processes, scientists and collaborators are enabled to make faster, more informed decisions that support discovery and development across the Life Sciences.

Chairman and Chief Executive Officer's Statement

Aptamer Group has significantly increased its penetration into the affinity ligand market in the first half of FY22, with strong operational and financial performance. Multiple new deals were signed across all business units, focussing on research solutions, diagnostics, and therapeutic applications. This demonstrates the increased interest in and demand for this technology, and this positive momentum has continued since the period end.

Aptamers are a disruptive technology and next generation affinity ligand in the well-established global antibody market, which is worth over \$145.7 billion per annum (2021) and expected to reach \$248.9 billion by 2026ⁱ. The aptamer market is set to expand rapidly over the next five to ten years into a multi-billion-dollar world-wide market and is forecast to grow at 18-28% per annum. The Company's automated Optimer platform delivers next-generation aptamer binders, that are smaller in size, offering key competitive advantages of improved stability, tissue penetration, and manufacturing characteristics, over antibodies. The synthetic nature of aptamers overcomes many of the issues associated with alternative affinity technologies, including antibodies.

Following the successful IPO in December 2021, we welcome new shareholders to the Group. £10.8 million was raised to support expansion of the team, premises and the capacity of our high throughput, automated Optimer platform and the development and integration of our new Optimer+ hybrid technology platform.

Positive progress has been made towards capacity expansion and Optimer+ development, which will enable the Group to build on its current blue-chip customer base and remain at the forefront of aptamer technologies in providing a novel affinity ligand alternative to the life science market. The strong revenue growth in the first half of the financial year demonstrates an inflection point of market acceptance for this technology, and with a good pipeline of new potential contracts, we anticipate that this will build into sustained durable growth for Aptamer Group.

Aptamer Solutions

Aptamer Solutions provides custom development services of oligonucleotide-based aptamer and Optimer binders for use as research tools, quality control reagents and affinity ligands to support bioprocessing applications.

The research antibody market was valued at \$3.6 billion per annum in 2020ⁱⁱ. Reports suggest that between 50-60% of available research antibodies fail to meet their internal research standardsⁱⁱⁱ, implying a current market potential of ~\$2 billion, without encroaching upon the market of successful antibodies. Growing awareness of regulatory directives for using non-animal derived affinity ligands in research and diagnostics, along with recognition of the advantages of aptamers over antibodies, improved reproducibility, and the potential to address novel targets for next-generation biologics, are contributing to the increasing global demand for aptamer-based technologies. This represents a significant opportunity for Aptamer Group's high throughput Optimer platform to support drug development, realised by the growing number of contracts signed and substantial market interest for Aptamer Solutions.

Two large commercial agreements were signed with public life science companies to develop Optimer ligands, one of which is for use on proteomic and multiplex platforms. These projects are currently undergoing development via the Optimer platform and include potential phased project payments totalling millions of pounds, with further potential IP payments, milestone payments and royalties based upon success. A contract was successfully agreed with a top five pharmaceutical company for the development of Optimer binders to enable the development of a neurodegenerative disease vaccine candidate with the potential for royalties for over a ten-year period. Within the bioprocessing sector, a collaboration was established with Bio-Works Technologies to co-develop an Optimer-based affinity resin that is anticipated to improve gene therapy manufacturing.

With growing recognition of the Optimer platform as a leading-edge technology delivering synthetic antibody alternatives, Aptamer is well placed to capitalise on the increased outsourcing to expert partners of components to support drug development. The Company is working with its blue-chip biotech and pharma customer base and partners across the sector to bring its expertise and novel technology to deliver improved solutions to support progress.

Aptamer Diagnostics

Aptamer Diagnostics focuses on the development and integration of Optimer binders into diagnostic platforms. Optimer binders offer significant advantages to current alternatives, including novel diagnostic targets, increased stability, and consistency to support multiple diagnostic formats, such as ELISA, flow cytometry, biosensors, and cell and tissue imaging.

