



Proteome Sciences plc

Registered number: 02879724

Report and Financial Statements

for the year ended 31 December 2024

ADVISERS

NOMINATED ADVISER
AND BROKER:

Allenby Capital Limited
5 St Helen's Place
London
EC3A 6AB

AUDITOR:

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Caste Donington
Derby
DE74 2SA

SOLICITOR:

Taylor Wessing LLP
Hill House
1 Little New Street
London EC4A 3TR

BANKER:

Barclays Bank Plc
Pall Mall Corporate Banking Group
50 Pall Mall
London
SW1Y 5AX

REGISTRAR:

MUFG Corporate Markets
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Shareholder Enquiries:

+44(0) 371 664 0300

CONTENTS

	Page
BUSINESS REVIEW	
Executive Chairman's Statement	2
Strategic Report	6
GOVERNANCE	
Board of Directors	12
Corporate Governance	13
Audit Committee Report	19
Remuneration Committee Report	20
Directors' Report	23
FINANCIAL STATEMENTS	
Independent Auditor's Report	26
Consolidated Income Statement	32
Consolidated Statement of Comprehensive Income	33
Consolidated Balance Sheet	34
Company Balance Sheet	35
Consolidated Statement of Changes in Equity	36
Company Statement of Changes in Equity	37
Consolidated and Company Cash Flow Statements	38
Notes to the Consolidated Financial Statements	39
AGM INFORMATION	
Notice of Annual General Meeting	78

EXECUTIVE CHAIRMAN'S STATEMENT

For the year ended 31 December 2024

Financial Highlights

- Total revenues £4.89m (2023: £5.03m)
- TMT® reagent sales and royalties £4.01m (2023: £3.40m)
- Proteomics services revenues £0.87m (2023: £1.63m)
- Gross profit £0.67m (2023: £1.65m)
- Loss after tax £3.41m (2023: £2.44m)
- Cash at year end £1.13m (2023: £2.03m)
- Cost of sale and administrative costs £7.24m (2023: £6.65m)
- Adjusted EBITDA* loss £1.48m (2023: loss £0.92m)

*(See Note 3, page 47)

In the first half of 2024 our proteomics business was adversely affected by the challenging background to the biotech and pharma markets with reduced R&D budgets and continued postponement of projects which had carried over from 2023. Following the £1.0m reduction in revenues in the interim results to £2.22m (H1 2023: £3.21m) we are pleased to report that the second half recovery anticipated at that time materialised with a 47% increase in H2 to £2.67m (2023 £1.82m) with full year revenue for the year to 31 December 2024 returning to £4.89m (2023: £5.03m) reflecting strong increases in services orders and TMT. A number of the services orders commenced in H2 but the bulk of these have carried over into 2025 representing a 10 fold increase over the similar position at the start of 2024.

The launch and availability of TMTpro 35 plex tags had a very positive impact in the market and TMT sales and royalties that showed a 16% reduction at the interims to £1.85m (H1 2023: £2.20m) performed strongly in H2 with full year revenue increased 18% to £4.01m (2023: £3.40m).

The Company won a substantial Good Clinical Laboratory Practice ("GCLP") contract with a US biopharmaceutical company in April 2024, and the same customer has awarded us a follow up

contract to be undertaken in 2025 and 2026, part of a larger clinical study.

Proteome Sciences has now added data-independent acquisition ("DIA") (label free) to its services offering with first client projects underway.

Good progress has been made with our new DIA multiplex tags ("DXT") with patents filed in the summer. Discussions are underway with a shortlisted group of prospective licensees and a licence should be concluded in 2025.

Our first commercial contract in Single Cell Proteomics ("SysQuant® SCP") was secured in Q4 2024. With results available shortly we expect the number of projects to increase sharply in 2025.

The back end of 2024 showed a good recovery from the impact of the global downturn in biotech and pharma markets over the previous year. Following the considerable increase in customer orders and services in the second half of 2024 we are optimistic that our proteomics business has gone through a significant inflection point and that it can deliver substantial increases and returns in the future.

Services

2024 followed 2023 as a challenging year in the biotech and pharma services markets including service providers in proteomics. The year commenced with significant headwinds as reported in many industry and financial articles at the time. These created significant delays to subsequent biopharma financial investments which resulted in reduced outsourcing to Contract Research Organisation ("CRO") services at a time when CROs were already battling with other cost contingencies.

As stated in our 2023 Annual Report and Accounts, the US is by far the most significant market for biopharma companies outsourcing proteomic services to CROs including Proteome Sciences. The biopharma layoffs and general slowdown severely curtailed our order carry-over position from 2023 to 2024 and restricted our ability to close orders at the level projected at the start of the 2024 budgeting cycle.

EXECUTIVE CHAIRMAN'S STATEMENT

For the year ended 31 December 2024

Fortunately, later in H1 2024 we successfully obtained significant orders from our US customer base, including a high value GCLP clinical sample contract value in excess of £500k from a West Coast US biopharma company. Adding this to other orders largely from the US enabled us to secure £950k of orders in the first half of 2024 and that in turn started to boost Q2 service revenue. We received over £2m in orders in 2024 mainly from the USA which was more than 3 times the total order value in 2023.

2024 revenue was hampered by three factors in the first half of the year: the absence of carry-over orders from 2023 into 2024, the low order uptake in H1 and that the timing of the major GCLP clinical study mentioned above would provide sequential samples for analysis in both 2024 and 2025 with revenue generated from 2025. Services revenue nevertheless picked up well, more than doubling in the second half to £0.87m for the full year to 31 December 2024.

In the final quarter of 2024, we were most encouraged by the high level of carry-over in orders into the next two financial years 2025 and 2026. These currently total more than £1.30m at the start of 2025 with a pipeline of an expected additional £2m of orders received that will contribute to 2025 and 2026 revenue. We have never been in such a strong position in previous years and this should underpin significant revenue growth for the next 2 years.

The investment made in the new US laboratory was prompted by the significant quantity of local demand received from the US West Coast. During the year we launched our first single cell proteomics services (SCP) for academic and commercial customers with several academic collaborations successfully completed that should lead to publication in influential scientific journals. We also obtained and started our first commercial biopharma orders. As in previous years we continued to attend relevant conferences and exhibitions throughout 2024 both in the US and Europe to combine these events with local customer engagement, and visits.

The biopharma industry slowdown still ongoing in the early part of 2024 continued to affect our business more than expected. Fortunately, the adverse head winds disappeared and transformed into favourable tail winds halfway through 2024 and these transformed the market background and enabled our services business to rapidly rebound. We purchased an additional top end mass spectrometry system early in Q4 2024 in order to increase our capacity to address the strong customer demand. We needed to acquire a second Exploris mass spectrometer at the close of 2024 as a result of the burgeoning order pipeline. The benefits from the additional capacity brought on stream will be more fully reflected in 2025 and 2026 revenues.

Licences

We have an exclusive global license with Thermo Fisher Scientific for our tandem mass tag reagents ("TMT®") and other licences using biomarkers in stroke and Alzheimer's disease. Our wider portfolio of biomarkers, research tools and experimental drug compounds are also available for licensing. These include recently filed applications for a new series of tags for multiplexing (DIA). Proteome Sciences holds registered trademarks including Tandem Mass Tag®, TMT®, SysQuant®, and applications for DIA multiplex Tags™ and DXT.

We are actively pursuing licensing partners for the DXT reagents and expect to move these discussions to conclusion in 2025 and are looking to perform further validation through internal research and external grant funding to support out-licensing of other biomarker panels.

Tandem Mass Tags®

Our licensing revenue comes from both direct reagent sales to Thermo Fisher Scientific and downstream royalty payments from their sales of packaged kits. During 2024 we saw strong recovery for both revenue streams. This was driven by improving market conditions and higher demand from Thermo Fisher Scientific for reagent supplies following the full launch of 35plex TMTpro® in June 2024. Total revenue increased by 18% to £4.01m (2023: £3.40m).

EXECUTIVE CHAIRMAN'S STATEMENT

For the year ended 31 December 2024

Looking forward, we anticipate further adjustments in the market as more comparisons between TMTpro™ and DIA are published, showing that TMTpro™ provides higher precision and is better suited to identifying biomarkers in cells and tissues and with DIA starting to compete more with the high throughput methods available from SomaLogic and O-Link for large cohort studies. We expect the benefits of TMTpro™ 35plex in single cell proteomics will increase the use of tagging and size of the mass spectrometry marketplace.

Stroke Biomarkers

There has been little visible progress from our partner Randox in completing their European registration trials. A research-use-only test, the Neurovascular Dysfunction Biochip, that uses several of our licensed biomarkers is now commercially available, but the expected date for market approval for clinical use remains unknown. We have not yet received royalties in connection with the launched kit and continue to monitor Randox performance.

Galaxy CCRO, the small physician-led biomarker company in the US continues with its biomarker validation study of the FAST>ER point-of-care test using Glutathione S-transferase pi (GSTPi). Initial results are expected at the end of H1 2025, but preliminary data suggested the need for greater sensitivity and Galaxy has commissioned development of a second-generation test that has substantially improved performance. As part of the original licensing deal Proteome Sciences own 9.7% of Galaxy's issued stock and will additionally benefit from their other non-stroke research and development projects.

Research

During the first half of 2024 we completed several research projects. Most notably was the synthesis of a new 6plex set of isotopic tags that enable multiplexed data-independent acquisition (DIA) mass spectrometry. Our internal testing showed these second-generation tags perform well for both protein identification rates and quantitative accuracy. The DIA multipleX Tag™ (DXT) set is currently being evaluated by key academic opinion leaders and prospective licensing partners for use

across a range of different applications. We intend to present data on the tags in June at the 2025 American Society for Mass Spectrometry meeting.

We completed the development of a TMTpro™ 16plex SysQuant® Single Cell Proteomics workflow using our CellenONE platform. After c.18 months research and development, we performed our first commercial project analysing more than 2,000 cells across multiple chips. We have refined the data analytics pipeline to improve consistency and we are detecting an average of ~2,000 proteins per 16plex. Further research is underway to extend capacity and performance to address the growing requirements of our customers. In parallel, our data scientists have developed improved analysis and data visualization tools that provide a superior user interface. This offers simplified data assembly and automated analysis by non-expert users. Results are output into a dashboard allowing a wide range of statistical modelling and visualizations that let customers utilise relevant biological discoveries from their SCP studies.

Our ProteoSHOP® blood proteomics workflows are based on removal of the 14 most abundant proteins and deliver good performance with >2,500 proteins detectable and 1,000 of these quantifiable across all samples in a recent study with 150 individual samples. To improve this further we have evaluated a number of recently introduced reagents that enrich proteins and extracellular vesicles from serum and plasma. Our initial results are promising, increasing the number of detected proteins to >4,500 in human serum. This has also been tested in bovine serum and we can see significant improvements over our previous depletion-based method that provides deeper analysis for customers in veterinary drug and vaccine development. We have expanded our proteomics services with the development of DIA workflows using Orbitrap Exploris mass spectrometers. Results were encouraging with more than 13,000 proteins detectable in human cell lines. We have also improved our computational MS and bioinformatics processes for DIA and introduced DIA services towards the end of the year. A full multiplexed SysQuant® DIA offering will be developed and launched during H1 2025.

EXECUTIVE CHAIRMAN'S STATEMENT

For the year ended 31 December 2024

Operating Environment

Due to the macroeconomic challenges experienced in the second half of 2023 and the first half of 2024, the carry-over in orders into 2024 was severely depleted. Since then, the number of projects and orders secured during the second half of the year rose sharply providing a record carry-over into 2025 of £1.30m.

The new US services facility in San Diego delivered good early customer project results but again the challenging economic climate in the industry continued through the first half of 2024 prompting a temporary suspension in services in the summer pending confirmation of a better project pipeline. Again, the background in the second half rebounded as expected and activities in San Diego returned to normal in February 2025.

On the tag side the launch and availability of the TMTpro™ 35 plex tags had a very positive effect in the market and helped to propel TMT revenues.

We have already added DIA (label free) to our range of services offerings with first client projects underway and we expect multiplexed DIA to provide new streams of revenue in 2025 and beyond.

Our innovative DIA plex tags are regarded as important future value drivers and will accelerate after a licence is concluded with one of the major distributors in the field of reagent tags.

Following the successful completion of a number of academic projects in SCP we await scientific publication with considerable interest and the completion of our first commercial orders from which we expect activity and revenue from SCP.

As previously announced Mariola Söhngen stepped down as CEO and director on the 31 January 2025. Chairman, Christopher Pearce, has taken the role of Executive Chairman until the Company appoints an appropriate successor to become CEO. It was also announced that Abdel Omari would step down as CFO and director on 31 January 2025, but he will then take on a part time role as financial consultant and adviser to Proteome Sciences plc.

On behalf of shareholders, I would like to take this opportunity to thank Mariola Söhngen and Abdel Omari for the considerable contributions that they have made to the business over their tenure by overseeing the investments made to develop DIA tags, SCP and establishing the US services facility in San Diego.

At the end of a difficult year for our business and after the substantial strategic investments that have been made for the future, we would like to thank all our employees for their contribution, passion and hard work. We believe that these should be transformational for future growth.

Outlook

As a result of the economic and industry background our business had to navigate through a difficult period from the second half of 2023. Our proteomics activities remained healthy with a good and growing order book with the translation into revenues delayed but which started to rapidly rebound in the second half of 2024.

With strong increases in orders for both TMT and our services business we were convinced that the downturn in the biotech and pharma markets was behind us. We consequently decided to invest further in additional machine capacity and staff at the close of 2024 to address the growing customer demand.

We are pleased to reiterate that the momentum from the second half of last year has continued into 2025 with the pipeline now extending well into 2026. We are optimistic that our proteomics business has gone through a strong inflection point in its development and that it can deliver substantial increases and returns in the future.

Christopher Pearce
Executive Chairman

9 April 2025

STRATEGIC REPORT

For the year ended 31 December 2024

Review of the Business

The principal activities of the Group involve protein biomarker research and development. As a leader in applied proteomics, we use high sensitivity proprietary techniques to detect and characterise differentially expressed proteins in biological samples for diagnostic, prognostic and therapeutic applications. In addition, we invented and developed the technology for TMT® and TMTpro™, and manufacture these small, protein-reactive chemical reagents which are sold for multiplex quantitative proteomics under exclusive license by Thermo Fisher Scientific.

Proteome Sciences is a major provider of contract research services for the identification, validation and application of protein biomarkers. Our clients are predominantly pharmaceutical and biotechnology companies, but we also perform services for other sectors including academic research. While we have several well-established workflows that meet the needs of many customers, we retain our science-led business focus wherever possible, developing new analytical methods, new reagents and data analysis tools to provide greater flexibility in the types of studies we can deliver. Our contract service offering remains centred on mass spectrometry-based proteomics, and this is becoming more widely implemented in drug development projects as the pharmaceutical industry seeks to expand biological knowledge beyond genomics. These services are fully aligned with the drug development process, can be used in support of clinical trials and *in vitro* diagnostics, and include proprietary bioinformatics capabilities.

Progress during 2024

Growing Our Services Business

Building for the future

During 2024 we have continued our long-term program of improving and broadening our proteomics services. Following a detailed review in 2022 we have taken a stepwise approach to improve and expand all aspects of our workflows. In 2023 we completed the move to single-pot, solid-phase-enhanced sample-preparation ("SP3") technology sample processing that enabled a 50%

increase in throughput for our standard methods. We have continued this progress and now have adapted methods for working with smaller samples, that further enhances the utility of unbiased biomarker discovery from small samples such as tumour biopsies. We have also been evaluating new mass spectrometry methods using DIA and combined this with further development of multiplexing tags for DIA. The initial results for both standard and multiplexed DIA are encouraging, and we are pushing forward these developments into our Biomarker Services. The final step in our analytical pipeline is statistical analysis of quantitative data from the mass spectrometry results. We have always provided a high-quality data science service and combined this with deep biological analysis of the identified protein changes to assist our customers in understanding how the data support their studies. During 2024 we have further developed our data science team bringing in skills for rapid software development and enhanced data visualization. We are currently testing a new data dashboard concept internally and aim to release this for customer applications in 2025.

Status of the Tandem Mass Tag® Product Portfolio

This year we released the latest TMTpro™ 35plex set with our exclusive licensee Thermo Fisher Scientific. Using the higher plexing capabilities enables higher overall data quality across large sample sets, with less missing data and high quantitative precision and accuracy. In a recently completed study we saw an approximately 40% increase in the number of proteins quantified in 150 human serum samples compared to similar studies using 18plex TMTpro™. The market response has been positive amongst large TMTpro™ users, and we expect this to filter down to smaller research groups and academic core laboratories in 2025.

During the year we also extended our program in multiplexed tags for DIA, manufacturing a second generation 6plex set of tags. This gave improved performance for multiplexed DIA applications and increased the numbers of proteins identifiable. We also demonstrated excellent quantitative

STRATEGIC REPORT

For the year ended 31 December 2024

performance with observed ratios being extremely close to expected values across a biologically relevant dynamic range. A US provisional patent application has been filed, adding to the patent covering first generation tags filed in 2023. We are in discussions with several parties regarding licensing of the tags for sales, marketing and distribution, following the model established for TMT®. We have also filed to register the trademarks 'DIA multipleX Tag' and 'DXT'.

