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Aptamer Group plc
("Aptamer", the "Company" or the "Group")
Interim results for the six months ended 31 December 2022

Operations scaled, commercial momentum continuing and new R&D developments

Aptamer Group plc (AIM: APTA), the developer of nucleic acid-based Optimer® binders as tools to enable innovation in the life sciences industry, today announces its unaudited interim results for the six months ended 31 December 2022 (H1 2023).

Financial highlights (H1 2023)

- Revenue £1.0 million (H1 2022: £1.4 million, FY 2022: £4.0 million); additional £1.0m of signed orders at 31 December 2022 and further contracts signed post-period end
- Cash balance at 31 December 2022 of £1.9 million (H1 2022: £9.8 million immediately after IPO, FY 2022: £6.7 million)
- Adjusted EBITDA loss of £2.5 million (H1 2022: £0.6 million, FY 2022: £1.7 million)

Operational highlights

- Follow-on contract signed in July with a top five pharmaceutical company to develop multiple Optimer® binders as immunohistochemistry reagents to support pipeline assets and early discovery targets
- Contract agreed in August with a multi-national consumer goods company for the development of Optimer® binders to be used in a novel personal care application
- Agreement with Bioliquid Innovative Genetics S.L. in August to develop Optimer® binders for use in a novel prenatal and placental diagnostic platform
- Second contract signed in August with a top ten pharmaceutical company to develop Optimer® binders to enable the downstream bioprocessing of novel therapeutics
- Follow-on contract signed in August with a stem cell biotechnology company for the development of Optimer® binders to support Quality Control (QC) release of cell therapies
- Agreement signed in October with a biomarker services company to develop Optimer® binders to support multiplex biomarker assays for mass spectrometry analysis
- In November, entered the second phase of collaboration with Cancer Research UK to develop the delivery vehicle portion of the bispecific therapeutic Optimer® binder for the treatment of Chronic Myelomonocytic Leukaemia (CMML) and other myeloid malignancies
- Signed an early-stage deal in November to develop Optimer® binders to block the activity of naturally occurring antibodies within the body, for use as a potential therapy to prevent transplant rejection
- Signed a deal with Novavax in November, a vaccine developer for respiratory diseases, who require Optimer® binders to improve the selectivity and enable multiplex analysis of their QC assays
- Contract signed with BaseCure Therapeutics in December to develop Optimer® binders against specific cell types, that may be developed as delivery vehicles for siRNA, to improve uptake in target cells and tissues

Post-period highlights

- Contract signed with Asian-based developer of custom enzymes, who require Optimer® binders to allow monitoring of reactants and products in their manufacturing processes
- Follow-on project with a multi-national consumer goods company for the development of Optimer® binders as novel solutions in personal care
- Two follow-on contracts signed with a top 20 pharma company to develop Optimer® binders to support clinical trial bioanalytical studies

Corporate highlights (including post-period end)

- Dr Rob Quinn was appointed as Chief Financial Officer and joined the Company on 1 March 2023
- Derek Smith was appointed as interim Chief Commercial Officer in January 2023
- Completed planned relocation to larger, purpose-built laboratories in November, supporting Aptamer in scaling up its operations, streamlining workflows and servicing the increase in demand for Optimer binders
- Implementation of Optimer®+ platform continues at pace. Aptamer is generating exemplification data packs to give a unique service offering, strengthen the company's technology position in the market and accelerate the opportunity for Optimer technology in drug delivery

Commenting on the interim results, Dr Arron Tolley, Chief Executive Officer of Aptamer Group, said:

"The first half of the year has seen Aptamer sign contracts across all business units, including with several top 10 pharmaceutical companies, and strong contract signing post-period. We are seeing an increasing number of follow-on projects from current customers as the awareness of our Optimer® technology and its potential to solve intractable problems in the life sciences is recognised.

"During the first half, we significantly scaled our operations and expanded our development capacity, underpinned by our move to custom-fitted premises. The expansion of the assay development team has supported our continued work to build key data packs to support increased penetration into the therapeutics drug delivery space.