The global diagnostic specialty antibodies market was estimated to be worth \$19.9 billion in 2020^{iv}. Significant growth has been spurred by the COVID-19 pandemic, driving interest in rapid diagnostics and novel diagnostic platforms. COVID-19 has driven an interest in rapid testing to diagnose a wider range of infectious diseases as a result of the increased familiarity of consumers with testing formats. This has expanded the market to a broader range of conditions for increased point-of-care testing, removing the testing burden from healthcare professionals. Aptamer's Optimer binders, developed using conditions that mirror the end-use, in terms of temperature, assay environment, sample type, etc., can be more likely to successfully integrate into a commercially viable diagnostic platform and benefit from this trend than other binder solutions.

Key developments in the first half of the year include DeepVerge selecting Aptamer Group as its provider of choice and a contract signed with ProAxis to support their diagnostic assays. Expansion of the partnership with DeepVerge, following successful field trials of the SARS-CoV-2 Optimer binders on its MicroTox[®]PD wastewater monitoring platform, involves the planned development of a panel of Optimer binders for key microbial targets in wastewater that can support increased diagnostic capabilities for the monitoring platform. The contract with ProAxis will see the development of Optimer binders to help overcome issues of security of supply and global logistics that the customer has experienced with antibodies.

Following the period end, the Group successfully signed a deal to develop Optimer binders for use in a companion diagnostic for precision oncology and validated the performance of its current SARS-CoV-2 Optimer binders against the latest World Health Organisation variant of concern, Omicron. Detection of the Omicron variant by the Company's Optimer binders is critical in light of the failure of some diagnostic tests to recognise this new variant and has been further supported with evidence of DeepVerge's MicrotoxPD platform showing Omicron detection using Optimer binders. Subsequently, the Optimer-enabled wastewater monitoring system has been installed at multiple UK sites as part of Environmental Monitoring for Health Protection (EMHP) programme to detect SARS-CoV-2. The Group continues to explore numerous diagnostic opportunities across the sector where its Optimer platform can enable improved and new solutions.

Aptamer Therapeutics

Aptamer Therapeutics delivers contract research services in the field of therapeutics, using its leading-edge Optimer platform and expertise to develop Optimer-drug conjugates, Optimer-enabled gene therapies, and Optimer agonists and antagonists for therapeutic application.

Despite the recognised limitations of antibody technology, the antibody therapeutics market was estimated to be worth in excess of \$114 billion in 2020 and is expected to reach ~\$190 billion by 2028 at ~7.1% CAGR^v.

Optimer binders address the limitations of antibodies, delivering a disruptive technology that offers a strong competitive advantage to drug development companies looking for the next evolution in delivery technology to enhance the applicability of their biologic portfolios. The comparatively small size of Optimer binders compared with antibodies yields a number of advantages in tissue penetration, cell uptake and access to binding sites, to overcome current challenges in targeted drug delivery for precision medicines and gene therapies.

During H1, a significant collaboration was established with WuXi AppTec Research Service Division to develop novel Optimer-drug conjugates to enable the targeted delivery of diverse therapeutic payloads to specific cell types, which remains a major translational challenge to many new precision medicines. The established collaboration with AstraZeneca continues and first results are expected to be delivered by the end of 2022.

The Company is seeing a strong level of interest from the market regarding the potential of Optimer-drug conjugates to overcome challenges in targeted drug delivery. Post-period end, the Company successfully concluded proof-of-concept work with PinotBio enabling the delivery of their payload using Optimer-drug conjugates in precision oncology. Aptamer and PinotBio are now looking to extend this partnership and are exploring options around appropriate targets.

Scaling capacity of the Optimer platform

With the funds raised in the IPO, Aptamer Group plans to scale up the current Optimer platform to enable the Company to service increasing market demand for its binders. This scale-up will involve expanding the automation systems used in the high-throughput platform and increasing the parallel capacity of the current platform, and the purchase of new equipment to remove process bottlenecks. Progress towards this scale-up has begun since the start of the year and Aptamer is expecting to move into new premises in mid-2022, which will complete this stage of the capacity expansion.