Single Cell Proteomics

After prolonged development of the SCP platform, we secured our first commercial contract in Q4 2024. This study analysed >2,000 individual cells and we were able to identify different cell types within a complex multicellular sample. A second project with this customer is under negotiation with another SCP project for a different customer currently ongoing, and we expect the number of projects to increase quickly during 2025. We have also been working to extend the capacity and breadth of SCP using the recently introduced nPOP sample preparation. Using our CellenONE system with nPOP allows several thousand cells to be sorted in a single run. We are also looking to use massively parallel precursor prioritisation to further enhance the depth of proteome coverage and data completeness in such large studies. Recently a research group at Northeastern University, Boston, USA has published a scientific paper describing use of nPOP and prioritized acquisition that measured >2,000 proteins in each of 1,000 cells within a single day, substantially eclipsing the throughput of even the fastest data-independent acquisition workflows.

Stroke biomarkers

We still await outcomes from the two clinical trials being run by our licensees Randox and Galaxy CCRO, which we understand remain ongoing. The Galaxy trial has experienced slower than expected recruitment rates, but the initial phase has shown the lateral flow test to be easily deployable within the Emergency Room and specialized Acute Stroke Unit. There are also different kinetics of GSTP level changes during the

first hour in hospital and we await their analysis in conjunction with clinical information to assess the utility of their FAST>ER test.

Patent Applications and Proprietary Rights

During the year 2024 we filed two new patents relating to our 1st and 2nd generation DIA multiplexing tags. We also filed for protection of the trademark DXT in relation to these tags. Four patents were granted and issued relating to methods of TMT® labelling and biomarkers of Alzheimer's disease, whilst 55 cases from 6 families mainly related to non-exploited stroke biomarkers. One case relating to alternative mass tag structures no longer required was abandoned.

Strategic evaluation

Our main focus in the first half of 2024 was to further embed new technology offerings introduced in previous years and continue the innovation around areas of increasing pharmaceutical industry interest. The main activities have been:

- Streamlining and improving the single cell proteomics sample preparation and data analysis workflows. We implemented the new nPOP cell sorting method and will expand this for use with 35plex TMT in the coming year. The new data dashboard is delivering a vast increase in data usability and the underpinning statistical tools have been further refined to increase overall data quality.
- Exploring new methods for analysis of blood proteomics using enrichment methods introduced by different vendors. Indications are promising for both human and veterinary sectors.
- Expanding our immunopeptidomics services by enhancing the data analysis pipeline using robust sequence rescoring and introduction of major histocompatibility complex II ("MHC II") specific pulldowns. This reflects the rapid increase of awareness around immune system remodelling during most diseases, and the challenges of chronic inflammation in ageing (inflammaging).

STRATEGIC REPORT

For the year ended 31 December 2024

Financial Review

Results and Dividends

Key Performance Indicators ("KPI's")

- The directors consider that revenue, adjusted EBITDA, and profit before/after tax are important in measuring Group performance. The performance of the Group is set out in the Executive Chairman's Statement on page 2.
- The directors believe that the Group's rate of cash expenditure and its effect on Group cash resources are important. Net cash outflows from operating activities for 2024 were £0.83m (2023: net cash outflows of £0.48m). The costs in 2024 were higher when compared to 2023 due to the investment in our San Diego site, development of next generation tags and the launch of SCP. We suffered from lower revenues in biomarker services as compared to 2023. Cash at 31 December 2024 was £1.13m (31 December 2023: £2.03m).
- In 2024 service revenues decreased by 47% to £0.87m (2023: £1.63m). As a proportion of total group revenue service revenues in 2024 were 18% compared to 32% in 2023.

Financial Performance

- Revenue for the year ended 31 December 2024 showed a 3% decrease to £4.89m (2023: £5.03m). This is comprised of two revenue streams: TMT® related revenue and Proteomic (Biomarker) Services. Sterling values of our sales and royalties received for TMT® tags increased by 18% to £4.01m (2023: £3.40m)
- Gross profit £0.67m (2023: £1.65m)
- Administrative expenses, including depreciation of £3.02m (2023: £3.27m)
- EBITDA decreased to £(1.52)m (2023: £(1.14)m)
- Adjusted EBITDA* loss of £1.48m (2023: loss £0.92m)

- The loss after tax was £3.41m (2023: loss after tax of £2.44m)

*Adjusted EBITDA (a non-GAAP Group specific measure (see Note 3) which is considered to be a key performance indicator of the Group's financial performance) decreased by £0.56m year on year mainly due to lower revenues while costs have increased.

Taxation

Owing to the changing nature of our services business, with a stronger focus on commercial activities, we have not fully assessed our available R&D tax credit for 2024, and such amounts are only recognised when reasonably assured.

Costs and Available Cash

- The Group maintained a positive cash balance in 2024 and continues to seek improved cash flows from commercial income streams. Due to flat revenues and higher operating costs year on year, the Group had a negative cash flow in the year. Administrative expenses in 2024 were £3.02m (2023: £3.27m)
- Staff costs for the year were £3.49m (2023: £3.35m) of which £0.04m was a share based payment charge (2023: £0.22m)
- Property costs without charges on rent of £0.51m were higher than previous years (2023: £0.44m) also including property costs for the lab in San Diego
- Finance costs relate to interest due on loans from two major investors in the Company and lease interest. Costs of £0.89m were higher than the prior year (2023: £0.80m)
- Trade and other payables were £0.78m (2023: £0.63m)
- Trade and other receivables were £0.43m (2023: £0.96m)
- Cash at the year end was £1.13m (2023: £2.03m)

STRATEGIC REPORT

For the year ended 31 December 2024

Principal Risks and Uncertainties

Commercialisation Activities

It is uncertain whether our range of contract proteomic services will generate sufficient revenues for the Group ultimately to be successful in an increasingly competitive commercial market which generally favours companies with a broader technology platform than our own. Similarly, our increased capacities and the opening of our US laboratory create a risk that we do not generate sufficient orders to make our commercial activities profitable.

Management of Risk: The Group has sought to manage this risk by broadening its proteomic services offering by increasing the coverage of unbiased discovery experiments and broadening capabilities for analysis of very small samples including single cells, investing in our own sales by dedicating more staff time to direct business development activities in our principal commercial territories and adopting conventional service-based metrics directed at speed, cost and quality.

Adding new services bears the risk that competitors are already more advanced and it will be difficult to find and retain new customers.

Management of Risk: We believe the technology we are developing for single cell proteomics has a high demand in the market and hence we believe there is sufficient room for many players to satisfy the demand. Moreover, Proteome Sciences has a USP (Unique Selling Point) as we are the owner of TMT® which gives us a number of advantages (including cost control) vis à vis competitors.

Dependence on Key Personnel

The Group depends on its ability to retain a limited number of highly qualified scientific, commercial and managerial personnel, the competition for whom is strong. While the Group has entered into conventional employment arrangements with key personnel and staff turnover is low, their retention cannot be guaranteed as evidenced by two resignations during 2024.

Management of Risk: The Group has a policy of organising its work so that projects are not

dependent on any one individual, and we have strong managerial oversight and support for our laboratory-based staff. Retention is also sought through annual, role-based reviews of remuneration packages, performance related bonus payments, and the opportunity for share option grants.

Investment Limitations

Sales and royalties from TMT® have historically been key to revenue and working capital for the group to invest in the business. We are still reliant on TMT® sales and royalties for the majority of our revenues and working capital to invest in growing the business remains limited.

Management of Risk: In addition to previous cost reduction and ongoing containment measures which have significantly changed the cost profile of the business over the last years, we also actively engage with our major creditors to manage the Company's debt.

Competition and Technology

The international bioscience sector is subject to rapid and substantial technological change. There can be no assurance that developments by others will not render the Group's service offerings and research activities obsolete or otherwise uncompetitive. Proteomics remains a growth area where increasing demand from the pharmaceutical industry remains ahead of the growth in service provider capacities.

Management of Risk: The Group employs highly experienced research scientists and senior managerial staff who monitor developments in technology that might affect the viability of its service business or research capability. This is achieved through access to scientific publications, attendance at conferences and collaboration with other organisations.

Licensing Arrangements

The Group intends to continue sub-licensing new discoveries and products to third parties, but there can be no assurance that such licensing arrangements will be successful.

STRATEGIC REPORT

For the year ended 31 December 2024

Management of Risk: The Group manages this risk by a thorough assessment of the scientific and commercial feasibility of proposed research projects which is conducted by an experienced management team. Risk has also been reduced by decreasing the overall number of research projects and re-distributing available resources.

Patent Applications and Proprietary Rights

The Group seeks patent protection for identified protein biomarkers which may be of diagnostic, prognostic or therapeutic value, for its chemical mass tags, and for its other proprietary technologies. The successful commercialisation of such biomarkers, chemical tags and proteomic workflows is likely to depend on the establishment of such patent protection. However, there is no assurance that the Group's pending applications will result in the grant of patents, that the scope of protection offered by any patents will be as intended, or whether any such patents will ultimately be upheld by a court of competent jurisdiction as valid in the event of a legal challenge. If the Group fails to obtain patents for its technology and is required to rely on unpatented proprietary technology, no assurance can be given that the Group can meaningfully protect its rights. All patents have a limited period of validity and competing products may be sold by third parties on expiry in each territory. Whilst the expiration of the earliest TMT® patent in 2022 resulted in 2022 a reduced royalty rate under the exclusive licence and distribution agreement with Thermo Fisher Scientific, we do not expect further royalty reductions in 2025 and beyond. We continually monitor the implications of patent expiry and have not seen any generic isobaric tags enter the markets so far.

Management of Risk: The Group retains limited but experienced patent capability in house, supplemented by external advice, which has established controls to avoid the release of patentable material before it has filed patent applications. Maintenance of the existing patent portfolio is subject to review ensuring that its

ongoing cost is proportional to its perceived value. We seek to prolong the value of our proprietary technologies by patenting improved chemical tags and superior biomarker panels when we are able to do so, and we monitor the impact of patent expiry by monitoring of market share of licensed products such as TMT® and TMTpro™.

Section 172 statement

The Board recognises the importance of the Group's wider stakeholders when performing their duties under Section 172(1) of the Companies Act and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The Board considers that all their decisions are taken with the long-term in mind, understanding that these decisions need to regard the interests of the company's employees, its relationships with suppliers, customers, the communities and the environment in which it operates. It is the view of the Board that these requirements are addressed in the Corporate Governance Statement on page 13, which can also be found on the company's website www.proteomics.com.

STRATEGIC REPORT

For the year ended 31 December 2024

For the purpose of this statement detailed descriptions of the decisions taken are limited to those of strategic importance. The Board believes that two decisions taken during the year fall into this category and were made with full consideration of both internal and external stakeholders as follows:

Investment in developing new products and services.

The board took the decision in 2024 to invest in an internal research project to develop a new 6-plex set of isotopic tags for multiplexed data-independent acquisition (DIA) mass spectrometry. The board considers that development and innovation in this market sector is important for long term success and expects DIA tags to provide new revenue streams in 2025 and beyond.

Investment in new instruments

The Board took the decision to invest in additional new instrumentation due to the increased demand for the Groups' services. The board considers this investment in instruments and consequent additional capacities will be of great benefit to both existing and potential customers.

By Order of the Board

Coveham House
Downside Bridge Road
Cobham
Surrey KT11 3EP

Victoria Birse
Company Secretary

9 April 2025

BOARD OF DIRECTORS

For the year ended 31 December 2024

Christopher Pearce

Executive Chairman

Christopher Pearce has built the Group since inception and been responsible for the formulation and implementation of strategy, collaborative and licensing agreements, and IP. He was co-founder and Executive Chairman of Fitness First plc.

Dr Ian Pike

Chief Scientific Officer

Ian Pike has over 30 years' experience working in the diagnostics and biotechnology sectors and joined Proteome Sciences plc in November 2002. Having gained a PhD in medical microbiology, he joined Wellcome Diagnostics as a research group leader and spent eight years working on new diagnostic assays, particularly for hepatitis. In December 1999, he joined the Technology Transfer Office of the UK Medical Research Council with responsibility for patents and commercialisation of a wide portfolio of technologies related to the biomedical sector. Before joining the Group, Ian worked for Cancer Research Ventures managing intellectual property and performing business development activities in Europe and the US.

Richard Dennis

Chief Commercial Officer

Richard Dennis joined the Group in April 2017. He has a commercial background spanning over 30 years in the global life sciences research sector. Throughout his career he has held positions based in both the UK and US managing international sales teams. Prior to joining Proteome Sciences, he had held positions of increasing responsibility and diversity in companies such as Meso Scale Discovery, BioScale Inc., and most recently Quanterix Corp. He sits on the board of trustees of KidsCan Children's Cancer Research, a charity based in Manchester, UK.

Roger McDowell

Non-executive Director (i) (ii)

Roger McDowell has a highly successful career as a businessman and entrepreneur. He was Chief Executive of Oliver Ashworth Group plc for eighteen years before its sale to St Gobain. He is currently the Chairman or a non-executive director of six listed companies, namely Avingtrans plc, Flowtech Fluidpower plc and Hargreaves Services plc as Chairman, British Smaller Companies VCT2 plc and Tribal Group plc as non-executive director. He brings considerable commercial experience with him and is a keen exponent of growing shareholder value.

Martin Diggle

Non-executive Director

Martin Diggle has worked in finance for over 30 years. He was a director and partner of UBS/Brunswick in Russia until 2003, after which he joined Vulpes Investment Management, where he is currently a director and partner. He is an experienced specialist investor in life sciences and manages the Vulpes Life Sciences Fund, the registered holder of 22.97% of Proteome Sciences' ordinary share capital.

Dr Ursula Ney

Non-executive Director (i) (ii)

Ursula Ney has more than 30 years' experience in the pharmaceutical and biotech industry, with 20 years in leadership roles in the biotech sector. She was director of Development and on the Board of Celltech plc, and later COO and executive director of Antisoma plc. More recently she was CEO of the private company Genkyotex SA and a non-executive director on the board of Discuva, a Cambridge, UK based start-up. She is currently also a non-executive director at Scancell plc and a Trustee of the University of Plymouth. She has broad experience of drug development across a range of therapeutic areas and products.

(i) Member of Audit Committee

(ii) Member of Remuneration Committee

CORPORATE GOVERNANCE

For the year ended 31 December 2024

The Chairman's Statement on Corporate Governance

I am pleased to present this year's Corporate Governance Statement.

The Company is committed to maintaining high standards of corporate governance. It is the responsibility of the Board and me as Chairman to ensure that the Company has in place the structure, strategy and people to deliver value to shareholders in the medium to long term. The Board recognises that an effective corporate governance framework is important to help achieve this aim and is fundamental to the long-term success of the Company.

The Company adopted the Quoted Companies Alliance Corporate Governance Code (QCA Code) during 2018 and continues to comply with each of the ten principles of the QCA Code. In 2023 the QCA Code was updated, and the Company intends to comply with and report on changes to the code within the required timeframe. The remainder of this statement sets out how the Company applies the Code. Further information on the Company's compliance is published on our website (www.proteomics.com/investors).

Compliance with the Quoted Companies Alliance Corporate Governance code

The Quoted Companies Alliance has published a corporate governance code for small and mid-sized quoted companies, which includes a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the "QCA Code"). The Directors of Proteome Sciences plc comply with the QCA Code.

The QCA Code sets out ten principles which should be applied. These are listed below together with a short explanation of how the Company applies each of the principles. Where the Company does not fully comply with a principle an explanation as to why has also been provided.

1. Establish a strategy and business model which promote long-term value for shareholders

Proteome Sciences plc is a contract research organisation specializing in the analysis of proteins by mass spectrometry, providing both discovery and targeted proteomics services and proprietary biomarker assays to biopharmaceutical and diagnostic companies engaged in the discovery and development of precision medicines.

Proteomics is an enabling biotechnology platform for an increasing number of companies invested in the identification of targeted therapeutics for the future provision of healthcare. Offering a service to such companies, in addition to the synthesis of specialty chemical tags for mass spectrometry, is an essential part of the strategy to deliver shareholder value in the medium to long-term.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders on a regular basis.

All shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year. Investors also have access to current information on the Company through its website, <https://www.proteomics.com>. Requests from institutional and retail shareholders are addressed directly whenever possible by members of the Executive team.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that for the long-term success of the Company their decisions must consider a wider stakeholder group and the Company's social responsibilities. The Company is reliant upon the efforts of the employees of the Company, its subsidiaries, contractors, suppliers and regulators, and upon relationships with customers and licensees. Feedback from all these stakeholders is shared with, and reviewed by, the executive team on a regular basis and, where

CORPORATE GOVERNANCE

For the year ended 31 December 2024

appropriate, actions are documented. The executive team, led by the Executive Chairman, is also responsible for identifying the resources and relationships necessary for developing the business, and sharing these needs with the Board.