"Looking ahead, we anticipate significantly higher revenues in the second half with a material uplift occurring in the final quarter of our financial year, as many of the current contracted development projects near completion or begin secondary phases. In addition, we have a strong and growing pipeline of qualified opportunities reflecting the increasing global demand for our services and recognition across the life sciences market of the technology's capabilities and value. This large and varied pipeline of opportunities gives us belief in the positive momentum and longer term potential of the business and, although timing and conversion rates for these opportunities carry some uncertainty, we believe that we can deliver revenue in line with market expectations for the full year."

Sell-side analyst meeting and webcast

An in-person sell-side analyst meeting and webcast will take place at 10:00am GMT this morning. To attend, please contact aptamergroup@consilium-comms.com or please dial in to the webcast following this link: <https://www.lsegissuerservices.com/spark/APTAMERGROUPEvents/fe575c04-96d7-42a0-9166-d557d57895d2>

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About Aptamer Group plc

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

Optimer® binders are oligonucleotide-based affinity ligands that can serve as antibody alternatives in a variety of applications across different life science sectors. The global antibody market is currently worth over \$145.0 billion. Optimer® binders are developed using processes specifically engineered to address many of the issues found with alternative affinity molecules, such as antibodies, and offer new, innovative solutions to bioprocessing, diagnostic and pharmaceutical scientists.

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

Chief Executive Officer's Statement

Aptamer Group has signed contracts across all divisions in the first half of the year, with particular momentum in the therapeutics sector. In addition to the revenue for the first half of £1.0 million, the Group has good visibility on its commercial pipeline including £1.0 million in signed orders, £500,000 from two fee-for-service contracts, and a deal with a multi-national consumer goods company worth up to £185,000. We are seeing significant and growing traction with our blue-chip top 20 pharma company partners and our pipeline of qualified opportunities for the second half of the year is strong.

Excellent progress has been made against our strategy, enabled by the move to new premises in November 2022. This has allowed us to not only increase the platform development capacity but also to support expansion of the team, that together will enable continued delivery to meet the demand for antibody alternatives across the life sciences.

With a focus on remaining at the forefront of aptamer technology, the development of our proprietary Optimer®+ platform is continuing to undergo internal validation. In addition, we continue to generate data packs for the use of Optimer® delivery vehicles that will support increased penetration into the therapeutics market.

Divisional Performance

Aptamer Solutions

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

There has been significant progress in the Aptamer Solutions business during the period. A number of deals have been signed with organisations that require the development of Optimer® solutions for assays where antibodies are not meeting the customer specificity and selectivity requirements. Furthermore, multiple projects were initiated to support a top five pharmaceutical company by developing Optimer® binders as novel immunohistochemistry reagents.

Aptamer has established a new contract with a biomarker services company for the development of Optimer® binders to support multiplex biomarker assays for mass spectrometry analysis. The delivery of these Optimer®-based assays will ultimately improve clinical trial outcomes in drug development, through increased sensitivity in analysis and identification of these neurodegenerative disease biomarkers.

In addition, Aptamer signed a deal with Novavax, a respiratory disease vaccine developer. Novavax will use Optimer® binders to enable multiplex analysis and improve selectivity of their QC assays.

In the bioprocessing field, the Company signed a follow-on deal with a top ten pharmaceutical company to develop Optimer® binders as affinity ligands to support the downstream bioprocessing of novel therapeutic formats, which are not addressed by current manufacturing processes.

Post-period end, the Company announced two substantial new contracts. One of which involves the development of Optimer® binders to allow process monitoring for an enzyme manufacturer based in Asia. Once developed, the Optimer® binders will be incorporated into a biosensor, to allow the company to conveniently monitor reactants and products in the company's manufacturing process.

A further post-period contract win involves a follow-on project with a multi-national consumer goods company. Following initial positive results from an earlier project, the second deal will focus on the development of Optimiser® binders as novel solutions for a direct-to-consumer personal care product.

As the need for novel biomarkers for new diseases continues to grow and novel therapeutics are progressing through the clinic; our partners are increasingly investigating Optimiser® technology to meet their increasing need for affinity ligands that can support these new targets, many of which have proven intractable with alternative technologies. Delivering benefits of ethical compliance, rapid development to meet tight timelines, and both cost-efficiencies and security in supply; Optimiser® binders are offering much-needed innovation to enable new research and bioprocessing solutions.