Expansion of service offering and team

The Company is expanding its dedicated assay development team with highly qualified and experienced scientists. The intention is that, following custom Optimer development, functionality will be demonstrated in end stage assays according to customer's needs. This will enable an additional service offering, providing a turnkey solution for increased convenience.

R&D developments

Aptamer Group acquired a patent portfolio covering a novel nucleotide chemistry that includes ten years of previous development work. This novel technology platform bridges the gap between oligonucleotide-based aptamers and protein-based binders, such as antibodies, with the potential to generate enhanced aptamers with the diversity offered by protein-like binding properties. The Company aims to develop and integrate this platform into its own systems, as Optimer+, to broaden the applications for and improve the performance of the Group's affinity ligand technology base. This development work has started, with the evaluation of the optimal system setup and manufacturing considerations undertaken.

Internal development of Optimer discovery and development processes and the Optimer+ novel affinity ligand platform is central to Aptamer Group's mission to stay at the forefront of aptamer technologies. The Group is actively developing solutions for a novel process that will support improved aptamer selection and form the basis of new patent applications and, in parallel, progressing work towards establishing the novel nucleotide Optimer+ platform for performance evaluation.

Optimer+ technology will be integrated into the Group's own platforms and its performance evaluated over the coming months. It is expected that these novel chemistries will improve the characteristics of the developed aptamers and give them properties that are not available with non-modified versions, in addition to generating further platform patents and intellectual property around the individual modified aptamer binders generated. This will give Aptamer Group another strong differentiator to solve a wide range of intractable problems and address new targets to increase its market share within the affinity ligand space.

The development of these platform technologies builds on the Company's strong intellectual property position contributing to the current patent portfolio of specific assay formats and successfully developed Optimer binders to specific targets. As the Company typically retains intellectual property on any developed Optimer binders, it retains the potential for significant ongoing royalty and licence fee income.

Board and Senior Management changes

During the first half, the Board was strengthened by the appointments of Dr Ian Gilham as Non-Executive Chairman and Chair of the Remuneration Committee and Angela Hildreth as Non-Executive Director. Angela will serve as Chair of the Audit Committee. Ian replaces Steve Hull, who worked with Aptamer for eight years, and we thank him for his support, excellent leadership and advice over his time with the Company.

In January 2022, Ross Wheatcroft joined Aptamer Group as Chief Commercial Officer, bringing previous commercial experience from Abcam. The wider Aptamer Group team has continued to grow, reflecting the expansion of the business, with a 15% increase in headcount during the first half and post-period end.

We thank the team who have pressed ahead with delivering the best technology and services to our customers during the period and especially throughout the COVID-19 pandemic. These efforts have enabled us to deliver new contract wins, technology developments, as well as sustained custom development to support our partners across the life sciences with innovative Optimer-based solutions.

Summary and outlook

Aptamer Group has delivered strong revenue growth during the first half, driven by record increases in contracts won across all business units and good operational performance to progress custom services. Commercial traction continues to increase in the EU, USA and additional key global markets including APAC, across all business units.

The Group anticipates higher revenues in the second half of the year as many of the current development projects near completion and full invoicing can be recognised or secondary phases initiated. The second half of the financial year has already seen contracts signed with new and existing customers, and the Group is confident of further new partnerships in the second half. The Group has also made excellent progress with internal development to support capacity expansion and technology improvements over the period, which will enable increased success of developed Optimer binders downstream and improve our ability to take affinity ligand market share from providers of more traditional antibody solutions and other antibody-alternative technologies.

The strong performance of the business, together with key R&D initiatives and the Group's strong financial position following IPO, mean that Aptamer Group is trading in line with Board expectations for the full year.

Financial Review

In December 2021 the Company raised gross proceeds of £10.8 million through a placing in conjunction with admission to AIM. This represented a major milestone in the Company's development and secured the funds necessary to deliver the Board's plans for significant growth over the coming months and years.

Revenue

Revenue for the six months ended 31 December 2021 increased 183% to £1.4 million compared with the same period in 2020 (H1 2021: £0.5 million; FY 2021: £1.6 million). Revenue was generated from the provision of contract research services to customers in all three of our business units: Aptamer Solutions, Aptamer Diagnostics, and Aptamer Therapeutics.