An agreed procedure exists for directors in the furtherance of their duties to take independent professional advice. With the prior approval of the Chairman, all directors have the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as directors. If the Chairman is unable or unwilling to give approval, Board approval will be sufficient. Newly appointed directors are made aware of their responsibilities through the Company Secretary.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Risk management

The Board constantly monitors the operational and financial aspects of the Company's activities and is responsible for the implementation and ongoing review of business risks that could affect the Company (see page 17). Duties in relation to risk management that are conducted by the directors include, but are not limited to:

- Initiate action to prevent or reduce the adverse effects of risk
- Control further treatment of risks until the level of risk becomes acceptable
- Identify and record any problems relating to the management of risk
- Initiate, recommend or provide solutions through designated channels
- Verify the implementation of solutions
- Communicate and consult internally and externally as appropriate
- Inform investors of material changes to the Company's risk profile.

Conflicts of interest

The Board has instituted a process for reporting and managing any conflicts of interest held by directors. Under the Company's Articles of Association, the Board has the authority to approve such conflicts.

Company materiality threshold

The Board acknowledges that assessment on materiality and subsequent appropriate thresholds are subjective and open to change. As well as the applicable laws and recommendations, the Board has considered quantitative, qualitative and cumulative factors when determining the materiality of specific relationships of directors.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board recognises that the Company needs to deliver growth in long-term shareholder value and that this requires an efficient, effective and dynamic management framework. This should be accompanied by good communication which helps to promote confidence and trust.

The Board currently comprises three Executive Directors:

Christopher Pearce (Executive Chairman)

Dr Ian Pike (Chief Scientific Officer)

Richard Dennis (Chief Commercial Officer)

and three non-executive Directors;

Roger McDowell

Martin Diggle

Dr Ursula Ney

Details of the qualifications, background and responsibilities of each director are described on page 12 and provided on the Company's website (<https://www.proteomics.com/about/leadership>).

The Board is supported by Audit and Remuneration Committees, details of which are summarised under Principle 9 below.

- The Board considers Roger McDowell and Dr Ursula Ney to be independent.

CORPORATE GOVERNANCE

For the year ended 31 December 2024

- Martin Diggle, a director of Vulpes Investment Management which manages the Vulpes Life Sciences Fund (the largest shareholder in the Company) is not remunerated for his role on the Board and is not a member of any Board sub-committee.

Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties, but it is anticipated that they will spend approximately one day a month on work for the Company. This will include attendance of Board meetings (usually 8 per year), see page 18 for the attendance during the year, the AGM, committee meetings and sufficient time to consider relevant meeting papers.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

All members of the Board bring relevant experience. The Board believes that its blend of experience, skills, personal qualities and capabilities is suitable to ensure it successfully executes its strategy. The existing spectrum of differing entrepreneurial skills continues to be represented on the Board together with considerable knowledge and expertise from scientific research and the pharmaceutical industry. The Board will continue to ensure that Directors receive appropriate support and training as required to keep them up to date with current practices. The Board's biographies are set out on page 12.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board considers that it is appropriate to evaluate the performance of the Board and its Committees annually. The 2024 evaluation is detailed below. This is intended to make sure that the Board remains effective, well-informed and able to make high quality and timely decisions for the benefit of all stakeholders in the Company with regular meetings to discuss the strategic direction and the terms of reference for the Committees. Areas covered include Board structure, Board arrangements, frequency and time, content of Board meetings, Board culture and succession

planning. It is recognised that there continues to be more regulation about which Directors need to be informed and aware. The Board will continue to ensure that Directors receive appropriate support and training as required to keep them up to date with current practices.

The Chairman led an annual performance assessment of the Board and its Committees at the end of 2024. The performance effectiveness process included each Director completing a performance evaluation questionnaire, the results and feedback from which were collated into a summary and discussed by the Board.

Further to the annual performance assessment the Chairman concluded that the Board acted effectively in what was a challenging period to establish three additional revenue streams in 2024 despite the global downturn in biotech and the pharma services market experienced from the middle of 2023 that continued until mid 2024. This was delivered by an appropriate risk management strategy and by regular interaction between the Board and the executive with regular communication to staff and shareholders.

8. Promote a corporate culture that is based on ethical values and behaviours

As part of the Board's commitment to the highest standard of conduct, the Company expects that board members will act in good faith, fair and impartially, with honesty and integrity and always in the best interests of the organisation and in particular such matters as:

- responsibilities to shareholders
- compliance with laws and regulations
- relations with customers and suppliers
- ethical responsibilities
- employment practices
- responsibility to the environment and the community.

CORPORATE GOVERNANCE

For the year ended 31 December 2024

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Chairman

The current Chairman of the Company is Christopher Pearce who has been a director of the Company since July 1994. The responsibilities of the Chairman are to:

- Lead the Board, ensuring its effectiveness on all aspects of its role
- Ensure that the directors receive accurate, timely and clear information
- Ensure effective communication with shareholders
- Facilitate the effective contribution of non-executive directors
- Act on the results of board performance evaluation.

Executive Chairman

The responsibilities of the Executive Chairman are to:

- Provide leadership and day to day management of the business within the authorities delegated by the Board.

Board meetings

The Board meets on average 8 times a year, during 2024 the board met 7 times, usually by way of both face to face and teleconference meetings. During 2024 there was 1 in-person meeting and the remainder were held via teleconference. Decisions concerning the direction and control of the business are made by the Board, and a formal schedule of matters specifically reserved for the Board is in place. Matters reserved for the Board include:

- Approval of overall strategy and strategic objectives;
- Oversight of operations (including accounting, planning and internal control systems);
- Compliance with legal and regulatory requirements;
- Management/operational performance review;
- Changes in corporate or capital structure;

- Approval of the risk appetite of the Company;
- Approval of the half-year and annual report and accounts;
- Declaration of any interim dividend and recommendation of a final dividend;
- Approval of formal communications with shareholders;
- Approval of major contracts and investments; and
- Approval of policies on matters such as health and safety, corporate social responsibility (CSR) and the environment.

Generally, the powers and obligations of the Board are governed by the Companies Act 2006, and the other laws of the jurisdictions in which the Company operates. The Board is responsible, *inter alia*, for setting and monitoring Group strategy, reviewing trading performance, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to the shareholders.

Board Committees

There are two board committees:

- Audit Committee - members are Roger McDowell (Chair), and Dr Ursula Ney. This committee met twice during 2024.
- Remuneration Committee - members are Dr Ursula Ney (Chair) and Roger McDowell. This committee met three times during 2024.

Audit Committee

The Committee provides a forum for reporting by the Company's external auditors. Meetings are held on average twice a year and are attended, by invitation, by the Executive Directors.

The Audit Committee is responsible for reviewing a wide range of financial matters including the annual and half year results, financial statements and accompanying reports before their submission to the Board and monitoring the controls which ensure the integrity of the financial information reported to the shareholders. Audit Committee Terms of Reference are provided on the Company's website.

CORPORATE GOVERNANCE

For the year ended 31 December 2024

Remuneration Committee

The Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Remuneration Committee determines the contract terms, remuneration and other benefits for the Executive Directors, including performance related bonus schemes, compensation payments and option schemes. The Board itself determines the remuneration of the Non-Executive Directors. Remuneration Committee Terms of Reference are provided on the Company's website.

Nominations Committee and internal audit

The Directors consider that the Company is not currently of a size to warrant the need for a separate Nominations Committee or internal audit function, although the Board has put in place internal financial control procedures as summarised below.

Internal financial control

The Board is responsible for establishing and maintaining the Group's system of internal financial controls. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by their very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors are conscious of the need to keep effective internal financial control, particularly in view of the cash resources of the Group. The Directors have reviewed the effectiveness of the procedures presently in place and consider that they remain appropriate to the nature and scale of the operations of the Company.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Shareholders are regularly advised of any significant developments in the Company through announcements via the Regulated News Service and are encouraged to participate in the Annual General Meeting and any other General Meetings that may take place throughout the year.

Copies of the annual returns, general meeting notices and announcements made to the London Stock Exchange are published on the Company's website.

Risk management

The Board has ultimate responsibility of the Group's risk management controls. The risk and control management system framework includes:

- close management of the day-to-day activities of the Group by the Executive Directors and the Senior Leadership Team;
- a comprehensive annual budgeting process, which is approved by the Board;
- detailed monthly reporting of performance against budget; and
- central control over key areas such as capital expenditure authorisation and banking facilities.

Internal controls

The Board has overall responsibility for ensuring that the Group maintains a system of internal control, to provide its members with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded. There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of accurate financial information and the safeguarding of assets.

The key features of the internal control system that operated throughout the year are described under the following headings:

- Control environment: particularly the definition of the organisation structure and the appropriate delegation of responsibility to operational management.

Identification and evaluation of business risks and control objectives

Main control procedures: which include the setting of annual and longer-term budgets and the monthly reporting of performance against them, agreed treasury management and physical security procedures, formal capital expenditure and investment appraisal approval procedures and the definition of authorisation limits (both financial and otherwise).

- Monitoring: particularly through the regular review of performance against budgets and the progress of research activities undertaken by the Board.

CORPORATE GOVERNANCE

For the year ended 31 December 2024

The Board reviews the operation and effectiveness of this framework on a regular basis. The directors consider that there have been no weaknesses in internal controls that have resulted in any losses, contingencies or uncertainties requiring disclosures in the financial statements.

Board operation

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Board held eight scheduled meetings during the financial year. The Board has established two Committees; the Audit Committee and Remuneration Committee each having written terms of reference. The Board consider that the Company is not currently of a size to warrant the need for a separate Nominations Committee or internal audit function. Reports by the Chairpersons of the two Committees are reported separately on pages 19 for the Audit Committee and 20 for the Remuneration Committee.

Board effectiveness

The Board and Committee meetings are scheduled in advance for each calendar year. Additional meetings are arranged as necessary. Board and Committee meetings and attendance during the year ended 31 December 2024 were as follows:

Director	Board Meeting	Audit Committee	Remuneration Committee
C.D.J. Pearce	7/7	2/2	–
R. McDowell	7/7	2/2	3/3
M. Diggle	5/7	2/2	–
Dr U. Ney	7/7	2/2	3/3
Dr M. Söhngen	7/7	2/2	–
Dr I. Pike	7/7	2/2	–
R. Dennis	7/7	2/2	–
A. Omari	7/7	2/2	–

The Executive Directors were all employed by the Company. The Non-Executive Directors have commitments outside the Company. These are summarised in the Board biographies on page 12. All the Non-Executive Directors give sufficient time to fulfil their responsibilities to the Company.

The Annual General Meeting (AGM)

The Annual General Meeting of the Group will take place on 16 May 2025. Full details are included in the Notice of Meeting on page 78 and will be published on our website (www.proteomics.com).

The Board also strongly encourages all shareholders to vote on the AGM resolutions by following the instructions set out in the Notice of Meeting Notes, please note that no Proxy Form accompanies this document this year.

Christopher Pearce
Executive Chairman

9 April 2025

AUDIT COMMITTEE REPORT

For the year ended 31 December 2024

I am pleased to present the report on behalf of the Audit Committee.

The Committee is responsible for monitoring the quality of internal controls and for ensuring that the financial performance of the Group is properly reviewed and reported. The Board considers that the Company is not currently of the size to warrant the need for an internal audit function although the Board has put in place internal financial procedures to ensure close internal controls.

Committee Composition

The members of the Audit Committee are myself, Roger McDowell, as Chair and Ursula Ney. We are both independent Non-Executive Directors. The Board is of the view that we have recent and relevant experience. Meetings are held at least twice a year. The Executive Chairman, the Finance Director and the Group's auditors attend by invitation. I report to the Board following an Audit Committee meeting and minutes are available to the Board.

Committee Duties

The main duties of the Committee are set out in its terms of reference, which are available on the Company's website. In this period the main items of business included:

- reviewing and recommending to the Board in relation to the appointment and removal of the external auditor;
- recommending the external auditor's remuneration and terms of engagement;
- reviewing the independence of the external auditors, objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements;
- reviewing and monitoring the extent of the non-audit work undertaken by the Group's external auditor;

- reviewing a wide range of financial matters including the annual and half year results, financial statements and accompanying reports;
- monitoring the controls which ensure the integrity of the financial information reported to the shareholders.

Financial reporting

The Committee reviews reports provided by the external auditor on the annual results which highlight any observation from the work they have undertaken.

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

External Auditor

Cooper Parry Group Ltd was re-appointed as the Group's auditor at the Annual General Meeting held on the 16 May 2024.

The Committee considers that its relationship with the auditor is working well and is satisfied with their effectiveness. The Committee is responsible for ensuring there is a suitable policy for ensuring that non-audit work undertaken by the auditor is reviewed to ensure it will not impact their independence and objectivity. The breakdown of fees is provided in note 8 on page 50 of the Group's financial statements.

As necessary the Committee held private meetings with the auditor to review key items in its responsibilities. Taking into account the auditor's knowledge of the Group and experience, the Committee has recommended to the Board that the auditor is re-appointed for the year ending 31 December 2025.

Roger McDowell

Chair of the Audit Committee

9 April 2025

REMUNERATION COMMITTEE REPORT

For the year ended 31 December 2024

I am pleased to present the report on behalf of the Remuneration Committee.

The Committee is responsible for setting the remuneration policy of the Executive Directors and other senior staff, including terms of employment, salaries, any performance bonuses and share option awards.

Committee Composition

The members of the Remuneration Committee are myself Ursula Ney as Chair and Roger McDowell. We are both independent Non-Executive Directors.

Committee Duties

The Company has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director is involved in deciding their own remuneration.

Remuneration policy

The key principles of the Remuneration Policy include:

- the need to attract, retain and motivate executives who have the capability to ensure the Company achieve its strategic objectives;
- the need to ensure that short term benefits and long-term incentive plans are aligned with the interests of shareholders;
- the need to take into account the competitive landscape in the UK and German biotechnology/service industry and current best practice in setting appropriate levels of compensation.
- the Committee to meet at least once per year.

Director's Remuneration

The following table summarises the total gross remuneration for the qualifying services of the directors who served during the year to 31 December 2024.

Directors' remuneration and transactions

The directors' emoluments in the year ended 31 December 2024 were:

	Basic salary 2024 £'000	Bonus 2024 £'000	National Insurance Contributions 2024 £'000	Benefits in kind 2024 £'000	Pension Costs 2024 £'000	Total 2024 £'000	Total 2023 £'000
Executive Directors							
Dr M. Söhngen	240	–	6	–	7	253	261
Dr I. Pike	199	–	26	4	20	249	245
R. Dennis	160	–	21	–	16	197	207
A. Omari	191	–	8	–	7	206	212
Non-Executive Directors							
C.D.J. Pearce	50	–	6	5	–	61	62
R. McDowell	32	–	3	–	–	35	35
M. Diggle	–	–	–	–	–	–	–
Dr U. Ney	30	–	3	–	–	33	33
	902	–	73	9	50	1,034	1,055

REMUNERATION COMMITTEE REPORT

For the year ended 31 December 2024

Directors and their interests

The Directors who served during the year are as shown below:

Dr M. Söhngen – resigned 31 January 2025	Chief Executive Officer
Dr I.H. Pike	Chief Scientific Officer
R. Dennis	Chief Commercial Officer
A. Omari – resigned 31 January 2025	Chief Financial Officer
C.D.J. Pearce – Executive Chairman from 1 February 2025	Non-Executive Chairman
R. McDowell	Non-Executive
M. Diggle	Non-Executive
Dr U. Ney	Non-Executive

In accordance with the Company's articles Dr Ian Pike and Martin Diggle will retire by rotation at the next Annual General Meeting and, being eligible, offer themselves for re-election. The directors at 31 December 2024 and their interests in the share capital of the Company were as follows:

a) Beneficial interests in Ordinary Shares:

Name of Director	31 December 2024 Number of Ordinary Shares of 1p each	% shareholding
Dr M. Söhngen	–	–
Dr I.H. Pike	165,583	0.05
R. Dennis	625,000	0.21
A. Omari	–	–
C.D.J. Pearce	36,915,059	12.53
R. McDowell	3,400,000	1.15
M. Diggle	–	–
Dr U. Ney	–	–

Note

For C.D.J Pearce, shares held at 31 December 2024 includes shares held by connected persons.

For R. Dennis and R. McDowell, shares held at 31 December 2024 are held in nominee accounts.

M. Diggle is a director and partner in Vulpes Investment Management and manages the Vulpes Life Sciences Fund which is the registered holder of 22.97% of Proteome Sciences' ordinary share capital.

b) Directors' interests in the Long-Term Incentive Plan ("LTIP"):

The maximum number of shares to be allocated to the Directors under the 2011 and 2021 LTIP schemes, in each case for an aggregate consideration of £1 are as follows:

		Number at 31 December 2024		Number at 31 December 2023
(i) Dr M. Söhngen	(a)	9,000,000	(b)	9,000,000
(ii) Dr I.H. Pike	(a)	4,000,000	(b)	4,000,000
(iii) R. Dennis	(a)	4,000,000	(b)	4,000,000
(iv) A. Omari	(a)	4,000,000	(b)	4,000,000

REMUNERATION COMMITTEE REPORT

For the year ended 31 December 2024

The options (a)(i) relate to an award made to Dr M. Söhngen on the 8 June 2021, options (a)(ii) and (iii) were awarded to Dr I. H. Pike and R. Dennis on the 11 October 2022. Options (a)(iv) were awarded to A. Omari on 1 December 2022. Options (b)(i), (ii), (iii) were awarded to Dr M. Söhngen, Dr I. H. Pike, R. Dennis on the 8 June 2021.