Aptamer Diagnostics

Aptamer Diagnostics focuses on the development and integration of Optimiser® binders into diagnostic platforms. Optimiser® binders offer significant advantages, including detection of novel diagnostic targets, increased stability and batch-to-batch consistency. Our platform supports multiple diagnostic formats, such as Enzyme-Linked Immunosorbent Assay (ELISA), flow cytometry, biosensors, and cell and tissue imaging.

Aptamer continues to work with a range of companies in diagnostics including signing a contract to support Optimiser® development for a novel prenatal and placental diagnostic platform, with Bioliquid Innovative Genetics S.L..

As the global need for diagnostics continues to grow, Optimiser® binders are being explored by our partners across the diagnostic industry for a range of applications. Their excellent target recognition, consistent and ethical supply, temperature stability and batch reproducibility, enable simple global logistics and position our Optimiser®-based tests as an antibody alternative for use in diagnostics.

Aptamer Therapeutics

Aptamer Therapeutics delivers contract research services in the field of therapeutics, using our Optimiser® platform to develop binders for use as Optimiser®-drug conjugates, Optimiser®-enabled gene therapies, and Optimiser® agonists and antagonists for therapeutic application.

The Aptamer Therapeutics business had good momentum in deal flow during 2022, reflecting the significant challenge in the delivery of functional therapeutics to tissues beyond the liver. There is significant interest in the development of Optimiser® binders against therapeutically relevant cell or tissue targets, for subsequent conjugation to (and delivery of) therapeutic cargos.

Firstly, a second phase of an ongoing collaboration was secured with Cancer Research UK. This collaboration aims to develop a bispecific Optimiser® for the treatment of Chronic Myelomonocytic Leukaemia (CMML) and other myeloid malignancies. Development of the therapeutic Optimiser® portion of the molecule has proven successful, and the second phase of the project aims to develop an Optimiser® delivery vehicle that will allow transport of the therapeutic unit, specifically to CMML cells, to improve the effectiveness of the drug and reduce potential off-target effects.

In the field of optimisers as direct therapeutics, an early-stage deal has been signed to develop Optimisers to temporarily block the activity of naturally occurring antibodies within the body for use as a potential therapy to prevent transplant rejection. The binders generated from this work may support both therapeutic function and the development of a companion diagnostic panel.

Post-period end, Aptamer announced a substantial new contract with BaseCure Therapeutics, a pre-clinical stage biotech company dedicated to the discovery and development of innovative siRNA-based medicines. Aptamer and BaseCure will work together to develop cell-targeting Optimiser® binders that could be used as potential delivery vehicles to improve siRNA uptake into target cells and tissues. If this Optimiser-directed targeted delivery is successful, this would offer new therapeutic opportunities of siRNA-mediated gene knockdown in these target cells and tissues.

Targeted delivery of therapeutic payloads remains a significant challenge, particularly within the emerging field of gene therapy. Optimiser® binders have a significant advantage as small, oligonucleotide-based molecules offer a novel solution for our partners to overcome some of the challenges faced in the delivery of diverse payloads from gene therapies to targeted radiotherapy. Optimiser® advantages include increased tissue penetration, low immunogenicity, and the potential for convenient manufacture as contiguous molecules or site-directed conjugation for simpler analysis of critical therapeutic attributes.

Operational progress

Aptamer Group continues to accelerate growth and increase capacity over multiple verticals to deliver more solutions and higher value engagements with customers. A summary of our delivery against each of these three areas is provided below:

1. To increase capacity, enabling simultaneous handling of hundreds of targets

The move to larger, custom-fitted premises in November has enabled Aptamer Group to increase the capacity of our Optimer® platform. This includes the incorporation of increased automation in our processes, building on the capacity of our current platform with additional equipment in order to enhance efficiency and remove bottlenecks. The new facilities have tripled the Company's previous footprint, helping to expand its capacity to deliver novel binders for researchers across the bioprocessing, diagnostic and drug development sectors. The custom designed laboratory spaces allow more efficient workflows and has space to meet future capacity requirements. In addition to Optimer® discovery and development, a portion of the new lab space is dedicated to validation and assay development to provide turn-key solutions for our partners.

2. To develop our proprietary scaffold technology and protection of these technologies via patents

The integration of our novel nucleotide chemistry platform, Optimer®+ remains on track, with the validation of this novel nucleotide chemistry currently underway. The development of this platform and its subsequent discovery processes is integral to our mission to stay at the forefront of aptamer technologies.