Operating loss

The Company's operating loss of £1.2 million (H1 2021: £1.1 million; FY 2021: £2.9 million) reflects costs incurred for research and development of £0.2 million (H1 2020: £0.4 million; FY 2021: £0.6 million). Current year research and development activities include further development of the Company's Optimer platform technology. These activities have accelerated following the IPO fundraise, in parallel with beginning development of the Optimer+ platform and are anticipated to continue into FY 2023. During the comparable period (H1 2021) the Company incurred significant one-off research and development costs in refining its Optimer binders to SARS-CoV-2, which has now been completed.

Other operating costs increased to support the Company's growth strategy outlined at IPO, which includes commercial expansion and establishing in-house technical capabilities for previously outsourced services. Also included within administrative expenses is the one-off, non-cash, share-based payment charge of £0.3 million in relation to admission to AIM.

Cash position

At the end of the period, the Company had cash and cash equivalents of £9.8 million (H1 2021: £1.0 million, FY 2021: £0.4 million), reflecting the net fund raising of £9.6 million.

- i. Market Data Forecast. Global Antibodies Market Size, Share, Trends, COVID-19 Impact & Growth Analysis Report – Segmented By Product Type, Indication, End User, Application and Region - Industry Forecast (2022 to 2027) Report ID: 1112. (2022)
- ii. Grand View Research. Research Antibodies Market Size, Share & Trends Analysis Report By Product (Primary, Secondary), By Type (Monoclonal Antibodies, Polyclonal Antibodies), By Technology, By Source, By Application, By End-use, By Region, And Segment Forecasts, 2021 – 2028. Report ID: GVR-2-68038-124-5 (2021)
- iii. Bradbury & Pluckthun. Standardize antibodies used in research. *Nature*. 518:27-29 (2015)
Gray et al. Animal-free alternatives and the antibody iceberg. *Nat. Biotechnology*. 38:1234–1239 (2020)
- iv. ReportLinker. Diagnostic Specialty Antibodies Market Research Report by Antibody, by Application, by End User, by Region - Global Forecast to 2027 - Cumulative Impact of COVID-19. Report ID: 6083571. (2022)
- v. Research Reports World. Global Monoclonal Antibody Therapeutics Market Insights and Forecast to 2028. Report ID: QYR-19925425 (2022)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
For the six-month period ended 31 December 2021

	Note	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Revenue	4	1,373,315	484,688
Cost of sales		(799,748)	(390,679)
Gross profit		573,567	94,009
Selling and distribution costs		(37,577)	(10,687)
Administrative expenses		(1,516,265)	(1,079,933)
Operating loss before depreciation and amortisation		(980,275)	(996,611)
Depreciation (including gain on disposal of assets)		(167,209)	(137,564)
Amortisation of intangible assets		(5,882)	(7,549)
Operating loss	5	(1,153,366)	(1,141,726)
Finance costs		(22,786)	(19,040)
Loss before income tax		(1,176,152)	(1,160,766)
Income tax credit	6	76,171	135,694
Loss for the period		(1,099,981)	(1,025,072)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS		(1,099,981)	(1,025,072)
Loss per share	7	(0.02)	(0.02)
Diluted loss per share	7	(0.02)	(0.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	Note	As at 31 December 2021 £	As at 30 June 2021 £
ASSETS			
Non-current assets			
Intangible assets		319,127	221,881
Property, plant, and equipment		600,929	467,986
Right-of-use assets		310,894	50,520
		1,230,950	740,387
Current assets			
Inventories		225,938	90,305
Trade and other receivables		1,366,713	864,260
Cash and cash equivalents		9,767,860	369,459
		11,360,511	1,324,024
TOTAL ASSETS		12,591,461	2,064,411
LIABILITIES			
Current liabilities			
Trade and other payables		(2,090,188)	(1,052,446)
Interest bearing loans and borrowings		(10,000)	(10,000)
Lease liabilities		(136,427)	(175,663)
Accruals and deferred income		(1,359,012)	(626,950)
		(3,595,627)	(1,865,059)
Non-current liabilities			
Interest bearing loans and borrowings		(34,253)	(39,253)
Lease liabilities		(22,127)	(28,331)
		(56,380)	(67,584)
TOTAL LIABILITIES		(3,652,007)	(1,932,643)
Provisions of liabilities		(26,250)	(26,250)
NET ASSETS		8,913,204	105,518
EQUITY			
Share capital	8	68,942	29,854
Share premium		9,561,043	5,203,442
Group reorganisation reserve		185,340	185,340
Share based payments reserve		418,999	83,247
Retained earnings		(1,321,120)	(5,396,365)
TOTAL EQUITY		8,913,204	105,518

