

Aptamer Group

Interim Results Presentation
for 6 months to 31 Dec 2022



aptamer
GROUP

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Management team



Dr Arron Tolley
CEO

- Co-founded Aptamer Group in 2008
- Globally-recognised technical & commercial leader in aptamers
- Delivered several patent-pending process and product developments
- Ph.D. Structural & Molecular Biology



Dr Rob Quinn
CFO (Joined 1 March 2023)

- Experienced healthcare CFO, including working with Silence Therapeutics
- Also worked for GSK, BenevolentAI and Pharnext
- Chartered Accountant (Deloitte)
- Ph.D. Biochemistry



Dr David Bunka
CTO

- Co-founded Aptamer Group in 2008
- Globally-recognised aptamer expert
- Pioneered automated in-house aptamer discovery platform
- Ph.D. Molecular Biology

Aptamer Group investment case

01

Targeting **\$146bn** affinity ligand **market** to meet demand for alternative solutions

02

Proprietary high-throughput automated platform for **rapid** ligand **discovery** and development

03

Commercial momentum building and **strong pipeline** with partnerships with 15 of the top 20 pharma

04

Fee-for-service contracts building foundations and higher knowledge base for **higher value licensing deals**



Market demand for alternatives to antibodies

The \$146bn affinity ligand market is well established, but has well-known problems that are addressable with aptamers

Value creating differentiating characteristics of aptamer affinity ligands

The current challenge

- 50% of research antibodies fail to meet their internal research standards
- Animal-based research under increased scrutiny and seen as expensive and unethical
- Antibodies are expensive to manufacture, transport and store



3D representation of a folded aptamer

Broader target applicability

Targets that are not possible with antibodies e.g. whole tissues, toxins etc

Tuneable selectivity

Tailored selection to give the required target specificity.

Speed of discovery

Aptamer discovery can be achieved in as little as 17 days, compared to an average of 4-18 months for other technologies

Synthetic manufacture allows better QC

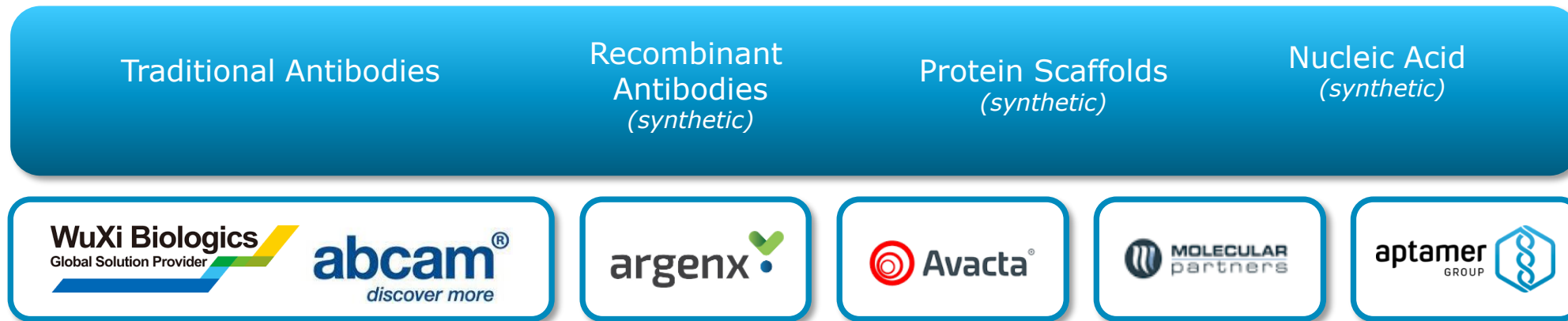
More reliable and lower batch-to-batch variability than antibody manufacture

Scalable cost-effective production

Chemical synthesis is easier and cheaper to scale up

Affinity ligand technology market

- Target binding molecules are used in a wide range of applications in the life sciences
- These binders are known as 'affinity ligands' and represent a market worth **>\$US 145.7bn** with **CAGR c.11.3%**
- Historically, this market has been dominated by antibodies
- More recently, alternative affinity ligands have emerged to address needs that antibodies cannot fulfil