3. To accelerate commercial expansion, data pack development, service development and upgrade systems and IT in line with the expanded business' requirements

The assay development team was established over the course of 2022. Aptamer's new premises includes dedicated laboratory space for the team, which serves to demonstrate Optimer® functionality as an additional service offering. Projects utilizing this development service are currently progressing through the lab to support customers and internal R&D work. We are also developing data packs to demonstrate the functionality of Optimer® binders as therapeutic delivery vehicles to enable improved outcomes from the traction we are seeing with partners in the therapeutic space.

R&D developments

Integration of the Optimer®+ platform continues, which has the potential to improve the performance of our existing technology, differentiate us in the affinity ligand market and allow us to enter new markets and address new targets.

We have seen great traction in the therapeutics space for the use of Optimer® binders as delivery vehicles for diverse cargos, from gene therapies, such as siRNA and antisense oligonucleotides (ASO), to drugs for precision chemotherapies. To support the development of further strategic collaborations in the drug delivery tools space, we have progressed R&D studies to deliver Optimer® binders to specific therapeutic targets and validate *in vitro* functionality.

People

During the first half, Aptamer's headcount increased to 55 (from 49 as at 30 June 2022).

Following the period end, two significant appointments have been made to the Senior Leadership Team, with the appointment of Dr Rob Quinn as Chief Financial Officer and Company Secretary, and Derek Smith as interim Chief Commercial Officer.

Dr Rob Quinn served as CFO of Silence Therapeutics from 2019 to 2021, an AIM-listed biotech company developing siRNA oligonucleotide technology to treat disease, where he oversaw the growth of the company from \$50m to \$500m market capitalisation. Subsequently, he was CFO at BenevolentAI and Pharnext. He brings a wealth of scientific and financial experience, with particular expertise in publicly listed biotechnology and pharmaceutical companies.

Derek Smith joined Aptamer Group in 2018 as Director of Global Sales and has since become a vital part of the team at Aptamer Group. He oversees the development and implementation of the Company's global sales strategy and securing contracts across all three business divisions, including with a number of major pharmaceutical companies.

Macro environment

The Board and senior management team actively monitor risk factors that could potentially affect the business, including the wider macroeconomic environment and global supply chain to ensure that the business is well placed to act and mitigate such risks where possible. To date, Aptamer has seen limited impact from such macro factors, however, the Group will continue to proactively monitor these risks.

Summary and outlook

The first half of the financial year has seen new contracts signed across all business units for Aptamer Group, with strong contract signing post-period end and visibility of a significant number of potential orders already in place for the second half of the year.

In line with our strategy, we completed the move to new premises in November. This has allowed us the necessary space to increase development capacity and expand the team as we seek to meet the increased demand for antibody alternatives. We continue to focus on key data packs, demonstrating applications of the Optimiser platform that will allow us to capitalise on future partnerships and the increasing traction we continue to see within the therapeutic space.

Looking ahead, we anticipate significantly higher revenues in the second half with a material uplift occurring in the final quarter of our financial year, as many of the current contracted development projects near completion or begin secondary phases. In addition, we have a strong and growing pipeline of qualified opportunities reflecting the increasing global demand for our services and recognition across the life sciences market of the technology's capabilities and value. This large and varied pipeline of opportunities gives us belief in the positive momentum and longer term potential of the business and, although timing and conversion rates for these opportunities carry some uncertainty, we believe that we can deliver revenue in line with market expectations for the full year.

Financial review

Revenue

Revenue for the six months ended 31 December 2022 was £1.0 million compared to £1.4 million for the prior year period. As in previous years, revenues for the full year will be second half weighted. Orders signed in the first half of the year are expected to contribute £1.0 million of revenue in the second half of the year along with revenue from orders received and delivered in the second half.

Gross profit

Gross profit for the first half of the financial year was £0.5 million and remained in line with the same period last year. Despite lower sales, this was due to a 6% increase in gross margin from 39% in the first half of FY22 to 45% in the first six months of FY23.

Administrative expenses

Administrative expenses were £3.0 million for the first six months of the year compared to £1.2 million for the same period last year. This increase in costs primarily reflects the expansion of the team from 41 at 31 December 2021 to 55 at 31 December 2022 and the increase in spend on research and development activities.