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 31 December 2021

	Share capital	Share premium	Share based payment reserve	Group reorganisation reserve	Retained earnings	Total
	£	£	£	£	£	£
Balance as at 1 April 2020	28,152	3,088,923	27,960	185,340	(3,084,569)	245,806
Period ended 30 June 2020						
Loss for the period	-	-	-	-	(190,935)	(190,935)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(190,935)	(190,935)
Issue of share capital	1,470	1,825,808	-	-	-	1,827,278
Share based payments	-	-	12,002	-	-	12,002
Total transactions with owners, recognised directly in equity	1,470	1,825,808	12,002	-	-	1,839,280
Balance as at 1 July 2020	29,622	4,914,731	39,962	185,340	(3,275,504)	1,894,151
Period ended 31 December 2020						
Loss for the period	-	-	-	-	(1,025,072)	(1,025,072)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,025,072)	(1,025,072)
Issue of share capital	232	288,711	-	-	-	288,943
Share based payments	-	-	23,708	-	-	23,708
Total transactions with owners, recognised directly in equity	232	288,711	23,708	-	-	312,651
Balance at 31 December 2020	29,854	5,203,442	63,670	185,340	(4,300,576)	1,181,730

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six-month period ended 31 December 2021

	Share capital	Share premium	Share based payment reserve	Group reorganisation reserve	Retained earnings	Total
	£	£	£	£	£	£
Balance as at 1 January 2021	29,854	5,203,442	63,670	185,340	(4,300,576)	1,181,730
Period ended 30 June 2021						
Loss for the period	-	-	-	-	(1,095,789)	(1,095,789)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,095,789)	(1,095,789)
Issue of share capital	-	-	-	-	-	-
Share based payments	-	-	19,577	-	-	19,577
Total transactions with owners, recognised directly in equity	-	-	19,577	-	-	19,577
Balance as at 30 June 2021	29,854	5,203,442	83,247	185,340	(5,396,365)	105,518

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six-month period ended 31 December 2021

	Share capital	Share premium	Share based payment reserve	Group reorganisation reserve	Retained earnings	Total
	£	£	£	£	£	£
Balance as at 1 July 2021	29,854	5,203,442	83,247	185,340	(5,396,365)	105,518
Period ended 31 December 2021						
Loss for the period	-	-	-	-	(1,099,981)	(1,099,981)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,099,981)	(1,099,981)
Issue of share capital, net of issue costs	9,218	9,561,043	-	-	-	9,570,261
Bonus issue of shares	29,870	-	-	-	(29,870)	-
Capital reduction	-	(5,203,442)	-	-	5,203,442	-
Share based payment charge	-	-	337,406	-	-	337,406
Release of share-based payment reserve	-	-	(1,654)	-	1,654	-
Total transactions with owners, recognised directly in equity	39,088	4,357,601	335,752	-	5,175,226	9,907,667
Balance as at 31 December 2021	68,942	9,561,043	418,999	185,340	(1,321,120)	8,913,204