Executive Directors' service contracts

The Executive Directors signed service contracts on their appointment. These contracts are not of fixed duration. Executive Directors' contracts are terminable by either party giving three or six months' written notice respectively.

Non-Executive Directors

The Non-Executive Directors signed letters of appointment with the Group for the provision of Non-Executive Directors' services, which may be terminated by either party giving one month's written notice. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

The Committee has met three times during the financial year to 31 December 2024.

Dr Ursula Ney

Chair of the Remuneration Committee

9 April 2025

DIRECTORS' REPORT

For the year ended 31 December 2024

The Directors present their annual report and financial statements for the year ended 31 December 2024. An indication of likely future developments in the business is set out in the Strategic Report.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr Mariola Söhngen (resigned 31 January 2025)
Dr Ian Pike
Richard Dennis
Abdelghani Omari (resigned 31 January 2025)
Christopher Pearce
Roger McDowell
Martin Diggle
Dr Ursula Ney

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group and Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether they have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Financial instruments and liquidity risks

Information about the use of financial instruments by the Company and its subsidiaries and the Group's financial risk management policies are given in note 24 of the financial statements (page 69).

- a) As set out in note 18(b) (i) to (iii) in these financial statements, C.D.J. Pearce has made a loan facility available to the Company which can be converted, at Mr. Pearce's option, into Ordinary Shares of the Company at the lower of

DIRECTORS' REPORT

For the year ended 31 December 2024

market price on the date of conversion or the average price over the lowest consecutive 10 day trading period since 29 June 2006 (the date on which details of the original loan agreement were disclosed). Interest accrues at 2.5% per annum above the UK sterling base rate of Barclays Bank plc.

- b) On 20 December 2024 Proteome Sciences plc secured a loan facility of £0.50m from Vulpes Investment Management, Testudo Fund. Interest accrues at 10% per annum and is repayable alongside the principal loan. The Company had drawn down £0.25m at 31 December 2024.
- c) The market price of the Ordinary Shares at 31 December 2024 was 3.40p and the range during the year was 2.50p to 5.03p.

Substantial shareholdings

As at 9 April 2025, the Company had received notification of the following significant interests in the ordinary share capital of the Company:

Name of Holder	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital
C.D.J. Pearce	36,915,059	12.51
Vulpes Life Science Fund	67,789,772	22.97

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Statement on page 2 and Strategic Report on page 6. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements, in particular in the consolidated cash flow statement on page 38 and in notes 18(b) (Financial liabilities) and 24 (Financial instruments).

These financial statements have been prepared on the going concern basis which remains reliant on the Group achieving an adequate level of sales in order to maintain sufficient working capital to support its activities. The directors have reviewed the Company's and the Group's going concern position, taking account of current business activities, budgeted performance and the factors likely to affect its future development, as set out in the annual report, and including the Group's objectives, policies and processes for managing its working capital, its financial risk management objectives and its exposure to credit and liquidity risks.

In particular, the directors have considered the potential challenges from the macro environment on international business and the general inflationary pressure on costs, may have on the ability to achieve adequate level of sales.

Group revenues for the year ended 31 December 2024 decreased by 3% to £4.89m (2023: £5.03m). Proteomics services decreased 47% to £0.87m (2023: £1.63m). Sales and royalties attributable to TMT® and TMTpro™ reagents increased 18% to £4.01m (2023: £3.40m). Total costs, excluding finance costs, rose to £7.24m (2023: £6.65m) and resulted in an Operating Loss of £2.35m (2023: Operating Loss £1.62m) and a loss after tax of £3.41m (2023: Loss after tax £2.44m). Adjusted EBITDA loss of £1.48m (2023: loss of £0.92m). Cash reserves at the year-end decreased to £1.13m (2023: £2.03m).

The Group is also dependent on the loan facility provided by the Chairman of the Group, which under the terms of the facility, is repayable on demand. The amount owed as of 31 December 2024, including interest, was £12,631k (2023: £11,235k). Further details of this facility are set out in note 18(b) to the financial statements.

DIRECTORS' REPORT

For the year ended 31 December 2024

The directors have received a legally binding written confirmation from the Chairman that he has no intention of seeking its repayment, with the facility continuing to be made available to the Group, on the existing terms, for at least 12 months from the date of approval of these financial statements or until at least 30 April 2026.

On the 20 December 2024 Proteome Sciences plc secured a loan facility of £0.50m from Vulpes Investment Management, Testudo Fund. Interest accrues at 10% per annum and is repayable alongside the principal loan. The Company had drawn down £0.25m at 31 December 2024. The directors have received a legally binding written confirmation from VIM that they will not seek repayment for at least 12 months from the date of approval of these financial statements or until at least 30 April 2026.

Following a detailed review of forecasts, budgets and sales order book, the directors have a reasonable expectation the Group as a whole, has adequate financial and other resources to continue in operational existence for the period of at least twelve months post approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Events after the balance sheet date

There have been no significant events which have occurred subsequent to the reporting date.

Research and development

Details of the Group's activities on research and development during the year are set out in the Executive Chairman's Statement (page 2) and Strategic Report (page 6).

Auditor

Each of the persons who are directors of the Company at the date when this report was approved confirms that:

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and

- the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined in the Companies Act 2006) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The directors will place a resolution before the Annual General Meeting to appoint Cooper Parry Group Limited as auditor for the following year.

Liability insurance for Company officers

As permitted by section 233 of the Companies Act 2006, the Company has purchased insurance cover for the directors against liabilities that might arise in relation to the Group.

By order of the Board

Coveham House
Downside Bridge Road
Cobham
Surrey
KT11 3EP

Victoria Birse

Company Secretary

9 April 2025

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Independent auditors' report to the members of Proteome Sciences plc

Opinion

We have audited the financial statements of Proteome Sciences plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated and company cash flow statements and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the identified risks of the consolidated financial statements and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the planned audit responses based on a measure of materiality.

The group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

To this extent, the Group audit team performed full scope audits for Proteome Sciences plc, and its subsidiaries Electrophoretics Limited and Proteome Sciences R&D GmbH & Co. KG. These represent 100% of total revenues, 78% of total assets and 77% of loss before tax. The financial information of the remaining components was subject to analytical review procedures performed by the Group audit team for Group reporting purposes. Any material balances from the Group's position that were identified in the non-significant components were subject to audit work by the Group audit team. Component performance materiality was calculated for each of the components where audit procedures are performed on financial information that is disaggregated.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Matter

Biomarker service revenue is recognised based on progress towards satisfaction of performance obligations included in the contracts undertaken. There is judgement involved in determining the stage of completion, resulting in a greater risk of error. The risk is specific to contracts which are incomplete at the year end as changes to these estimates could give rise to material variances in the amount of revenue recognised at the year end. Given the above, there is a risk that revenue is not accounted for appropriately.

Response

Our procedures in response to the risk included:

- Reviewed accounting policies in place surrounding revenue and ensured that they were applied consistently and appropriately;
- For a sample of biomarker contracts we obtained the 31 December 2024 project summary, and performed the following for each sample:
 - o Obtained and reviewed the signed contract to understand the performance obligations therein;
 - o Held detailed discussions to understand the scope of work, the progress to date and any challenges or variations which have occurred;

- o Assessed the accounting estimates made in respect of any variable consideration;
- o Reviewed post year end contract performance and cash receipts in relation to that contract together with a performance update from the prior year to assess the accuracy of budgeting; and
- o Traced the figures per the year end contract report into the relevant nominal postings to ensure revenue is recognised in line with these documents.

Our procedures did not identify any material misstatements in the revenue recognised during the period. We consider that the Group's revenue recognition policy is appropriate and that revenue has been recognised in accordance with the Group's revenue policy.

Going concern

Matter

The Group and Parent Company are reliant on the continued availability of loans from related parties.

Response

Our procedures in response to the risk included:

- Obtained the assessment made by management and the Directors regarding the Group's ability to continue as a going concern;
- Reviewed the assumptions used in their assessment and sensitising any key assumptions used;
- Reviewed the prior year budgets compared to actuals for the year ended 31 December 2024 to gain assurance over forecasting accuracy;
- Discussed with management any additional factors or other issues which could impact the Group's ability to continue as a going concern;
- Reviewed the actual results achieved post year end compared to the budget to consider the reasonableness of the budgeting process; and
- Obtained a signed letter of comfort for the related party loans.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Valuation/impairment of goodwill and investments

Matter

The Group has significant goodwill held on the consolidated balance sheet, and the parent company also has a significant investment in subsidiaries on the balance sheet. These are material areas involving significant levels of judgement and estimation.

Response

Our procedures in response to the risk included:

- Obtained and reviewed the impairment review prepared by management in relation to the goodwill and investment values;
- Assessed the key assumptions used in those impairment review calculations, being:
 - o Identification of CGUs and the trade relating to them
 - o Discount rate applied
 - o Growth assumptions within trading forecasts
- Performed sensitivity analysis over the key assumptions listed above and reviewed available headroom and/or indications of impairment arising from the use of different assumptions;
- Reviewed the market capitalisation of the group and considered this against the net assets of the group to review for indicators of impairment; and
- Reviewed the completeness and consistency of disclosures in relation to intangible assets within the annual report.

Our procedures did not identify any material misstatements in the year.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the Group financial statements as a whole was set at £73,000. This has been determined with reference to the benchmark of the Group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1.5% of Group revenue. Performance materiality has been set at 75% of Group materiality.

The materiality for the Parent Company financial statements as a whole was set at £65,700. This has been determined with reference to the benchmark of the parent company's net assets which we consider to be an appropriate measure for a parent company such as this. Materiality has been capped at 90% of Group materiality. Performance materiality has been set at 75% of Parent Company materiality.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £3,650, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets; and
- Reviewing management's disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our assessment focused on key laws and regulations the Group and Parent Company have to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and how the Group is complying with that framework;
 - obtaining an understanding of the Group's policies and procedures and how the Group has complied with these, through discussions;
 - obtaining an understanding of the Group's risk assessment process, including the risk of fraud;
 - designing our audit procedures to respond to our risk assessment; and
 - performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.
- Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.
- A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.
- planning and performing the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion;

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Justine Hughes (Senior Statutory Auditor)

For and on behalf of
Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 9 April 2025

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Revenue			
Licences, sales and services	5, 6	4,887	5,028
Revenue - total		4,887	5,028
Cost of sales		(4,217)	(3,381)
Gross profit		670	1,647
Administrative expenses		(3,023)	(3,268)
Operating Loss	8	(2,353)	(1,621)
Finance costs	7	(895)	(797)
Loss before taxation		(3,247)	(2,418)
Tax charge	11	(158)	(25)
Loss for the year		(3,406)	(2,443)
Loss per share			
Basic	12	(1.15p)	(0.83p)
Diluted		(1.15p)	(0.83p)

The accompanying notes 1 to 28 are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

	2024 £'000	2023 £'000
Loss for the year	(3,406)	(2,443)
Other comprehensive income for the year		
<i>Items that will or may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(82)	(41)
Re-measurements of Defined Benefit Pension Schemes (see note 19)	(2)	43
Loss and total comprehensive income for the year	(3,490)	(2,441)
Attributable to owners of parent	(3,490)	(2,441)

The accompanying notes 1 to 28 are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Goodwill	13	4,218	4,218
Property, plant and equipment	14	609	551
Right-of-use asset	14	1,790	2,525
		6,617	7,294
Current assets			
Inventories	16	732	837
Trade and other receivables	17(a)	433	955
Contract assets	5	296	345
Cash and cash equivalents	17(b)	1,128	2,027
		2,590	4,164
Total assets		9,207	11,458
Current liabilities			
Trade and other payables	18(a)	(780)	(629)
Contract liabilities	5	–	(1)
Borrowings	18(b)	(12,631)	(11,235)
Lease liabilities	26	(602)	(609)
		(14,012)	(12,474)
Net current liabilities		(11,422)	(8,310)
Non-current liabilities			
Borrowings	18(c)	(250)	–
Lease liabilities	26	(1,039)	(1,631)
Pension provisions	19	(422)	(419)
Total non-current liabilities		(1,711)	(2,050)
Total liabilities		(15,724)	(14,524)
Net liabilities		(6,516)	(3,066)
Equity			
Share capital	20	2,952	2,952
Share premium	22	51,466	51,466
Share-based payment reserve	22	4,753	4,713
Merger reserve	22	10,755	10,755
Translation and other reserve	22	(93)	(10)
Retained loss		(76,349)	(72,942)
Total deficit		(6,516)	(3,066)

The financial statements of Proteome Sciences plc, registered number 02879724, were approved by the board of directors and authorised for issue on 9 April 2025. They were signed on its behalf by:

C. Pearce Director

Dr I. Pike Director
9 April 2025

The accompanying notes 1 to 28 are an integral part of the financial statements.

COMPANY BALANCE SHEET

as at 31 December 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Investment in subsidiaries	15	8,588	8,611
		8,588	8,611
Current assets			
Cash and cash equivalents	17(b)	776	90
		776	90
Total assets		9,364	8,701
Current liabilities			
Payables owed to other group entity	18(a)	(300)	(350)
Borrowings	18(b)	(2,538)	(1,887)
Total current liabilities		(2,838)	(2,237)
Long term liabilities			
Borrowings	18(b)	(250)	–
Total liabilities		(3,088)	(2,237)
Net current liabilities	18(c)	(2,062)	(2,147)
Net assets		6,276	6,464
Equity			
Share capital	20	2,952	2,952
Share premium account		51,466	51,466
Share-based payment reserve		4,754	4,713
Retained loss		(52,896)	(52,667)
Total equity		6,276	6,464

The Company generated a loss for the year ended 31 December 2024 of £0.23m (2023: loss £0.22m).

The financial statements of Proteome Sciences plc, registered number 02879724, were approved by the board of directors and authorised for issue on 9 April 2025. They were signed on its behalf by:

C. Pearce Director

Dr I. Pike Director
9 April 2025

The accompanying notes 1 to 28 are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Share- based payment reserve £'000	Translation reserve £'000	Merger reserve £'000	Retained loss £'000	Equity attributable to owner of the parent £'000	Total deficit £'000
At 1 January 2024	2,952	51,466	4,713	(10)	10,755	(72,942)	(3,066)	(3,066)
Loss for the year	–	–	–	–	–	(3,406)	(3,406)	(3,406)
Exchange differences on translation of foreign operations	–	–	–	(82)	–	–	(82)	(82)
Re-measurements of Defined Benefit Pension Schemes	–	–	–	–	–	(2)	(2)	(2)
Loss and total comprehensive income for the year	–	–	–	(82)	–	(3,408)	(3,490)	(3,490)
Credit to equity for share-based payment	–	–	40	–	–	–	40	40
At 31 December 2024	2,952	51,466	4,753	(93)	10,755	(76,349)	(6,516)	(6,516)
At 1 January 2023	2,952	51,466	4,495	31	10,755	(70,542)	(843)	(843)
Loss for the year	–	–	–	–	–	(2,443)	(2,443)	(2,443)
Exchange differences on translation of foreign operations	–	–	–	(41)	–	–	(41)	(41)
Re-measurements of Defined Benefit Pension Schemes	–	–	–	–	–	43	43	43
Loss and total comprehensive income for the year	–	–	–	(41)	–	(2,400)	(2,441)	(2,441)
Credit to equity for share-based payment	–	–	218	–	–	–	218	218
At 31 December 2023	2,952	51,466	4,713	(10)	10,755	(72,942)	(3,066)	(3,066)

The accompanying notes 1 to 28 are an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Share- based payment reserve £'000	Retained loss £'000	Total equity £'000
At 1 January 2023	2,952	51,466	4,495	(52,444)	6,469
Loss and total comprehensive income for the year	–	–	–	(223)	(223)
Credit to equity for share-based payment	–	–	218	–	218
At 31 December 2023	2,952	51,466	4,713	(52,667)	6,464
At 1 January 2024	2,952	51,466	4,713	(52,667)	6,464
Loss and total comprehensive income for the year	–	–	–	(228)	(228)
Credit to equity for share-based payment	–	–	40	–	40
At 31 December 2024	2,952	51,466	4,753	(52,895)	6,276

The accompanying notes 1 to 28 are an integral part of the financial statements.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

as at 31 December 2024

	Note	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
(Loss) after tax		(3,406)	(2,443)	(227)	(224)
Adjustments for:					
Finance costs	7&18(c)	895	797	151	152
Depreciation of property, plant and equipment	14	150	123	–	–
Right-of-use asset depreciation	26	687	361	–	–
Tax charge		158	25	–	–
Share-based payment expense	21	40	218	–	–
Operating cash flows before movements in Working capital		(1,476)	(919)	(76)	(72)
Decrease in inventories		105	63	–	–
Decrease in receivables		569	704	–	–
Decrease/(increase) in payables		150	(298)	(50)	(251)
Increase/(decrease) in provisions		4	(15)	–	–
Foreign exchange		76	9	–	–
Cash (used in) operations		(572)	(456)	(126)	(323)
Tax (paid)		(254)	(25)	–	–
Net (outflow) from operating activities		(826)	(481)	(126)	(323)
Cash flows from investing activities					
Lease upfront payments	26	–	(187)	–	–
Purchases of property, plant and equipment	14	(224)	(237)	–	–
Loans advanced to subsidiary undertakings		–	–	62	870
Net cash (outflow)/inflow from investing activities		(224)	(424)	62	870
Financing activities					
Lease payments	18(c)	(599)	(238)	–	–
Issue of new loans		750	–	750	–
Repayment of loan		–	(824)	–	(824)
Net cash in/(out) from financing activities		151	(1,062)	750	(824)
Net (decrease) in cash and cash equivalents		(899)	(1,967)	686	(277)
Cash and cash equivalents at beginning of year		2,027	3,994	90	367
Effect of foreign exchange rate changes		–	–	–	–
Cash and cash equivalents at end of year	17(b)	1,128	2,027	776	90

The accompanying notes 1 to 28 are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

1 GENERAL INFORMATION

Proteome Sciences plc is a company incorporated in the United Kingdom. These financial statements are the consolidated financial statements of Proteome Sciences plc and its subsidiaries ("the Group") and the Company financial statements for Proteome Sciences plc ("the Company"). The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

2 CHANGES IN ACCOUNTING POLICIES

Adoption of new and revised standards

Proteome Sciences plc has applied the same accounting policies and methods of computation in its financial statements as in its 2023 annual financial statements. No new and revised standards were adopted for the period commencing 1 January 2024. The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* and IFRS 16 *Leases*. The amendments to IAS 1 clarified how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The amendment to IFRS 16 *Leases* specifies requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction. Both amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with UK adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except financial instruments and share-based payments, which are prepared in accordance with IFRS 9 and IFRS 2 respectively.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Statement on page 2 and Strategic Report on page 6. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements, in particular in the consolidated cash flow statement on page 38 and in notes 18(b) (Financial liabilities) and 24 (Financial instruments).