Research and development costs

During the first half of the financial year the Group expensed £0.4 million (H1 2022: £0.2 million) within Administrative expenses on research and development costs as it continued to develop the Optimiser®+ platform technology and the design and optimisation of novel aptamer library architectures.

Adjusted EBITDA

Adjusted EBITDA was a loss of £2.5 million for the six months ended 31 December 2022 (H1 2022: £0.6 million). The increase in loss mainly results from additional administrative expenses.

Tax

The Group claims research and development tax credits. Since it is loss making, the Group elects to surrender these tax credits for a cash rebate. The benefit to the Group is included within the taxation line of the income statement and amounts to £0.3 million for the first half of the year. Within debtors is a corporation tax debtor of £0.9 million, which relates to anticipated R&D tax credits in respect of claims not

yet received / submitted for the 2022 and 2023 financial years. The claim for the year to 30 June 2022 amounted to £0.5 million and was received in February 2023.

Loss for the period

The loss for the period was £2.6 million (H1 2022: £1.1 million). The basic and diluted loss per ordinary share increased to 3.81 pence per share (H1 2022: 1.83 pence per share) based upon an average number of shares in issue during the period of 69,022,594 (H1 2022: 60,172,013)

Cash flow

The Group had £1.9 million of cash at 31 December 2022 (H1 2022: £9.8 million, FY22: £6.7 million). The cash outflow for the six month period to 31 December 2022 was £4.8 million. This reflects an investment of £1.8 million in the new laboratory and office space at York Science Park, EBITDA losses of £2.5 million, £0.1 million of lease payments and a working capital outflow of £0.4 million. The working capital outflow represents both an increase in invoicing towards the end of the period and a reduction in year end liabilities. The cash of £9.8 million at the prior period (31 December 2021) included £9.6 million net funds from the IPO in December 2021.

Going concern

For the reasons set out in note 3, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
For the six-month period ended 31 December 2022

		Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited year ended 30 June 2022
	Note	£'000	£'000	£'000
Revenue	4	1,015	1,373	4,036
Cost of sales		(559)	(837)	(1,351)
Gross profit		456	536	2,685
Administrative expenses		(2,950)	(1,178)	(4,352)
Other operating income		-	-	3
Adjusted EBITDA		(2,494)	(642)	(1,664)
Depreciation (including gain on disposal)		(327)	(167)	(433)
Amortisation of intangible assets		(22)	(6)	(22)
Share-based payment expense		(68)	(338)	(457)
Operating loss	5	(2,911)	(1,153)	(2,576)
Finance costs		(57)	(23)	(62)
Loss before taxation		(2,968)	(1,176)	(2,638)
Taxation	6	336	76	545
Loss and total comprehensive expense for the period/year		(2,632)	(1,100)	(2,093)
Basic loss per share	7	3.81p	1.83p	3.24p
Diluted loss per share	7	3.81p	1.83p	3.24p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2022

		Unaudited 31 December 2022 £'000	Unaudited 31 December 2021 £'000	Audited 30 June 2022 £'000
	Note			
Assets				
Non-current				
Other intangible assets		339	319	341
Property, plant, and equipment	8	2,075	601	483
Right-of-use assets		1,161	311	1,340
Other receivables		379	-	379
		3,954	1,231	2,543
Current				
Inventories		463	226	420
Trade and other receivables	9	2,251	1,367	1,866
Cash and cash equivalents		1,922	9,768	6,691
		4,636	11,361	8,977
Total assets		8,590	12,592	11,520
Current liabilities	10	(2,176)	(3,597)	(2,374)
Net current assets		2,460	7,764	6,603
Non-current liabilities		(892)	(56)	(1,060)
Provisions for liabilities		(35)	(26)	(35)
Net assets		5,487	8,913	8,051
Equity				
Issued share capital		69	69	69
Share premium		9,573	9,561	9,573
Group reorganisation reserve		185	185	185
Share based payments reserve		603	419	538
Retained earnings		(4,943)	(1,321)	(2,314)
Total equity		5,487	8,913	8,051