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 31 December 2021

	Note	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(absorbed by) operations	9	200,904	(1,581,239)
Taxation		364,119	-
Net cash generated from/(absorbed by) operating activities		565,023	(1,581,239)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, and equipment		(506,947)	(153,765)
Proceeds on disposal of property, plant, and equipment		98,083	-
Purchase of intangible assets		(103,128)	(162,401)
Proceeds on disposal of assets held for resale		-	208,348
Net cash used in investing activities		(511,992)	(107,818)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of share capital		10,771,361	288,943
Issue costs		(1,201,100)	-
Repayment of borrowings		(5,000)	-
Payment of lease liabilities		(197,105)	(143,202)
Interest paid		(22,786)	(19,040)
Net cash generated from financing activities		9,345,370	126,701
Net increase/(decrease) in cash and cash equivalents		9,398,401	(1,562,356)
Cash and cash equivalents at 31 March 2020			293,148
Cash movement from 1 April 2020 to 30 June 2020			2,285,146
Cash and cash equivalents at start of the period		369,459	2,578,294
Cash and cash equivalents at end of the period		9,767,860	1,015,938
Cash movement from 1 January 2021 to 30 June 2021			(646,479)
Cash and cash equivalents at 30 June 2021			369,459

NOTES TO THE FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

1. GENERAL INFORMATION

Aptamer Group plc ('the Company') is a limited company domiciled and incorporated in England and Wales. The consolidated financial statements of the Company for the six-month period ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as 'the Group').

The address of the Company's registered office is Second Floor, Biocentre, Innovation Way, Heslington, York, YO10 5NY.

2. BASIS OF PREPARATION

These consolidated condensed financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The statutory accounts for the 15-month period ended 30 June 2021 were prepared in accordance with FRS 102 and have been delivered to the Registrar of Companies. The statutory accounts were unaudited utilising the exemption under section 477 of the Companies Act 2006.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in the historical financial information included within its AIM Admission document, which were prepared in accordance with International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006. A description of the nature and effect of the change in accounting policies is provided within the historical financial information included within the Group's AIM Admission Document. The figures presented in these interim financial statements at 30 June 2021 are as per those reported within the Group's AIM Admission Document. The figures presented in these interim financial statements for the 6-month period ended 31 December 2020 are derived from the underlying financial information for those figures reported within the Group's AIM Admission Document. Accordingly, these financial statements are to be read in conjunction with the financial information included within the Group's AIM Admission Document. The Group will also prepare its first full financial statements under IFRS for the year ended 30 June 2022 in line with those accounting policies.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. This change constitutes a change in accounting framework from that applied in the AIM Admission Document. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial information presented herein does not constitute full statutory accounts under section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors.

3. GOING CONCERN

At 31 December 2021, the Group held £9.8 million in cash. The Directors have considered the funding requirements of the Group through the preparation of detailed cash flow forecasts for the period to 31 March 2023 including prospective sales revenues and the costs of research and development projects. These forecasts show that the Group has sufficient funds to allow the business to continue in operation for at least 12 months from the date of approval of these financial statements. The Directors have considered scenarios in which sales revenues fall below base case forecasts. In these circumstances mitigating actions such as reduction of discretionary research and development expenditure and other costs could be taken to preserve cash. Based on the above factors, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the six-month period ended 31 December 2021

4. REVENUE

An analysis of revenue, all of which relates to the sale of services, by geographical location of the customer is given below:

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
United Kingdom	116,323	54,412
Europe	20,603	81,000
USA	1,207,620	349,276
Rest of the World	28,769	-
	1,373,315	484,688

All assets are located in, and services delivered from, the United Kingdom.

5. OPERATING LOSS

The operating loss for the period is stated after charging

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Research and development expensed	228,397	369,840
Depreciation of property, plant, and equipment	77,977	28,864
Depreciation of right-of-use assets	103,532	92,700
Amortisation of intangible assets	5,882	7,549

6. INCOME TAX EXPENSE

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Tax credit included in the statement of profit and loss		
Current tax:		
UK corporation tax credit on losses for the period	(76,171)	(135,694)
Adjustments in respect of prior periods	-	-
Total UK corporation tax	(76,171)	(135,694)
Deferred tax:		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	(76,171)	(135,694)

6. INCOME TAX EXPENSE (CONTINUED)

Factors affecting the tax charge for the period

The tax credit for the period differs from the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Loss on ordinary activities before tax	(1,176,152)	(1,160,766)
Corporation tax at standard rate	(223,469)	(220,546)
Research and development enhanced expenditure	(65,178)	(106,800)
Research and development credits surrendered	27,311	-
Expenses not deductible for tax purposes	64,187	-
Deferred tax asset not recognised	120,978	191,652
Total tax credit	(76,171)	(135,694)

As at 31 December 2021 the Group had unrelieved tax losses of approximately £3,557,000 (30 June 2021 – £2,680,000). A deferred tax asset has not been recognised in respect of these losses.