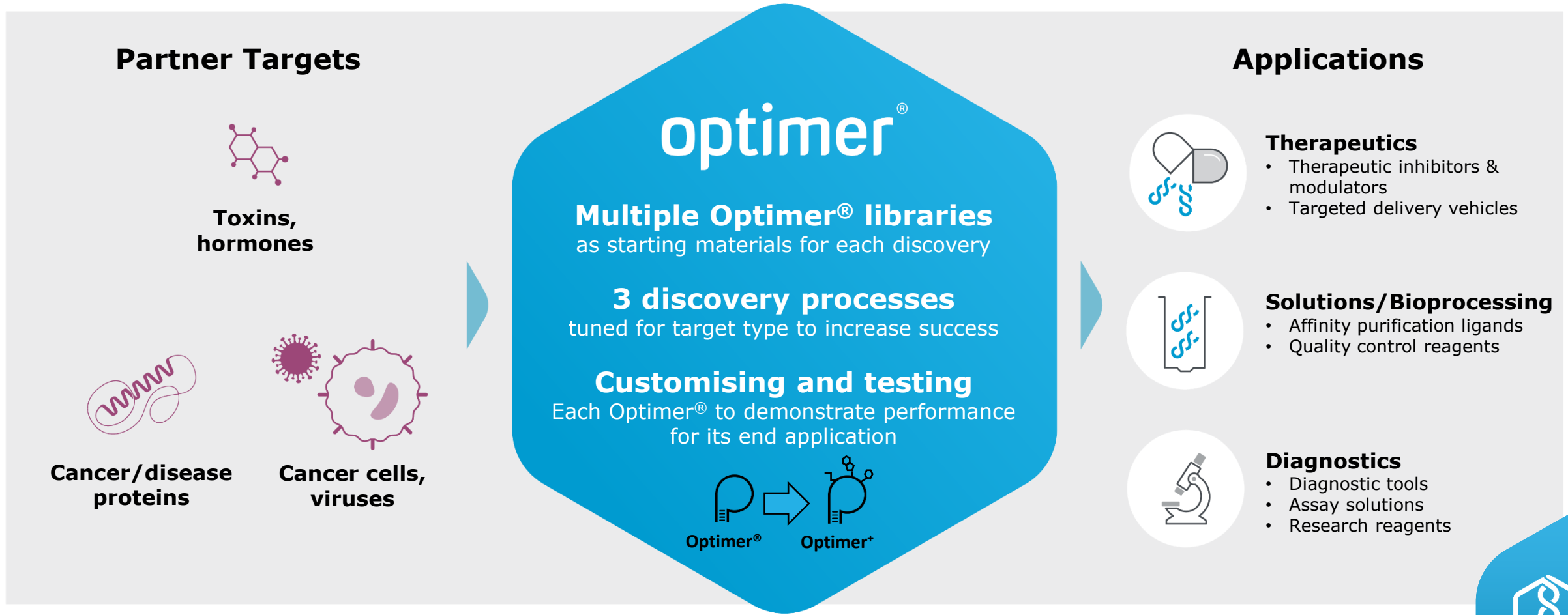


Aptamers are an important disruptive platform within the affinity ligand space, with an existing market of US\$2.5bn growing at ~20% CAGR due to attractive characteristics

Growth drivers for aptamers

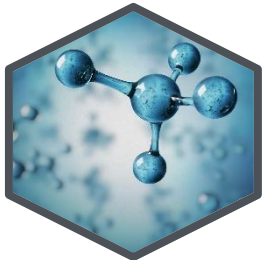
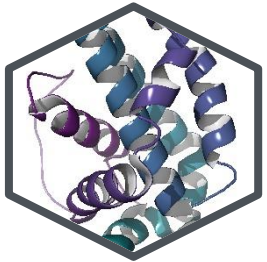
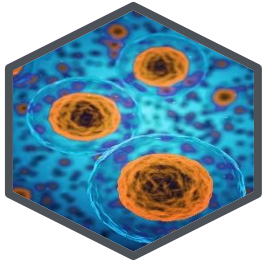
- Increasing acceptance of aptamer technology as alternative to failed antibody projects
- Increased need for drug targeting to improve efficacy of drugs
- Increased investment as benefits and superiority of aptamers over antibodies better understood

The Optimer® platform

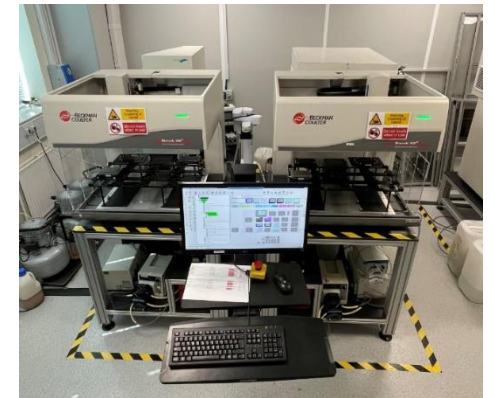


USP: Automated high-throughput discovery platform

Tailored selection strategies, optimised for different target classes and applications, increases the potential for success in each Optimer discovery campaign.