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 31 December 2022

	Issued share capital £'000	Share reorganisation premium £'000	Group reorganisation reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 July 2021 (audited)	30	5,203	185	83	(5,396)	105
Loss for the period	-	-	-	-	(1,100)	(1,100)
Issue of share capital	9	9,561	-	-	-	9,570
Bonus issue of shares	30	-	-	-	(30)	-
Capital reduction	-	(5,203)	-	-	5,203	-
Share based payments	-	-	-	338	-	338
Release of share-based payment reserve	-	-	-	(2)	2	-
Total transactions with owners, recognised directly in equity	39	4,358	-	336	5,175	9,908
At 31 December 2021 (unaudited)	69	9,561	185	419	(1,321)	8,913
Loss for the period	-	-	-	-	(993)	(993)
Issue of share capital	-	12	-	-	-	12
Share based payments	-	-	-	119	-	119
Total transactions with owners, recognised directly in equity	-	12	-	119	-	131
At 30 June 2022 (audited)	69	9,573	185	538	(2,314)	8,051
Loss for the period	-	-	-	-	(2,632)	(2,632)
Share-based payments	-	-	-	68	-	68
Release of share-based payment reserve	-	-	-	(3)	3	-
Total transactions with owners, recognised directly in equity	-	-	-	65	3	68
At 31 December 2022 (unaudited)	69	9,573	185	603	(4,943)	5,487

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 31 December 2022

	Unaudited 6 months ended 31 December 2022 £'000	Unaudited 6 months ended 31 December 2021 £'000	Audited year ended 30 June 2022 £'000
Cash flows from operating activities			
Loss for the period/year	(2,632)	(1,100)	(2,093)
<i>Adjustments for:</i>			
Taxation	(336)	(76)	(545)
Finance costs	57	23	62
Depreciation	327	182	432
Amortisation	22	6	22
Gain on disposal of property, plant and equipment	-	(15)	1
Share-based payment expense	68	338	457
Increase in provisions	-	-	9
Operating cash outflow before changes in working capital	(2,494)	(642)	(1,655)
Increase in inventory	(43)	(136)	(330)
Increase in debtors	(48)	(790)	(1,433)
(Decrease)/increase in creditors	(309)	1,770	445
Cash (outflow)/inflow from operations	(2,894)	202	(2,973)
Income taxes received	-	364	598
Net cash (used in) / generated from operating activities	(2,894)	566	(2,375)
Cash flows from investing activities			
Purchase of property, plant, and equipment	(1,741)	(507)	(277)
Proceeds on disposal of property, plant, and equipment	-	98	-
Purchase of intangible assets	(20)	(103)	(141)
Net cash used in investing activities	(1,761)	(512)	(418)
Cash flows from financing activities			
Issue of share capital, net of issue costs	-	9,570	9,582
Repayment of borrowings	(5)	(5)	(10)
Payment of lease liabilities	(52)	(197)	(395)
Interest paid	(57)	(23)	(62)
Net cash (used in) / generated from financing activities	(114)	9,345	9,115
Net (decrease)/increase in cash and cash equivalents	(4,769)	9,399	6,322
Cash and cash equivalents at beginning of the period/year	6,691	369	369
Cash and cash equivalents at end of the period/year	1,922	9,768	6,691

NOTES TO THE FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

1. GENERAL INFORMATION

Aptamer Group plc ('the Company') is a limited company domiciled and incorporated in England and Wales. The interim consolidated financial statements of the Company for the six-month period ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as 'the Group').

The address of the Company's registered office is Windmill House, Innovation Way, Heslington, York, YO10 5BR.

This interim report was authorised for issue in accordance with a resolution of the Directors on 13 March 2023.

2. BASIS OF PREPARATION

These results for 31 December 2022 and 31 December 2021 are unaudited. The disclosed figures are not statutory accounts in terms of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2022 on which the auditors gave an audit report which was unqualified, have been filed with the Registrar of Companies. The auditor has reported on those accounts; their report was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006; though it did include a reference to a matter to which the auditor drew attention by way of emphasis without qualifying their report in relation to going concern. The annual financial statements of the Group are prepared in accordance with UK adopted International Financial Reporting Standards (IFRS) and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This interim report has been prepared on a basis consistent with the accounting policies expected to be applied for the year ending 30 June 2023, and uses the same accounting policies and methods of computation applied for the year ended 30 June 2022.