Notwithstanding net liabilities of £6,516k these financial statements have been prepared on the going concern basis which remains reliant on the Group achieving an adequate level of sales in order to maintain sufficient working capital to support its activities. The directors have reviewed the Company's and the Group's going concern position, taking account of current business activities, budgeted performance and the factors likely to affect its future development, as set out in the Annual report, and including the Group's objectives, policies and processes for managing its working capital, its financial risk management objectives and its exposure to credit and liquidity risks.

In particular, the directors have considered the challenges on international business, and the general inflationary pressure on costs. The Company observed increased demand for TMT® but lower demand for its services during the second half of 2024 but has seen first signs of a potential recovery since the end of 2024.

Due to the continued backdrop from the macro environment on international business, and the general inflationary pressure on costs, Group revenues for the year ended 31 December 2024 decreased by 3% to £4.89m (2023: £5.03m). Proteomic (biomarker) services decreased 47% to £0.87m (2023: £1.63m). Sales and royalties attributable to TMT® and TMTpro™ reagents were £4.01m (2023: £3.40m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

Total costs, excluding finance costs, rose to £7.24m (2023: £6.65m) and this resulted in an operating loss of £2.35m (2023: operating loss of £1.62m) and a net loss of £3.41m (2023: a loss of £2.44m). Cash reserves at the year end were at £1.13m (2023: £2.03m).

The Group is also dependent on the loan facility provided by the Chairman of the Group, which under the terms of the facility, is repayable on demand. Further details of this facility are set out in note 18(b) to the financial statements.

The directors have received a legally binding written confirmation from the Chairman that he has no intention of seeking its repayment, with the facility continuing to be made available to the Group, on the existing terms, for at least 12 months from the date of approval of these financial statements or until at least the 30 April 2026.

On the 20 December 2024 Proteome Sciences plc secured a loan facility of £0.50m from Vulpes Investment Management, Testudo Fund. Interest accrues at 10% per annum and is repayable alongside the principal loan. The Company had drawn down £0.25m at 31 December 2024. The directors have received a legally binding written confirmation from VIM that they will not seek repayment for at least 12 months from the date of approval of these financial statements or until at least 30 April 2026.

Following a detailed review of forecasts, budgets, and sales order book, the directors have a reasonable expectation the Group as a whole, has adequate financial and other resources to continue in operational existence for the period of at least twelve months past approval of these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the Financial Statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. The Company controls an investee if, and only if the Company has the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure of rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The majority of the Group's revenue is derived from selling TMT® products, end customer sales-based royalties, which are paid on a quarterly retrospective basis, milestone payments for development work and revenue milestone payments.

TMT® product sales

TMT® revenues are recognised at the point at which the customer obtains control of the asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. In relation to TMT® product sales this occurs at the point that the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue can be reliably measured and it is probable that the economic benefits will flow to the Company. The standard payment terms for TMT® product invoices are 45 days from receipt.

TMT® royalties

Royalty revenues are recognised on a quarterly basis at the end of each quarter retrospectively as soon as the calculation of the royalty amount is available. Royalties are earned when other parties generate sales that use the Group's TMT® IP. This variable revenue is subject to the sales/usage restriction in IFRS 15 and, as such, it is only recognised when that underlying sale of the third-party product is made. The price is a fixed percentage of the underlying sale and payment is due on a quarterly basis, based on the sales made in that quarter. Royalty payments are received the month following the quarter end.

TMT® revenue milestones

Milestone revenues are due on cumulative sales-related revenues. The milestone revenue is recognised at a point in time when the revenue milestone has been achieved. This is because the milestone revenue is deemed variable consideration and is constrained due to factors outside the Company's influence. There is uncertainty as regards the variable consideration amount.

Biomarker services

Proteomics (biomarker) services revenue is recognised typically on an over time basis. Performance obligations are described for larger service orders in the form of work packages, which identify individual deliverable services, and each represent a value on its own to the customer. The nature of the Group's work is that our biomarker contracts create an asset with no alternative use and contracts are worded in such a way that the Group has an enforceable right to be paid for the performance completed to date including an appropriate profit margin. Revenue is recognised over time as the biomarker services are performed. On partially complete biomarker projects, the Group recognises revenue based on stage of completion of the project which is estimated by reviewing the individual deliverable services stipulated in the work package. The stage of completion is estimated based on costs to date over total expected costs. This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of individual work packages and therefore represent the amount to which the Group would be entitled based on its performance to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

Determining the transaction prices and allocation of amounts to performance obligations

Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. For TMT® products sold there is a fixed unit price, which is applied. For the royalties a percentage charge per product unit sold is fixed and used as the transaction price. Transactions prices for biomarker services and grant services are determined on the basis of contractual agreements within the purchase order / contract with fixed prices stipulated in advance.

For biomarker services revenues the Company does not use any discount or bonus schemes. Revenue is allocated at the transaction price specified in the contract for the individual work orders representing a distinct performance obligation.

The Group does not operate a returns or refunds policy due to the bespoke nature of its products and services.

Research grants

In the event that research grant income is received following the Group reporting the number of working hours carried out on a research project at the allowable rate. Where retention of a grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated income statement.

Leasing

All leases are accounted for by recognising a right-of-use asset and a lease liability except for the UK office.

The rental for the UK office amounted in 2024 to £9k and is not considered a lease under IFRS 16.

In the case of the Group there are four leases recognised under IFRS 16 as of 31 December 2024, one for the Frankfurt operations of the Group, which commenced in August 2019 and ends on 31 December 2026. Its asset class is land and building as a rental lease.

The second lease is for equipment and commenced on 1 November 2021 and has a term until November 2025. Its asset class is machinery and equipment. It does not contain variable elements or break clauses. Similarly, there are no special restoration clauses attached, there are no restrictions or covenants in place and it does not include an option for a sale and lease back transaction.

The third lease is for the Group's US operations and commenced in August 2023 and has a term until July 2027, with an early termination option after 2 years.

The fourth lease is for equipment for the US operations and commenced in October 2023 with a term until December 2028.

Information of the right of use assets and their amortisation are disclosed in note 14. Information of future lease payments can be found in notes 23 and 26 and information about financial commitments and their timing can be found in note 24.

Details of the Group's leases existing at the balance sheet date can be found in note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

Foreign Currencies

The individual financial statements of each Group company are prepared in the currency of their primary economic environment in which they operate, their functional currency. For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains, and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

As a result of the acquisition of Proteome Sciences R&D Verwaltungs GmbH and Proteome Sciences R&D GmbH & Co KG during financial year 2002, the Group makes contributions in Germany to a funded defined contribution plan and to a funded defined benefit plan. These plans are operated in their entirety by the Pensionskasse der Mitarbeiter der Hoechst-Gruppe VVaG (Hoechst Group), an independent German mutual insurance company which is required to comply with German insurance company regulations.

The schemes' assets are held in multi-employer funds, and the other employers who contribute to the schemes are not members of the Group. The Group has not been able to identify its share of the underlying assets and liabilities of the defined benefit scheme and accordingly it has also been accounted for as a defined contribution scheme. The Group's contributions to the schemes are included within the amount charged to the income statement in respect of pension contributions. Funding contributions paid by the Group are based on annual contributions determined by Hoechst Group, the administrator for the pension plans. The Group does not have any information about any deficit or surplus in the defined benefit plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any for the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

The Group also has a direct pension obligation (defined benefit obligation) for its German subsidiary for which it provides in full at the balance sheet date. This scheme has no separable assets. The Company uses the projected unit credit method to determine the present value of its unfunded defined benefit obligation.

Taxation

Any tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Research and development tax credit

Companies within the Group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The Group accounts for such allowances as tax credits, which means that they are recognised when it is probable that the benefit will flow to the Group and that benefit can be reliably measured.

R&D tax credits are measured on a cash basis due to the uncertainty over the amount and timing of receipt. R&D tax credits reduce current tax expense and, to the extent the amounts due in respect of them are not settled by the balance sheet date, reduce current tax payable.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Laboratory equipment, fixtures and fittings	20-33%
---	--------

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditure, where it meets certain criteria (given below), is capitalised and amortised on a straight-line basis over its useful life. Depreciation periods and useful life expectations are subject to regular review and an impairment exercise carried out at least once a year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

Where no internally generated intangible asset can be recognised, development expenditure is written-off in the period in which it is incurred.

An asset is recognised only if all of the following conditions are met:

- the product is technically feasible and marketable;
- the Company has adequate resources to complete the development of the product;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

The directors do not consider that any Research and Development intangible assets have been created in 2023 or the prior year on the basis that it is uncertain whether the intangible assets will generate future cash flows.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense through profit or loss.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

The Group classifies its financial assets into one of three measurement categories (fair value through profit or loss, fair value through other comprehensive income or amortised cost) depending on the purpose for which the asset was acquired and the nature of the contractual cash flows. As all of the Group's financial assets are held in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest, all financial assets are measured at amortised cost.

Amortised cost

Financial assets classified under the amortised cost model are Trade and other receivables, Cash and cash equivalents, Trade and other payables and Loans to subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit loss. During this process the probability of the non-payment of the trade receivable is assessed and multiplied by expected amount of credit loss resulting from credit default. The Company has set up a matrix using the time a debtor is overdue as a criterion to determine the default probability using five categories ranging from 0% to 90% probability. Provisions are recorded in a separate provision account and the movements in the ECL (Expected Credit Loss) provision are recognised in profit or loss. On notice of a realised default the gross carrying amount of the asset is written off against the provision.

The Company's loans to its subsidiaries are interest free and under terms which would technically provide the Company the right to demand immediate repayment. The current financial situation of the subsidiaries is such that they would be unable to repay the amounts due if demanded and, in consequence, they are considered to be credit-impaired and lifetime expected credit losses are recognised. As part of the assessment of the lifetime expected credit losses of these intercompany loan receivables, the directors have considered the cash flows that may be generated from a number of different scenarios, including through an orderly sale of the underlying business.

Contract assets

Contract assets are recognised on the face of the balance sheet and are defined as the right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time (for example, the entity's future performance). Contract assets are considered within the expected loss calculation under IFRS 9 but usually do not fulfil the recognition criteria.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with an original maturity date of fewer than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Borrowings

Interest-bearing loans are recorded initially at fair value, net of direct issue costs and subsequently at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. Further details of the pension provision policy are set out in the paragraph above headed Retirement benefit costs.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 SIGNIFICANT ACCOUNTING POLICIES continued

payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest based on the effect of non-market vesting conditions. Share based payments are recognised as an additional cost of investment in subsidiary undertakings in the Company where the Company issues share options to executives employed by its subsidiaries.

Fair value is measured by use of the Black Scholes model for all awards. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

EBITDA

EBITDA is earnings before interest, taxes and operational depreciation including leasing effects.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP company specific measure which is considered to be a key performance indicator of the Group's financial performance. Adjusted EBITDA is calculated as operating profit before depreciation (including right-to-use assets amortisation), amortisation, non-recurring costs, and employee share-based payment.

As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group and Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the fair value less costs to sell the cash-generating units to which goodwill has been allocated. The fair value less costs to sell calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit. As the recoverable amount of goodwill at the balance sheet date exceeded the goodwill amount as shown in the balance sheet of £4.22m an impairment was not undertaken. Details of the estimates used in the calculation are set out in note 13.

Investments in subsidiary companies

The carrying cost of the Company's investments in subsidiary companies is reviewed at each balance sheet date by reference to the income that is projected to arise therefrom. From a review of these projections the directors have not made a provision against their carrying values as shown in note 15 to the financial statements and the directors therefore believe that the investments concerned will generate sufficient economic benefits to justify their revised carrying values, despite the inevitable uncertainties over timing of the receipt of income and the size of the markets from which income is anticipated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Year to 31 December 2024	Biomarker services £'000	TMT Sales £'000	TMT Royalties £'000	Grants £'000	Total £'000
Primary Geographic Markets					
US	605	2,905	1,103	–	4,613
UK	177	–	–	–	177
EU	52	–	–	12	64
Other	33	–	–	–	33
	867	2,905	1,103	12	4,887
Revenue recognised at a point in time					
	–	2,905	1,103	–	4,008
Revenue recognised over a period					
	867	–	–	12	879
	867	2,905	1,103	12	4,887

Disaggregation of Revenue

Year to 31 December 2023	Biomarker services £'000	TMT Sales £'000	TMT Royalties and milestones £'000	Grants £'000	Total £'000
Primary Geographic Markets					
US	444	1,991	1,408	–	3,843
UK	311	–	–	–	311
EU	857	–	–	–	857
Other	17	–	–	–	17
	1,629	1,991	1,408	–	5,028
Revenue recognised at a point in time					
	–	1,991	1,408	–	3,399
Revenue recognised over a period					
	1,629	–	–	–	1,629
	1,629	1,991	1,408	–	5,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

5 REVENUE FROM CONTRACTS WITH CUSTOMERS continued

Contract Balances

	Contract Assets 2024 £'000	Contract Assets 2023 £'000	Contract Liabilities 2024 £'000	Contract Liabilities 2023 £'000
At 1 January	345	560	(1)	(105)
Transfer in the period from contract assets to trade receivables	(345)	(560)	–	–
Amounts included in contract liabilities that were recognised as revenue during the period	–	–	1	105
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	296	345	–	–
Cash received in advance of performance and not recognised as revenue during the period	–	–	–	(1)
	296	345	–	(1)

Contract assets

Contract assets and contract liabilities arise from the Group's biomarker services where contracts may not be completed at the year end and because payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts. The Group expects to recognise this revenue in 2025.

Remaining performance obligations

The vast majority of the Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient of IFRS 15 applies.

6 SEGMENT INFORMATION

For executive management purposes, the Group has one reportable segment which is the sale of goods and biomarker services. All revenue from its operations is reported to this one segment and the two income streams form the two categories reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. These two categories are TMT® revenues and Biomarker services and other license income. In identifying the operating segments, management has considered internal reports about components of the Group that are used by the Executive Chairman, who is the Chief Operating Decision Maker, to determine allocation of resources and to assess their performance.

7 FINANCE COSTS

	2024 £'000	2023 £'000
Interest on related party loans (note 18)	895	797
Finance costs	895	797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

8 OPERATING (LOSS)

	2024 £'000	2023 £'000
Operating (loss) is stated after charging:		
Depreciation charge (including depreciation on lease)	837	484
Research and development costs	606	637
Operating lease rentals		
– other	9	9
Auditor's remuneration (see below)	95	89
Foreign exchange loss/(gain)	79	151

The analysis of auditor's remuneration is as follows:

Fees payable to the Company's auditor for the audit of the Company's annual accounts

Audit fees are borne by the Parent Company for the Group

	95	89
Total audit fees	95	89
Tax compliance services	–	–
Total non-audit fees	–	–
Total fees	95	89

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP company specific measure which is considered to be a key performance indicator of the Group's financial performance. Adjusted EBITDA is calculated as operating profit before depreciation (including right-to-use assets amortisation), amortisation, non-recurring costs, and employee share-based payment.