7. LOSS PER SHARE

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Basic loss per share	(0.02)	(0.02)
Diluted loss per share	(0.02)	(0.02)
Loss for the period	(1,099,981)	(1,025,072)
Weighted average number of ordinary shares used as the denominator in calculating the basic/diluted loss per share	60,172,013	59,563,430

8. SHARE CAPITAL

	31 December 2021		30 June 2021	
	No.	£	No.	£
Allotted, issued, and fully paid:				
Ordinary shares of £0.001 each	68,941,694	68,942	-	-
Ordinary shares of £0.0001 each	-	-	298,540,000	29,854
	68,941,694	68,942	298,540,000	29,854

Share transactions in the period

On 22 September 2021, the Company completed a share capital reduction whereby the share premium account of the Company was reduced from £5.2 million to £nil and the amount by which the share premium account was so reduced was credited to the profit and loss reserve.

On 11 October 2021, the Company issued 158,000 Ordinary shares of £0.0001 on exercise of the option by one of its former directors.

On 29 November 2021, the Company restructured its Ordinary Shares such that each share of £0.0001 each was consolidated into 10 shares of £0.001.

On 29 November 2021, the Company issued the following shares:

- 29,869,800 Ordinary shares of £0.001 each as a bonus share at the rate of 1 such new ordinary share for every 1 existing ordinary share of £0.001 each held by the existing shareholders whose name appears on the register on 22 November 2021.

On 22 December 2021, the Company issued the following shares:

- 9,202,094 Ordinary shares of £0.001 each at a price of £1.17 per ordinary share. These shares were issued on Admission to trading on AIM.

The rights attaching to the shares are summarised below:

The ordinary shares shall be non-redeemable but shall hold full rights in respect of voting and shall entitle the holder to full participation in respect of equity and in the event of a winding up of the company. The shares may be considered by the Directors when considering dividends from time to time.

9. STATEMENT OF CASH FLOWS

Cash generated from operations

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Loss for the period	(1,099,981)	(1,025,072)
Net finance cost	22,786	19,040
Income tax	(76,171)	(135,694)
Depreciation	181,509	121,564
Amortisation of intangible assets	5,882	7,549
Gain on disposal of property, plant, and equipment	(14,300)	16,000
Share based payment expense	337,406	23,708
	(642,869)	(972,905)
<u>Changes in working capital:</u>		
Movement in inventories	(135,633)	26,863
Movement in trade and other receivables	(790,401)	1,404,345
Movement in trade and other payables	1,769,807	(2,039,542)
Cash generated from operations	200,904	(1,581,239)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the six-month period ended 31 December 2021

10. NET DEBT RECONCILIATION

Analysis of net debt

	1 July 2020 £	Cash flows £	New leases £	Foreign exchange £	Non-cash movement £	31 December 2020 £
Cash and cash equivalents	2,578,294	(1,562,356)	-	-	-	1,015,938
Borrowings	(50,000)	-	-	-	-	(50,000)
Lease liabilities	(202,392)	143,202	(294,826)	-	-	(354,016)
	2,325,902	(1,419,154)	(294,826)	-	-	611,922

	1 July 2021 £	Cash flows £	New leases £	Foreign exchange £	Non-cash movement £	31 December 2021 £
Cash and cash equivalents	369,459	9,398,401	-	-	-	9,767,860
Borrowings	(49,253)	5,000	-	-	-	(44,253)
Lease liabilities	(203,994)	197,105	(198,478)	-	46,814	(158,553)
	116,212	9,600,506	(198,478)	-	46,814	9,565,054