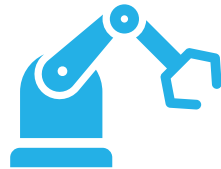


- Teams of specialists, with distinct processes to address different target types (proteins, small molecules, cells etc.) = **broader process application**
- Incorporation of customers' end application conditions increases likelihood that **aptamers will perform as required**
- Automation removes human error and variability from aptamer development = **increased reliability** and **higher success rates**
- Parallel processing under different conditions increases likelihood of identifying aptamers = **improved success rates**
- Proprietary automated aptamer development platforms enable high-throughput processing = **rapid turnaround** and **high capacity**
- Bespoke integrated automation platform is **difficult and expensive for others to replicate**
- Processes are protected through **proprietary know-how**
- Modular automated platforms can be **readily scaled to increase capacity**



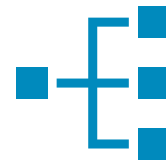
Investment for growth

Aptamer Group is accelerating growth and increasing value capacity over multiple verticals to deliver more solutions and higher value engagements



Scale-up & automation

New custom-fitted premises enables simultaneous handling of 100s of targets for higher throughput and handling large projects



Commercial expansion & service development

Expanded commercial team from 4 to 9 to service increased demand and addition of assay development team for turnkey custom solutions



Platform innovation

£350k invested into Optimer®+ scaffold technology that is under development with patent protection and expansion

Business units



- **Contract research services**

- Global research antibody market valued at \$13.1bn in 2021
- Bioprocessing (affinity purification)
- CMC / QC release reagents
- Research Reagents
- Horizon scanning
- FFS



- **Enabling Diagnostics**

- Global diagnostic speciality antibodies market valued at \$20.8bn in 2021
- Lateral flow devices (LFD)
- Biosensor development
- Immuno-assays (e.g., ELISA)
- Applications across human health, environmental and agri-food
- FFS + Licensing



- **Enabling Therapeutics**

- Global antibody therapeutic market worth in excess of \$126.7bn in 2021
- Optimer[®]-drug conjugate (ODC)
- Optimer[®]-enabled delivery of gene therapies
- Optimer[®] agonist/antagonists
- FFS + Licencing

Proprietary platform technology driving three business units with potential for substantial value creation in the longer term

HY23 operational and post-period highlights

HY23 Operational Highlights

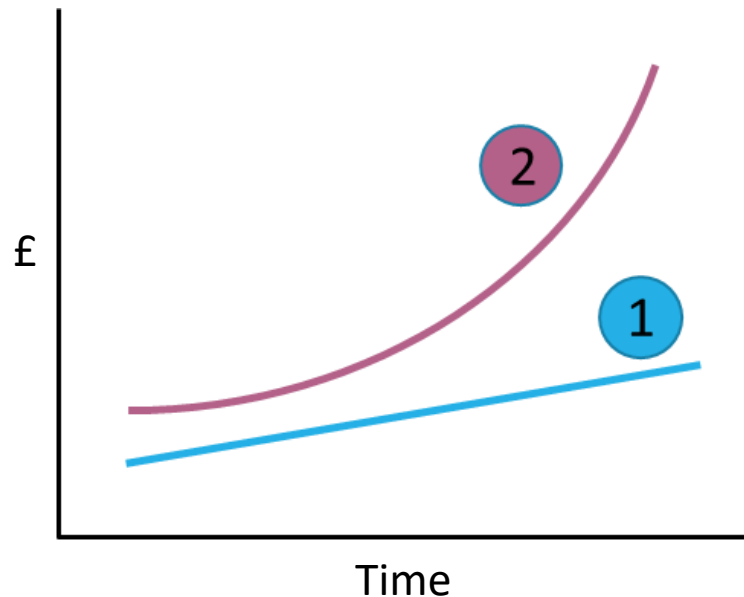
- **Top 5 pharma company (Jul)**
 - **Follow-on** contract to develop Optimer® binders as IHC reagents
- **Top 10 pharma company (Aug)**
 - **Follow-on** contract to develop Optimer® binders for bioprocessing
 - Potential for **downstream licensing**
- **Multinational consumer-goods company (Aug)**
 - Contract to develop Optimer® binders to support personal care products
 - Potential for **downstream royalties**
- **Bioliq (Aug)**
 - Optimer® binders for use in a novel prenatal and placental diagnostic platform
 - Potential for **downstream licensing**
- **Stem cell biotechnology company (Aug)**
 - Optimer® to support QC release of cell therapies
- **Biomarker services company (Oct)**
 - Optimer® to support multiplex biomarker assays for mass spec analysis
- **Cancer Research UK (Nov)**
 - Second phase of collaboration to develop the delivery vehicle of a bispecific therapeutic Optimer® for the treatment of myeloid malignancies
- **Immunotherapy focussed biotechnology (Nov)**
 - Optimer® as prophylactic to prevent transplant rejection
 - Potential for **downstream milestones and royalties**
- **Novavax (Nov)**
 - Optimer® to support QC release of respiratory vaccine
 - **Additional follow-on projects** in pipeline
- **BaseCure Therapeutics (Dec)**
 - Optimer® as targeted delivery vehicles for gene therapy
 - Potential for **downstream milestones and royalties**