As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

	2024 £'000	2023 £'000
Operating (loss)	(2,353)	(1,621)
Depreciation	150	123
Depreciation on leases	687	361
EBITDA	(1,516)	(1,137)
Other non-cash items - Share based payments (see note 21)	40	218
Adjusted EBITDA	(1,476)	(919)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

9 STAFF COSTS

The Group average monthly number of employees (including executive directors) was:

	2024 Number	2023 Number
Research and development	29	28
Administration	7	7
	36	35

Their aggregate remuneration (including that of executive directors) comprised:

	£'000	£'000
Wages and salaries	2,820	2,513
Social security costs	477	456
Other pension costs	149	164
Share based payments	40	218
	3,486	3,351

No staff costs are incurred in the parent company, Proteome Sciences plc.

10 DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors' emoluments in the year ended 31 December 2024, were:

	Basic salary 2024 £'000	Bonus 2024 £'000	National Insurance Contributions 2024 £'000	Benefits in kind 2024 £'000	Pension Costs 2024 £'000	Total 2024 £'000	Total 2023 £'000
Executive Directors							
Dr M. Söhngen	240	—	6	—	7	253	261
Dr I. H. Pike	199	—	26	4	20	249	245
R. Dennis	160	—	21	—	16	197	207
A. Omari	191	—	8	—	7	206	212
Non-Executive Directors							
C.D.J. Pearce	50	—	6	5	—	61	62
R. McDowell	32	—	3	—	—	35	35
M. Diggle	—	—	—	—	—	—	—
Dr U. Ney	30	—	3	—	—	33	33
Total	902	—	73	9	50	1,034	1,055

- (i) The remuneration of the executive directors is decided by the Remuneration Committee.
- (ii) Aggregate emoluments disclosed above do not include any amounts for the value of options to subscribe for Ordinary Shares in the Company granted to or held by the directors.
- (iii) Details of the options in place and of awards under the Company's Long-Term Incentive Plan are given in note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

10 DIRECTORS' REMUNERATION AND TRANSACTIONS continued

(iv) The number of directors in pension schemes is as follows:

	2024	2023
Defined contribution pension schemes	2	2

Pension costs in the year ended 31 December 2024 were as follows:

	2024 £'000	2023 £'000
Dr M. Söhngen	7	8
Dr I. H. Pike	20	19
R. Dennis	16	16
A. Omari	7	8
	50	51

Directors' transactions

- (a) Other than as disclosed note 18(b) no director had a material interest in any contract of significance with the Company in either year.
- (b) C.D.J. Pearce had a consultancy agreement with the Company at a rate of £70,000 per annum which ended in May 2021. The balance of the fees relating to the consultancy agreement at the year end was £70k (2023: £70k).

11 TAX

Tax charge on profit before taxation on ordinary activities

The Group is entitled to make claims for UK tax credit income on qualifying R&D expenditure each year under the Corporation and Taxes Act 2009. As an SME qualifying entity, tax credits can be claimed in respect of the tax effect of tax losses generated from qualifying R&D expenditure. From 2018 the Group recognised R&D tax claims on a receipt basis.

	2024 £'000	2023 £'000
UK Corporation tax	–	–
Overseas tax charge current year	(189)	–
Overseas tax charge prior year	(31)	(160)
Group tax charge for the year	(158)	(160)
R&D tax credit received	–	135
Group tax charge for the year	(158)	(25)

The UK Corporation tax credit relates to research and development tax credits claimed under the Corporation Taxes Act 2009.

At 31 December 2024 there were gross tax losses available for carry forward of approximately £50.4m (2023: £49.1m).

The tax credit and trading losses to be carried forward for the year are subject to the agreement of HM Revenue & Customs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

11 TAX continued

Factors affecting the tax charge for the year

R&D tax credit entitlements are lower than in the previous year, due to the stronger commercial focus of the Company's research services revenue stream. As such the Company has not recognised any tax credit in respect of 2024. The differences are explained below:

	2024 £'000	2023 £'000
Loss before tax	(3,247)	(2,418)
Income tax credit calculated at 25% (2023: 23.52%)	812	569
Effects of:		
Fixed asset timing differences	–	–
Expenses not deductible for tax purposes	(71)	(129)
Unrecognised tax losses carried forward	(761)	(430)
Income not taxable for tax purposes	47	–
Effect of overseas tax	(216)	(160)
Prior year adjustment	31	125
	(158)	(25)

	2024 £'000	2023 £'000
Tax Unrecognised deferred tax		
The following deferred tax assets have not been recognised at the balance sheet date:		
Tax losses	12,603	12,275
Depreciation in excess of capital allowances	113	137
Provisions	99	105
Total	12,815	12,518

The deferred tax assets have not been recognised as the directors are uncertain of their recovery. The assets will be recovered if the Group makes sufficient taxable profits in the future against which losses can be utilised at an estimated future rate of 25%.

12 LOSS PER ORDINARY SHARE

The calculations of basic and diluted loss per ordinary share are based on the following profits and numbers of shares.

	Basic and Diluted	
	2024 £'000	2023 £'000
Loss for the financial year	(3,406)	(2,443)
	2024 Number of shares	2023 Number of shares
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share:	295,182,056	295,182,056
Weighted average number of ordinary shares and outstanding options for the purposes of calculating diluted earnings per share:	307,323,987	311,222,086

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

12 LOSS PER ORDINARY SHARE continued

The weighted average number of ordinary shares outstanding was calculated applying the treasury stock method to an amount of 17.0m share options which were in the money (see note 21 on page 63) on the 31 December 2024. An average share price for 2024 of 3.52p per share added by the outstanding service amounts for these options and resulting in a number of shares of 12,141,931 added to the existing issued share stock for the purpose to calculate the diluted EPS. A number of 6.6m shares were not considered in the calculation of the weighted number of outstanding shares used for the diluted EPS calculation as these options were not dilutive at the 31 December 2024. Since the Group is recording a loss for 2024 no dilution has been recognised in calculation of the loss per share for 2024.

13 GOODWILL

	Goodwill £'000
Cost and carrying amount	
1 January 2024 and 31 December 2024	4,218

The Group comprises a single CGU, which comprises the business carried out by Electrophoretics Limited, Proteome Sciences R&D GmbH & Co KG and, Proteome Sciences US Inc. For the purpose of testing goodwill, the recoverable value of the CGU is determined from fair value less estimated costs of disposal and value in use.

In assessing the fair value of the CGU, management and the directors have considered and assessed the following evidence:

As at 31 December 2024 the market capitalisation for the Group was £10.04m based on the quoted share price of the Company of 3.40p per ordinary share.

The recoverable amount of the CGU is in excess of the carrying value of £4,218k, therefore no impairment is required. The following assumptions were used to calculate the value in use:

- Discounted Cash Flow model produced modelling cash flow for the CGU over 6 years
- Terminal value applied to cash flow from year 6 onwards
- Discount rate of 8.8% applied reflecting the WACC of the Group
- Constant growth rate of 5.0% applied, for the 6 year period
- Sensitivities around the model: a 0.1% increase in the discount rate has an impact of approximately £251k in headroom, a 0.1% decrease in growth rates has an impact of approximately £629k in headroom.

The directors have concluded that based on the above, recoverable value (on a fair value less cost to sell basis) of the goodwill exceeds the carrying value of the goodwill at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

14 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSET

Property, plant and equipment comprise laboratory equipment, fixtures and fittings and motor vehicles held by and equipment on loan to the Group. The movement in the year was as follows:

	Laboratory Equipment £'000	Right of use Asset Building £'000	Right of use Asset Equipment £'000	Total £'000
Cost				
1 January 2023	1,762	739	799	3,300
Exchange adjustments	(14)	(14)	(84)	(112)
Additions during the year	238	701	1,409	2,348
Disposals during the year	(16)	–	–	(16)
31 December 2023	1,970	1,426	2,124	5,520
1st January 2024	1,970	1,426	2,124	5,520
Exchange adjustments	(37)	(33)	(14)	(84)
Additions during the year	224	–	–	224
Disposals during the year	(83)	–	–	(83)
31 December 2024	2,074	1,393	2,110	5,577
Depreciation				
1 January 2023	1,318	433	231	1,982
Exchange adjustments	(6)	1	–	(5)
Charge for the year	123	165	196	484
Depreciation relating to disposals	(16)	–	–	(16)
At 31 December 2023	1,419	599	427	2,445
At 1 January 2024	1,419	599	427	2,445
Exchange adjustments	(21)	–	–	(21)
Charge for the year	150	229	458	837
Depreciation relating to disposals	(83)	–	–	(83)
At 31 December 2024	1,465	828	886	3,177
Net book value				
At 1 January 2024	551	827	1,697	3,076
At 31 December 2024	609	566	1,224	2,399

In August 2023 the Group extended a 5-year lease contract for the Frankfurt operation, by 2 years until 31 December 2026. The Group additionally entered into a building lease for its US operations starting in August 2023 and ending in July 2027, with an early termination option after 2 years. Furthermore, the Group entered into a lease of equipment for its US operations in October 2023, with the lease ending in December 2028.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

15 INVESTMENT IN SUBSIDIARIES

Company	Cost of shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
At 1 January 2023	994	8,269	9,263
Additions	2	–	2
Share based payment expense	218	–	218
Repayment of loan by subsidiary	–	(872)	(872)
At 31 December 2023	1,214	7,397	8,611
At 1 January 2024	1,214	7,397	8,611
Additions	–	–	–
Share based payment expense	40	–	40
Repayment of loan by subsidiary	–	(62)	(62)
At 31 December 2024	1,254	7,335	8,589

- (i) The increase in the cost of shares in subsidiary undertakings of £40k (2023: £218k) represents a capital contribution between the Company and certain of its subsidiaries, reflecting the provision of equity instruments in the Company to subsidiary company employees.
- (ii) The decrease in loans to subsidiary companies in 2024 of £62k (2023: £872k) arose mainly from normal capital transfers between the Company and its trading subsidiary.
- (iii) The Company's loans to its subsidiaries are interest free and under terms which would technically provide the Company the right to demand immediate repayment. The current financial situation of the subsidiaries is such that they would be unable to repay the amounts due if demanded and, in consequence, they are considered to be credit-impaired and lifetime expected credit losses are recognised. As part of the assessment of the lifetime expected credit losses of these intercompany loan receivables, the directors have considered the cash flows that may be generated from a number of different scenarios, including through an orderly sale of the underlying business.

The carrying amount of the Company's loans to subsidiaries was £7,335k (2023: £7,397k).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

15 INVESTMENT IN SUBSIDIARIES continued

Company investments

The Company has investments in the following subsidiary undertakings, which contribute to the net assets of the Group:

Subsidiary undertakings	Country of incorporation and operation	Principal activity	Description and proportion of shares held by the	
			Company	Group
Proteome Sciences R&D Verwaltungs GmbH	Germany	Administrative Company	100% Share Capital	100% Share Capital
Proteome Sciences R&D GmbH & Co. KG	Germany	Research Company	100% Partnership Interest	100% Partnership Interest
Proteome Sciences, Inc.	U.S.A.	Research Company	100% Common Stock	100% Common Stock
Electrophoretics Limited	United Kingdom	Administrative and Research Company	100% Ordinary shares	100% Ordinary Shares
Veri-Q Inc.	U.S.A.	Research Company	76.9% Common Stock	76.9% Common Stock
Phenomics Limited	United Kingdom	Dormant	100% Ordinary Shares	100% Ordinary Shares
Proteome Sciences US Inc	U.S.A.	Research Company	100% Common Stock	100% Common Stock

- (i) The investments in Proteome Sciences, Inc., Electrophoretics Limited and Phenomics Limited comprise the entire issued share capital of each subsidiary undertaking and carry 100% of the voting rights.

The registered offices of the companies above are:

Proteome Sciences R&D Verwaltungs GmbH, Proteome Sciences R&D GmbH & Co. KG, -
Altenhöferallee 3, 60438 Frankfurt am Main, Germany

Proteome Sciences plc, Electrophoretics Limited and Phenomics Limited, Coveham House, Downside Bridge Road, Cobham, Surrey KT11 3EP

Proteome Sciences Inc PO Box 2767 Humble, Texas, 77347. US

Veri-Q Inc, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808-1645, US

Proteome Sciences US Inc, 10179 Huennekens Street, San Diego, CA 92121, US

We own a minority stake in Galaxy, a US based clinical contract research organisation, which is developing a point of care test for the diagnosis and timing of stroke onset in order to guide the use of specialist thrombolytic treatment. Under the terms of the licence with Galaxy we have received equity in Galaxy as an initial fee in 2019 and similarly the milestone in 2023 was also satisfied in equity. As a result of this we own a minority stake in Galaxy of 1.03m shares, (total issued Galaxy shares at this time are 10.6m) and under the license we are entitled to subsequent development milestones and a running royalty on any product sales. We have been informed by Galaxy that a recently undertaken share issue was done at \$5 per share. Given the still early stage of development of the test that Galaxy is developing and the uncertainties around the future development of Galaxy as well as the limited information available to us in relation to Galaxy, we have not accounted for the shares in Galaxy as an investment. We may reconsider this in the future as Galaxy continues to make progress of the development of its business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

16 INVENTORIES

	Group 2024 £'000	Group 2023 £'000
Work in progress	–	–
Finished goods	732	837
	732	837

Work in progress has been impaired to NIL, and the stock value pertains to Finished goods only.

17 OTHER CURRENT ASSETS

a) Trade and other receivables

	Group 2024 £'000	Group 2023 £'000
Trade receivables	216	735
Less: provision for impairment of trade receivables	(3)	(30)
Trade receivables – net	213	705
Other Debtors	83	78
Prepayments	137	172
Total	433	955

At 31 December 2024 the lifetime expected loss provision for trade receivables is as follows:

	Current	More than 30 days past due	More than 90 days past due	More than 270 days past due	More than 364 days past due	Total £'000
Expected loss rate %	0%	10%	15%	60%	90%	
Gross carrying amount	187	20	8	–	1	216
Loss provision	–	(2)	(1)	–	–	(3)

At 31 December 2023 the lifetime expected loss provision for trade receivables is as follows:

	Current	More than 30 days past due	More than 90 days past due	More than 270 days past due	More than 364 days past due	Total £'000
Expected loss rate %	0%	10%	15%	60%	90%	
Gross carrying amount	655	18	18	44	–	735
Loss provision	–	(2)	(3)	(26)	–	(31)

As at 31 December 2024 trade receivables of £28,954 (2023: £79,806) were past due and partially impaired.

The main factors considered by the finance function in determining that the amounts due are impaired are the length of time outstanding and additionally background information provided by the sales and production department.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

17 OTHER CURRENT ASSETS continued

The maturity profile of any due debt is presented below.

	2024 £'000	2023 £'000
0 to 3 months	20	18
3 to 9 months	8	18
9 to 12 months	1	44
> 12 months	–	–

(b) Cash and cash equivalents

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Cash and cash equivalents	1,128	776	2,027	90

The directors consider that the carrying amount of trade receivables and cash and cash equivalents approximates their fair value.

18 FINANCIAL LIABILITIES

(a) Trade and other payables

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
<i>Due within one year</i>				
Trade and other payables	639	–	449	–
Accruals	141	–	180	–
Payables due to group entities	–	300	–	350
	780	300	629	350

Trade creditors and other payables principally comprise amounts outstanding for trade purchases and continuing costs. The average credit period taken for trade purchases is between 30 and 45 days. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The directors consider that the carrying amount of trade payables approximates to their fair value.

(b) Short term borrowings

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Loans from related parties	12,631	2,788	11,235	1,887

The directors consider that the carrying amount of borrowings approximates to their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

18 FINANCIAL LIABILITIES continued

Note:

- (i) The loan from related parties of £12,631k (2023: £11,235k), including interest, represents a loan from Mr C. D. J. Pearce, Non-Executive Chairman of the Company, which includes the loan facility agreed on 20 December of £0.50m. The loan is secured by a fixed charge over the Company's patent portfolio and a floating charge over the Company's inventory. The loan bears interest at 2.5% above the base rate of Barclays Bank plc. Interest accrued on the loan was £895k for 2024 (2023: £776k). Loan amounts representing £5m may be converted into ordinary share capital at the option of Mr Pearce at the lower of market price on the date of conversion or the average price over the lowest consecutive ten day trading period since 29 June 2006. The conversion option is immaterial to the financial statements. The balance owed by the Group at 31 December 2024 was £12,631k (2023: £11,235k) of which £2,538 is owed by the Company (2023: £1,887k).

The loan is repayable on seven days' notice, or immediately in the event of:

- (a) A general offer to the shareholders of the Company being announced to acquire its issued share capital, or
- (b) The occurrence of any of the usual events of default attaching to this sort of agreement.

The Company has received a legally binding written confirmation from Mr Pearce that he does not intend to seek repayment for 12 months from signing of these financial statements or until at least 30 April 2026.

- (ii) On the 20 December 2024 Proteome Sciences plc secured a loan facility of £0.50m from Vulpes Investment Management ("VIM"), Testudo Fund. Interest accrues at 10% per annum and is repayable alongside the principal loan. The Company had drawn down £0.25m at 31 December 2024. The directors have received a legally binding written confirmation from VIM Testudo Fund that they will not seek repayment for at least 12 months from the date of approval of these financial statements or until at least 30 April 2026.
- (iii) The amounts shown above as outstanding under short term for both loans include accrued interest.

(c) Changes in liabilities arising from financing activities

Group

Note supporting the cash flow statement - movement in net debt

	1 January 2024 £,000	Cash Flow* £,000	Non-cash addition £,000	Interest accruing in the period £,000	Foreign exchange £,000	31 December 2024 £,000
Short term borrowings	11,235	—	500	895	—	12,631
Long term borrowings	—	—	250	—	—	250
Lease Liabilities	2,240	(692)	—	96	(4)	1,641
Total	13,475	(692)	750	991	(4)	14,521

* The difference to cash flow statement is due to the inclusion of immaterial forex gains, interest and addition belonging to the lease in cash flow figure, spread out in note 18c separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

18 FINANCIAL LIABILITIES continued

Company

Note supporting the cash flow statement – movement in net debt

	1 January 2024 £,000	Cash Flow £,000	Interest accruing in the period £,000	31 December 2024 £,000
Short term borrowings	1,887	500	151	2,538
Long term borrowings	–	250	–	250
Total	1,887	750	151	2,788

Group

Note supporting the cash flow statement - movement in net debt

	1 January 2023 £,000	Cash Flow £,000	Non-cash addition £,000	Interest accruing in the period £,000	Foreign exchange £,000	31 December 2023 £,000
Short term borrowings	11,262	(824)	–	797	–	11,235
Lease Liabilities	653	(553)	2,161	57	(78)	2,240
Total	11,915	(1,377)	2,161	854	(78)	13,475

Company

Note supporting the cash flow statement – movement in net debt

	1 January 2023 £,000	Cash Flow £,000	Interest accruing in the period £,000	31 December 2023 £,000
Short term borrowings	2,559	(824)	152	1,887
Total	2,559	(824)	152	1,887

19 PENSION PROVISIONS

Group

	2024 £'000	2023 £'000
At 1 January	419	434
(Reduction)/Additional provision in the year	22	(5)
Exchange movement	(19)	(10)
At 31 December	422	419

(i) Pension Provision

The pension provision relates to pension costs which may become payable in connection with the Group's Frankfurt employees, under the pension scheme arrangements set out in note 19 (iii). This provision will be utilised as members of the scheme reach retirement age and draw down their pensions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

19 PENSION PROVISIONS continued

(ii) Pension arrangements

As a result of the acquisition of Proteome Sciences R&D Verwaltungs GmbH and Proteome Sciences R&D GmbH & Co KG from Aventis Research & Technologies GmbH & Co KG, the Group makes contributions in Germany to a funded defined contribution plan and to a funded defined benefit plan. These plans are operated in their entirety by the Pensionskasse der Mitarbeiter der Hoechst-Gruppe VVaG (Hoechst Group), an independent German mutual insurance company, which is required to comply with German insurance company regulations.

The schemes assets are held in multi-employer funds and the other employers who contribute to the schemes are not members of the Group. The Group has not been able to identify its share of the underlying assets and liabilities of the defined benefit scheme and accordingly it has also been accounted for as defined contribution scheme. The Group's contributions to the scheme are included within the amount charged to the income statement in respect of pension contributions.

Funding contributions paid by the Group are based on annual contributions determined by Hoechst Group, the administrator for the pension plans. For the year ending 31 December 2024, funding contributions payable by the Group are based on employee contributions at the rate of 1.5% - 2.5% (2023: 1.5% - 2.5%) of wages and salaries and employer contributions at the rate of 8 times (2023: 8 times) employee contributions. The Company expects pension costs for 2025 in relation to the defined benefit scheme of £14,741 (2024: £25,942 actual cost).

The amount charged to the income statement in respect of the contributions to the scheme in 2024 was £106,095 (2023: £90,683).

As at 31 December 2024, an actuarial deficit did not exist for the multi-employer scheme. The Group's contributions to the scheme during 2024 represented 0.05% of total contributions to the scheme by employers and employees (2023: 0.05%). Under the terms of the multi-employer plan, the Group's obligations are limited to the original promise/commitment that it has given to its own employees. The Group does not have an exposure to liability in relation to other third-party employers' obligations. The Group does not have any information about how the actuarial status of the plan may affect the amounts of future contributions to the plan.

The Group also has a direct pension obligation for which it provides in full at the balance sheet date. This scheme has no separable assets. The Company uses the projected unit credit method to determine the present value of its unfunded defined benefit obligation. Demographic assumptions are based on Prof. Klaus Heubeck's mortality table "Richttafeln 2005 G", the standard German actuarial table, with full recognition for fluctuations in mortality rates on account of gender and current age. Pensionable age has been set at 60.

The Company has applied a discount rate for the year of 3.50% (2023: 3.90%). The Company has assumed an income increase of 2.5% (2023: 3.00%) and German inflation of 2.0% (2023: 3.0%).

Provisions for future unfunded pension liabilities at 31 December 2024 amounted to £422,412 (2023: £418,986). Amounts recognised through the consolidated income statement for the year to 31 December 2024 included service costs of £10,539 (2023: £27,681), interest costs of £15,386 (2023: £14,140) and an actuarial loss of £1,711 (2023: gain of £43,714) excluding any exchange effects.

Other pension costs in relation to defined contribution schemes for United Kingdom employees amounted to £41,783 (2023: £40,436).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

20 SHARE CAPITAL

	2024 £'000	2023 £'000
(i) <i>Allotted and called-up</i>		
Ordinary Shares of 1p each	2,952	2,952

The number of shares in issue in 2024 was:

	2024 Number	2023 Number
As at 1 January 2024 and 31 December 2024	295,182,056	295,182,056

21 SHARE OPTIONS AND SHARE BASED PAYMENTS

(i) *Options*

Options under the schemes noted below may be exercised from the date on which any shares in the Company are first admitted to the Official List of the London Stock Exchange.

(ii) *2011 Long-Term Incentive Plan ("LTIP")*

At 31 December 2024, the maximum number of the Company's Ordinary Shares of 1p each to be potentially allocated or issued under the LTIP was as follows:

Number at 31 Dec 2023	Awarded in the year	Exercised in the year	Lapsed in the year	Number at 31 Dec 2024	Number of Options	Vesting Date	Latest Exercise Date
9,000,000	–	–	–	9,000,000	3,000,000	15 September 2021	8 June 2031
					3,000,000	15 September 2022	8 June 2031
					3,000,000	15 September 2023	8 June 2031
2,500,000	–	–	–	2,500,000	1,000,000	15 September 2021	8 June 2031
					1,000,000	15 September 2022	8 June 2031
					500,000	15 September 2023	8 June 2031
2,500,000	–	–	–	2,500,000	1,000,000	15 September 2021	8 June 2031
					1,000,000	15 September 2022	8 June 2031
					500,000	15 September 2023	8 June 2031
300,000	–	–	–	300,000	300,000	8 June 2024	8 June 2031
14,300,000	–	–	–	14,300,000			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

21 SHARE OPTIONS AND SHARE BASED PAYMENTS continued

At 31 December 2023, the maximum number of the Company's Ordinary Shares of 1p each to be potentially allocated or issued under the LTIP was as follows:

Number at 31 Dec 2022	Awarded in the year	Exercised in the year	Lapsed in the year	Number at 31 Dec 2023	Vesting Date	Latest Exercise Date
9,000,000	–	–	–	9,000,000	15 September 2021, 2022 & 2023	8 June 2031
2,500,000	–	–	–	2,500,000	15 September 2021, 2022 & 2023	8 June 2031
2,500,000	–	–	–	2,500,000	15 September 2021, 2022 & 2023	8 June 2031
300,000	–	–	–	300,000	8 June 2024	8 June 2031
14,300,000	–	–	–	14,300,000		

(iii) 2011 Share Option Plan

At 31 December 2024 options had been granted and were still outstanding in respect of the Company's Ordinary Shares of 1p each under the Company's 2011 Share Option Plan as follows:

Number of Shares	Amount of Capital (£)	Exercise Price (p)	Vesting Date	Dates Exercisable
45,000	450	16.75	18.3.19	18.3.19 – 18.3.26
480,000	4,800	7.83	8.6.24	08.6.24 – 08.6.31
525,000	5,250			

At 31 December 2023 options had been granted and were still outstanding in respect of the Company's Ordinary Shares of 1p each under the Company's 2011 Share Option Plan as follows:

Number of Shares	Amount of Capital (£)	Exercise Price (p)	Vesting Date	Dates Exercisable
45,000	450	16.75	18.3.19	18.3.19 – 18.3.26
500,000	5,000	7.83	8.6.24	8.6.24 – 8.6.31
545,000	5,450			

(iv) 2021 Share Option Plan

At 31 December 2024 options had been granted and were still outstanding in respect of the Company's Ordinary Shares of 1p each under the Company's 2021 Share Option Plan as follows:

Number of Shares	Amount of Capital (£)	Exercise Price (p)	Number of Options	Vesting Date	Dates Exercisable
1,480,000	1,480	4.30		11.10.25	11.10.25 – 11.10.32
750,000	750	3.60	250,000	29.04.25	29.04.25 – 25.04.35
			250,000	29.04.26	29.04.26 – 25.04.36
			250,000	29.04.27	29.04.27 – 25.04.37
2,230,000	2,230				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

21 SHARE OPTIONS AND SHARE BASED PAYMENTS continued

At 31 December 2023 options had been granted and were still outstanding in respect of the Company's Ordinary Shares of 1p each under the Company's 2011 Share Option Plan as follows:

Number of Shares	Amount of Capital (£)	Exercise Price (p)	Vesting Date	Dates Exercisable
1,640,000	1,640	4.30	11.10.25	11.10.25 - 11.10.32
1,640,000	1,640			

(v) 2021 Long-Term Incentive Plan ("LTIP")

At 31 December 2024, the maximum number of the Company's Ordinary Shares of 1p each to be potentially allocated or issued under the LTIP was as follows:

Number at 31 Dec 2023	Awarded in the year	Exercised in the year	Lapsed in the year	Number at 31 Dec 2024	Number of Options	Vesting Date	Latest Exercise Date
1,500,000	–	–	–	1,500,000	500,000	11 October 2023	11 October 2032
					500,000	11 October 2024	11 October 2032
					500,000	11 October 2025	11 October 2032
1,500,000	–	–	–	1,500,000	500,000	11 October 2023	11 October 2032
					500,000	11 October 2024	11 October 2032
					500,000	11 October 2025	11 October 2032
800,000	–	–	–	800,000	800,000	11 October 2025	11 October 2032
4,000,000				4,000,000	1,333,333	1 September 2023	1 December 2032
					1,333,333	1 September 2024	1 December 2032
					1,333,333	1 September 2025	1 December 2032
7,800,000	–	–	–	7,800,000			

The Company issues equity-settled share-based payments under the 2011 Share Option Plans. The vesting period is three years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are usually forfeited if the employee leaves the Group before the options vest.

At the 31 December 2024, awards over 525,000 shares (2023: 45,000) had vested and were capable of exercise.

A Long-Term Incentive Plan was introduced in 2011 which closed in July 2021 and no further awards will be made under that scheme. The Board adopted a new Long-Term Incentive Plan in 2021. Awards made during the year are stated in note 21(v) and are on the condition of continued employment. Any exercised options are settled by the Company issuing shares.

As a result of the awards a charge to the income statement of £40k (2023: £218k) was recognised during the year in respect of all schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

21 SHARE OPTIONS AND SHARE BASED PAYMENTS continued

Before awards vest the Remuneration Committee will satisfy itself that the TSR performance is a genuine reflection of the Company's underlying performance over the three-year performance period.

	2011 Share Option Plan	
	Options	Weighted average exercise price (p)
Outstanding at 1 January 2023	651,000	34.01
Granted in the year	–	–
Lapsing in the year	106,000	36.50
Outstanding at 31 December 2023	545,000	34.01
Granted in the year	–	–
Lapsing in the year	20,000	7.83
Outstanding at 31 December 2024	525,000	34.01
Exercisable at 31 December 2024	525,000	16.75
Exercisable at 31 December 2023	45,000	16.75

	2011 LTIP	
	Maximum Number of Shares	Weighted average fair value per share (p)
Outstanding at 1 January 2023	14,300,000	1.00
Granted in the year	–	–
Lapsing in the year	–	–
Outstanding at 31 December 2023	14,300,000	1.00
Granted in the year	–	–
Lapsing in the year	–	–
Outstanding at 31 December 2024	14,300,000	1.00
Exercisable at 31 December 2024	14,000,000	1.00
Exercisable at 31 December 2023	14,000,000	1.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

21 SHARE OPTIONS AND SHARE BASED PAYMENTS continued

	2021 Share Option Plan	
	Options	Weighted average exercise price (p)
Outstanding at 1 January 2023	1,640,000	7.83
Granted in the year	–	7.83
Forfeited during the year	120,000	4.3
Outstanding at 31 December 2023	1,520,000	7.83
Granted in the year	750,000	3.60
Forfeited in the year	40,000	4.30
Lapsing in the year	–	–
Outstanding at 31 December 2024	2,230,000	7.83
Exercisable at 31 December 2024	–	–
Exercisable at 31 December 2023	–	–

	2021 LTIP	
	Maximum Number of Shares	Weighted average fair value per share (p)
Outstanding at 1 January 2023	7,800,000	2.60
Granted in the year	–	–
Lapsing in the year	–	–
Outstanding at 31 December 2023	7,800,000	2.60
Granted in the year	–	–
Lapsing in the year	–	–
Outstanding at 31 December 2024	7,800,000	2.60
Exercisable at 31 December 2024	4,666,666	2.60
Exercisable at 31 December 2023	2,333,333	2.60

The options outstanding at 31 December 2024 had a weighted average remaining contractual life as follows:

	2024 No. of months	2023 No. of months
2011 Share Option Plan	72.6	70.1
2011 LTIP	47	89
2021 Share Option Plan	94	109
2021 LTIP	61	106

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

21 SHARE OPTIONS AND SHARE BASED PAYMENTS continued

The inputs into the Black-Scholes model were:

	2024	2023
Weighted average share price	4.43p	4.54p
Weighted average exercise price	3.13p	2.15p
Expected volatility	74.73% – 86.69%	78.81%
Expected life	2.3 years	2.3 years
Risk free rate	0.13% – 4.64%	4.04% – 4.46%

Notes

- (i) Expected volatility is a measure of the tendency of a security price to fluctuate in a random, unpredictable manner and is determined by calculating the historical volatility of the Company's share price over the previous years.
- (ii) The expected life has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.
- (iii) The Company has used the Monte Carlo model to value the LTIP awards granted before 2022, which simulates a wide range of possible future share price scenarios and calculates the average net present value of the option across those scenarios and which captures the effect of the market-based performance conditions applying to such awards.

For the LTIP awards granted during 2022 the Black Scholes model was used as there was only one performance condition attached.

22 RESERVES DESCRIPTION AND PURPOSE

Share premium

Amount subscribed for share capital in excess of nominal value.

Translation reserve

Gains/losses arising on retranslating the net assets of overseas operations into Sterling.

Retained earnings

All other net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere.

Share based payment Reserve

The amounts transferred to the Equity Reserve are for charges recognised in respect of the requirements of IFRS 2 "Share-based payments".

Merger Reserve

The merger reserve arose in the period to the 11 November 1994 and represented the premium on the allotment of new ordinary shares issued in a share exchange agreement entered into by the shareholders of Monoclonetics International Inc, (now Proteome Sciences Inc.).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

23 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Operating lease arrangement

The Group leases one office space in the UK on a short-term operating lease which renews on a twelve monthly basis ending in May 2025 and there is no control over the asset. The Group pays insurance, maintenance and repairs of this property.

At the balance sheet date 31 December 2024, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Within 1 year	9	9	9	9
Within 2-5 years	—	—	—	—
> 5 years	—	—	—	—
	9	9	9	9

24 FINANCIAL INSTRUMENTS

Capital risk management

The Group monitors “adjusted capital” which comprises all components of equity (i.e., share capital, share premium translation reserve and merger reserve, retained earnings, and revaluation reserve).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group does not pay dividends to shareholders.

Due to recent market uncertainty the Group's strategy is to preserve a strong cash base and to maintain a positive cash flow for at least 15 months in advance.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly management reports from the Group's finance function and bi-monthly cash flow calculations through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

24 FINANCIAL INSTRUMENTS continued

The capital structure of the Group consists of the financial instruments listed below which determine the financial risk and an according risk management.