Post-period highlights

- **Custom enzyme manufacturer (Jan)**
 - Optimer® for monitoring enzyme manufacturing processes
 - Potential for **downstream licensing**
- **Multinational consumer-goods company (Jan)**
 - **Follow-on contract** to develop Optimer® binders to support personal care products
 - Potential for **downstream royalties**
- **Top 20 pharma company (Jan, Feb)**
 - **Follow-on** contracts to develop Optimer® binders to support clinical trial bioanalytical studies
 - Potential for **downstream licensing**

Revenue model

- Revenue model includes fee-for-service and licensing contracts to balance funding of development cost and speed to market, with opportunity for long term, high value deals



1. Fee-for-service provides faster access to revenues and funds ongoing platform development without exposure to customers' R&D risk.

Forms the base of revenue and growth potential through increased volumes and capacity, particular in Aptamer Solutions
2. Licensing transactions require greater investment in development, with the potential for high value returns over the longer term, including upfront, milestone and royalty payments

Licensing deals particularly being targeted in Aptamer Therapeutics

Financial performance H1 Financial Year 2023

- Group revenue of £1.0m, second half weighted
- Gross profit margin improvement
- Admin expenses increased significantly due to investments in people, R&D and plc costs
- Adjusted EBITDA* loss of £2.5m

- Net cash outflow from operations of £2.9m
- £1.8m investment in new laboratory, equipment and office space
- £0.5m R&D tax credits received post period end

Income statement

	6 months ended 31 Dec 2022 £'000	6 months ended 31 Dec 2021 £'000	Year ended 30 Jun 22 £'000
Revenue	1,015	1,373	4,036
Cost of Sales	(559)	(837)	(1,351)
Gross Profit	456	536	2,685
GP margin	45%	39%	67%
Administrative expenses	(2,950)	(1,178)	(4,352)
Other operating income	-	-	3
Adjusted EBITDA*	(2,494)	(642)	(1,664)
PBT	(2,968)	(1,176)	(2,638)
PAT	(2,632)	(1,100)	(2,093)
EPS loss	3.81p	1.83p	3.24p

Cashflow statement

	6 months ended 31 Dec 2022 £'000	6 months ended 31 Dec 2021 £'000	Year ended 30 Jun 22 £'000
Cash used in operations	(2,895)	202	(2,973)
Income tax received	-	364	598
Net cash used in operations	(2,895)	566	(2,375)
Purchase of assets	(1,760)	(512)	(418)
Issue of share capital net of costs	-	9,570	9,582
Servicing of borrowing	(114)	(225)	(467)
Net increase in cash	(4,769)	9,399	6,322
Opening cash balance	6,691	369	369
Closing cash balance	1,922	9,768	6,691

*Adjusted EBITDA is PBT before depreciation, finance costs, amortisation and share-based payments

Outlook for the Full Year 2023

- **The first half of the financial year has seen new contracts signed across all business units for Aptamer Group, with further contract signing post-period end and visibility of a significant number of potential orders already in place for the second half of the year.**
- **We anticipate significantly higher revenues in the second half with a material uplift occurring in the final quarter of our financial year, as many of the current contracted development projects near completion or begin secondary phases**
- **We have a strong and growing pipeline of qualified opportunities reflecting the increasing global demand for our services and recognition across the life sciences market of the technology's capabilities and value**
- **This large and varied pipeline of opportunities gives us belief in the positive momentum and longer term potential of the business and, although timing and conversion rates for these opportunities carry some uncertainty, we believe that we can deliver revenue in line with market expectations for the full year**

Aptamer Group summary

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Thank you

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