Financial instruments for the Group comprise:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowing from major investors of the Company at floating rate
- Leases liability

For the Company:

- Cash and cash equivalents
- Investment in quoted and unquoted securities
- Borrowing from major investors of the Company at floating rate

Categories of financial instruments

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Financial assets				
Cash and cash equivalents*	1,128	776	2,027	90
Trade and other receivables*	296	–	783	–
Total financial assets	1,424	776	2,810	90
Financial liabilities				
Trade and other payables*	(780)	–	(449)	–
Short-term borrowings*	(12,631)	(2,538)	(11,235)	(1,887)
Long term borrowings	(250)	(250)	–	–
Short term lease liabilities	(602)	–	(2,240)	–
Long term lease liabilities	(1,039)			
Total financial liabilities	(15,302)	(2,788)	(13,924)	(1,887)

The described financial instruments are measured applying the following methodologies:

* measured at amortised cost through the consolidated income statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

24 FINANCIAL INSTRUMENTS continued

The Group is exposed to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk
- Liquidity risk

Credit risk

Group

Electrophoretics Limited, the main trading company in the Group, has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers as deemed necessary based on the nature of the prospective customer and size of order.

To minimize any credit risk upfront payment for service orders are requested when they require larger pre-financing of consumables needed for order fulfilment. Further for any larger service orders interim payments are requested based on work order related performance obligations. The overall structure of our client base with the majority being B2B and to a lesser extent institutional customers like universities or state funded research institutions minimizes credit risk as well.

For trade receivables and other receivables further explanation and calculation of ECL (Expected credit loss) provisions relating to credit risk are presented in note 17.

At 31 December 2024, the largest exposure was represented by the carrying value of trade receivables and contract assets of £0.7m (2023: trade receivables and contract assets £1.30m). A provision for impairment was recognised for 2024 £3k (2023: £30k) on the basis that the Company's customers are typically large companies and there is a long-standing relationship and history of payment by customers so there is a very low history of credit defaults. The Group does have significant concentrations of credit risk on its trade receivables, with the largest debtor/contracted asset amounting to £296k (2023: £586k).

Credit risk arising from cash and cash equivalents held with banking institutions is controlled by using only good rated Institutions as presented in the table. Nevertheless, the economic challenges created by global events might result in a strain on the liquidity of the individual banking institutions. As such the company follows the developments in the financial markets closely. As a consequence, a more even allocation of funds between the different banks might be adopted and we will consider reallocation of funds to better rated institutions in case of larger changes in credit rating by more than one of the big credit rating agencies (such as Moody's, S&P, Fitch). Due to fluctuating cash flows we inevitably need to hold a larger amount of cash deposits to fund the operational business requirements and only limited risk mitigation is possible here.

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Barclays plc	976	776	1,789	90
Commerzbank AG	118	–	149	–
Other	34	–	89	–
	1,128	776	2,027	90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

24 FINANCIAL INSTRUMENTS continued

Company

The Company is exposed to credit risk on loans provided to related parties. At the reporting date, the largest exposure was represented by the carrying value of loans to Proteome Sciences R&D GmbH & Co. KG of £8.0m. At 31 December 2024, the carrying value of loans owed by Electrophoretics Limited to the Company was £0.03m (2023: £0.04m), of loans owed by subsidiaries to the Company was £7.3m (2023: £7.4m). Refer to Note 15 for further detail.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below).

Fair value and cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long term borrowings. The level of borrowings is determined by the capital requirements of the Group as it was operational in a net cash outflow position. As such usual gearing ratios to assess debt risk levels are not applicable.

Borrowings are managed centrally under direct involvement and supervision of the Board. All borrowings are in the functional currency of the Group.

Interest rate risk management

The Group is exposed to interest rate risk arising from its short-term borrowings, details of which are set out in note 18(b).

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The Group analyses interest sensitivity on a yearly basis. The sensitivity analysis below has been determined based on the exposure to floating rate liabilities. The analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole year. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher and all other variables were held constant, the Group's profit for the year ended 31 December 2024 would have decreased by £64k (2023: £43k), for a decrease of 0.5% in interest rate the profit would have increased by the same amount.

Foreign exchange risk

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group's principal exposure is to movement in the Euro exchange rate, but it anticipates that a significant proportion of its future income will be received in this currency, thus helping to reduce its exposure in this area.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of Germany (the Euro) and of the US (the US dollar).

The Group's companies hold asset and liabilities denominated in different currencies than their functional currency. As the nature of these assets is in their majority short term and usually any assets held in a foreign currency are used to match liabilities denominated in this currency the overall effect of any currency fluctuations does not result in a material exposure to foreign exchange risk. Therefore, a foreign currency sensitivity analysis is not considered to be appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

24 FINANCIAL INSTRUMENTS continued

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group and Company's remaining contractual maturity for its non-derivative financial liabilities including both interest and principal cash flows and the interest rates applied. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. Payments relating to lease liabilities under IFRS 16 are shown under note 26.

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
As at December 2024					
Trade and other payables*	780	—	—	—	—
Loans and borrowings	12,631	—	250	—	—
Short term lease	2	7	—	—	—
Total	13,413	7	250	—	—

* Including accruals, other provisions and contract liabilities

Liquidity risk management

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
As at December 2023					
Trade and other payables	559	70	—	—	—
Loans and borrowings	11,235	—	—	—	—
Short term lease	2	7	—	—	—
Total	11,796	77	—	—	—

There are pension provisions existing for the German entity of the Group, which amounted at 31 December 2024 to £0.42m (2023: £0.42m), which can result in future Cash outflows from the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

25 RELATED PARTY TRANSACTIONS

- (a) Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and were as follows:

1) Loans advanced to subsidiary undertakings:

	Proteome Sciences R&D £'000	Electrophoretics Ltd £'000	Total £'000
At 1 January 2023	7,549	1,590	9,139
Provision for impairment	–	–	–
At 31 December, 2023	7,549	1,590	9,139
At 1 January 2024	7,549	1,590	9,139
Loan repayment in the year	–	60	60
At 31 December, 2024	7,549	1,530	9,079

2) Loan from subsidiary undertaking:

At 1 January, 2023	318	292	610
Loan advances during the year	–	(242)	(242)
Exchange adjustment	(7)	–	(7)
At 31 December, 2023	311	50	361
At 1 January, 2024	311	50	361
Loan advances during the year	–	(10)	(10)
Exchange adjustment	(14)	(40)	(54)
At 31 December, 2024	297	–	297

Further details of the Company's shares in and loans to its subsidiary undertakings are set out in note 15.

- (b) C.D.J. Pearce, a Director of the Company and therefore a related party, has made a loan facility available to the Company full details of which are set out in note 18b.
- (c) M Diggle, a Director of the Company is also a Director of Vulpes Investment Management (VIM) and is therefore a related party, Vulpes Investment Management Testudo Fund has made a loan facility available to the Company details of which are set out in note 18c.
- (d) Details of the remuneration of the directors is set out in note 10, including details of pension contributions made by the Company and information in connection with their long-term benefits is shown in the Directors' Report under the heading 'Directors and their interests'.
- (e) Key management personnel compensation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

25 RELATED PARTY TRANSACTIONS continued

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel for the year-ended 31 December 2024 and the comparative period were as follows:

Mariola Söhnngen (Chief Executive Officer)

Ian Pike (Chief Scientific Officer)

Richard Dennis (Chief Commercial Officer)

Abdelghani Omari (Chief Financial Officer)

Stefan Fuhrmann (Finance Director)

David Van Meter (Chief Operations Officer)

Christopher Pearce Chairman (Non-Executive Director)

Roger McDowell (Non-Executive Director)

Martin Diggle (Non-Executive Director)

Ursula Ney (Non-Executive Director)

Key management personnel compensation was as follows:

	2024 £'000	2023 £'000
Salary	1,168	1,034
National Insurance Contributions	88	87
Other long-term benefits	65	51
Defined benefit scheme costs	–	–
Share based payment expense (relating to directors)	32	195
Consultancy fee	–	–
	1,353	1,367

26 LEASES

In the case of the Group there are four leases recognised under IFRS 16 as at 31 December 2024, comprising one for the Frankfurt operation of the Group. In August 2023 the Group extended a 5-year lease contract for the Frankfurt operation, by 2 years until 31 December 2026. A lease for a mass spectrometry instrument located in Frankfurt started in November 2021 and ends after 4 years in November 2025. The Group additionally entered into a building lease for its US operations starting in August 2023 and ending in July 2027, with an early termination option after 2 years. Furthermore, the Group entered into a lease of equipment for its US operations in October 2023, with the lease ending in December 2028.

The rental lease and the resulting right-of-use asset is classified as land and buildings the laboratory instrument lease is classified as fixture and fittings. Both leases do not contain variable elements or break out clauses. Similarly, there are no special restoration clauses attached, there are no restrictions or covenants in place and they do not include an option for a sale and lease back transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

26 LEASES continued

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the term of the lease term, with the discount rate determined by reference to the Groups internal rate of return, as there is no inherent rate to the lease readily determinable. The internal rate of return (ICR) which is the Barclays interbank rate for the year + 2.5%, (overall 6.00%) which was applied over the duration of the lease reflecting the refinancing rate agreed for the loans made available by its major shareholders, which are its main source of external finance and reflects the incremental borrowing rate.

Right-of-use asset

	Land and buildings £'000	Equipment £'000	Total £'000
At 1 January 2024	828	1,697	2,525
Amortisation	(229)	(458)	(687)
Foreign exchange movements	(33)	(15)	(48)
At 31 December 2024	566	1,224	1,790

Right-of-use asset

	Land and buildings £'000	Equipment £'000	Total £'000
At 1 January 2023	306	567	873
Additions	701	1,409	2,110
Amortisation	(165)	(196)	(361)
Foreign exchange movements	(14)	(83)	(97)
At 31 December 2023	828	1,697	2,525

Interest on lease liability for the period amounted to £97k (2023: £57k). This results in slightly higher costs at the beginning of the lease and lower costs at the end of the lease in comparison to the actual lease payments.

Lease Liability

	Land and buildings £'000	Equipment £'000	Total £'000
At 1 January 2024	821	1,419	2,240
Additions	—	—	—
Interest accruing for the year	55	42	97
Lease payments	(298)	(394)	(692)
Foreign exchange movements	(10)	6	(4)
At 31 December 2024	568	1,072	1,641

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

26 LEASES continued

	Land and buildings £'000	Equipment £'000	Total £'000
At 1 January 2023	249	404	653
Additions	752	1,409	2,161
Interest accruing for the year	45	12	57
Lease payments	(219)	(334)	(553)
Foreign exchange movements	(6)	(72)	(78)
At 31 December 2023	821	1,419	2,240

Maturity analysis of discounted lease payments

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
As at December 2024					
Lease liabilities	156	446	487	552	–

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
As at December 2023					
Lease liabilities	152	457	593	1,038	–

Information of the right-of-use asset and its amortisation are represented in note 14 as well.

The rent for the UK office, which amounts to a total liability of £9k, is not considered a lease under IFRS 16 because there is no control over the asset.

27 CAPITAL COMMITMENTS

At 31 December 2024, the Group had capital commitments of £536k net relating to a lease agreement commencing March 2025 for an Exploris mass spectrometer.

28 EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events which have occurred subsequent to the reporting date.

NOTICE OF ANNUAL GENERAL MEETING

(Registered in England and Wales No: 02879724)

Notice is hereby given that the 31st Annual General Meeting of Proteome Sciences plc will be held at the offices of Allenby Capital Limited, 5 St Helen's Place, London, EC3A 6SB on Friday 16 May 2025 at 12 noon, and, if thought fit, passing the following Resolutions of which numbers 1 to 5 will be proposed as Ordinary Resolutions and number 6 will be proposed as a Special Resolution.

- 1 To receive the financial statements and the reports of the directors and of the auditors for the year ended 31 December 2024.
- 2 To re-appoint Dr Ian Pike as a director of the Company in accordance with Article 109(b) of the Articles of Association of the Company.
- 3 To re-appoint Martin Diggle as a director of the Company in accordance with Article 109(b) of the Articles of Association of the Company.
- 4 To re-appoint Cooper Parry Group Limited as auditors of the Company in accordance with section 489 of the Companies Act 2006 until the conclusion of the next general meeting of the Company at which audited accounts are laid before the members and to authorise the directors to fix their remuneration.
- 5 THAT in substitution for all existing authorities the directors of the Company be and are hereby authorised generally and unconditionally pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £983,841.79 until the conclusion of the next Annual General Meeting of the Company or 30 June 2026, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would, or might, require shares to be allotted or rights to subscribe for or to convert securities into shares to be granted after such expiry.
- 6 THAT subject to, and upon Resolution 5 above, having been passed and becoming effective, the directors be and are hereby authorised and empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities, as defined in section 560 of the Act, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with an offer by way of a rights issue, or any other pre-emptive offer, to the holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares on a record date fixed by the directors and to the holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the law of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) of equity securities which are or are to be wholly paid up in cash up to an aggregate nominal amount of £590,364.11.

NOTICE OF ANNUAL GENERAL MEETING

(Registered in England and Wales No: 02879724)

and provided further that the authority and power conferred by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company or on 30 June 2026, whichever is the earlier, unless such authority is renewed or extended at or prior to such time, save that the Company may before such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after the expiry of this authority and the directors may then allot equity securities in pursuant of such an offer or agreement as if the authority and power hereby conferred had not expired.

By order of the Board

Victoria Birse

Company Secretary

9 April 2025

Registered office

Coveham House

Downside Bridge Road

Cobham,

Surrey

KT11 3EP

NOTICE OF ANNUAL GENERAL MEETING

(Registered in England and Wales No: 02879724)

Notice of Meeting Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 14 May 2025. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Executive directors' service agreements and copies of the terms and condition of appointment of non-executive directors will be available for inspection at the registered office of the Company from the date of this notice and at the AGM venue for 15 minutes prior to the commencement of the meeting.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. Electronic voting - via Investor Centre
 - Investor Centre is a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: <https://uk.investorcentre.mpms.mufg.com/>.



- You may request a hard copy form of proxy directly from the registrars, MUFG Corporate Markets via email at shareholderenquiries@cm.mpms.mufg.com or on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, LEEDS, LS1 4DL by 12 noon on 14 May 2025.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

NOTICE OF ANNUAL GENERAL MEETING

(Registered in England and Wales No: 02879724)

8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 Noon on 14 May 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold the voting.
13. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
14. As at 9 April 2025 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 295,182,056 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 9 April 2025 are 295,182,056.
15. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF ANNUAL GENERAL MEETING

(Registered in England and Wales No: 02879724)

Explanatory notes on the resolutions:

Resolutions 1 to 5 (inclusive) are ordinary resolutions; 6 is a special resolution. To be passed, ordinary resolutions require more than 50% of votes cast to be in favour of the resolution whilst special resolutions require at least 75% of the votes cast to be in favour of the resolution. Votes withheld do not count towards the total votes cast for or against a resolution.

Resolution 1

The directors must present to members the accounts and the reports of the directors and auditors in respect of each financial year.

Resolution 2 and 3

Under the provisions of Article 109(b) of the Articles of Association of the Company directors are required to retire at the third Annual General Meeting after they were last elected or re-elected. Accordingly, resolutions 2 and 3 which are being proposed as separate resolutions deal with the proposed re-appointment of those directors due to retire by rotation at this meeting, namely Ian Pike and Martin Diggle.

The Board has no hesitation in recommending the re-appointment of the Directors to shareholders. In making these recommendations, the Board confirms that it has given careful consideration to the Board's balance of skills, knowledge and experience and is satisfied that each of the Directors putting themselves forward for election has sufficient time to discharge their duties effectively, taking into account their other commitments.

Resolution 4

Cooper Parry Group Limited are being proposed for re-appointment as the auditors of the Company until the conclusion of the next general meeting at which accounts are presented. The directors are to be given authority to fix the remuneration of the auditors.

Resolution 5

The Company's power to issue additional securities is exercised by the directors. The directors must be authorised by ordinary resolution of the shareholders to exercise that power. The resolution will give the directors a general authority to allot shares up to an aggregate nominal value of £983,841.79 being the equivalent of one-third of the Company's issued ordinary share capital at the date of this notice. The authority shall expire at the next Annual General Meeting or on 30 June 2026, whichever is earlier.

Resolution 6

The directors are seeking the annual renewal of this authority in accordance with best practice and to ensure the Company has maximum flexibility in managing its capital resources.

When shares are to be allotted for cash, Section 561 of the Companies Act 2006 provides that existing shareholder have pre-emption rights and that any new shares are offered first to such shareholders in proportion to their existing shareholdings. This resolution is seeking to authorise the directors to allot shares of up to an aggregate nominal amount of £590,364.11 otherwise than on a pro-rata basis. This represents approximately 20% of the Company's issued share capital at the date of this notice. The authority shall expire at the next Annual General Meeting or on 30 June 2026, whichever is earlier.

The directors are seeking the annual renewal of this authority in line with the authorities granted to dis-apply the pre-emption provisions in previous years and to ensure the Company has maximum flexibility in managing its capital resources.