3. GOING CONCERN

The Group has reported a loss after tax for the six months ended 31 December 2022 of £2.6 million (six months ended 31 December 2021: £1.1 million). The Group had cash balances of £1.9 million at 31 December 2022 (31 December 2021: £9.8 million).

The Directors have considered the applicability of the going concern basis in the preparation of these interim results, which includes assessing an internal forecast extending out to June 2024. The Directors consider that this forecast represents a reasonable best estimate of the performance of the Group over the period to June 2024. In the forecast, revenue is anticipated to be significantly higher than was the case in the period to December 2022, which is supported by a detailed pipeline of customer commitments. Within this forecast, delivery of these expectations would ensure that the resultant positive cashflows together with the current cash balance are sufficient to see the Group through to profitability. The forecast also includes a significant decrease in capital expenditure compared to the period to 31 December 2022 with the move to the new facility now complete and no material change to headcount or other operating expenses.

The Directors have also considered reasonable likely downside scenarios, which include:

1. Slower growth in core revenues
2. A reduction in expectations of revenue and cash from IP licencing deals

Should these downside scenarios materialise, the Company would need to seek additional funding. The Directors have a reasonable expectation that the Group could access further funding, from both dilutive and non-dilutive sources, the latter including the licencing of Intellectual Property it has developed to one or more pharmaceutical partners several of which it is in current discussions with for such licencing deals, including potential substantial upfront payments.

However, there can be no guarantee that the Group would be able to raise additional funding from an equity fundraise to new and existing investors, nor that the Group will successfully complete any of its licencing of its intellectual property assets in the near term.

Based on the above factors the Directors believe that it remains appropriate to prepare the interim results on a going concern basis. However, the above factors give rise to a material uncertainty which may cast doubt over the Group's ability to continue as a going concern and continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

4. REVENUE

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

	6 months ended 31 December 2022 £'000	6 months ended 31 December 2021 £'000	Year ended 30 June 2022 £'000
United Kingdom	159	116	597
Europe	73	21	325
Rest of the World	783	1,236	3,114
	1,015	1,373	4,036

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

5. OPERATING LOSS

The operating loss for the period/year is stated after charging

	6 months ended 31 December 2022 £'000	6 months ended 31 December 2021 £'000	Year ended 30 June 2022 £'000
Research and development expensed	393	228	848
Depreciation of property, plant, and equipment	149	78	97
Depreciation of right-of-use assets	178	104	276
Amortisation of intangible assets	22	6	22

6. TAXATION

The Group's tax credit for the six months ended 31 December 2022 was £336,000 (six month's ended 31 December 2021: £76,000; year ended 30 June 2022: £545,000).

Within debtors is a corporation tax debtor of £882,000, which relates to anticipated R&D tax credits in respect of claims not yet received / submitted for the 2022 and 2023 financial years. The claim for the year to 30 June 2022 amounted to £532,000 and was received in February 2023.

At 31 December 2022 the Group had unrelieved tax losses of approximately £6,498,000 (30 June 2022 – £3,805,000). A deferred tax asset has not been recognised in respect of these losses.

7. LOSS PER SHARE

	6 months ended 31 December 2022	6 months ended 31 December 2021	Year ended 30 June 2022
Basic loss per share	3.81p	1.83p	3.24p
Diluted loss per share	3.81p	1.83p	3.24p
Loss for the period/year	£2,632,000	£1,100,000	£2,093,000
Weighted average number of ordinary shares used as the denominator in calculating the basic/diluted loss per share	69,022,594	60,172,013	64,546,622

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	Other property, plant and equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 July 2021	-	572	30	602
Additions	-	346	10	356
Disposals	-	(10)	-	(10)
At 30 June 2022 (audited)	-	908	40	948
Additions	555	141	1,045	1,741
At 31 December 2022 (unaudited)	555	1,049	1,085	2,689
Accumulated depreciation				
At 1 July 2021	-	301	17	318
Charge for the year	-	93	4	97
Disposals	-	(9)	-	(9)
Impairment	-	59	-	59
At 30 June 2022 (audited)	-	444	21	465
Charge for the period	29	61	59	149
At 31 December 2022 (unaudited)	29	505	80	614
Net book values				
31 December 2022 (unaudited)	526	544	1,005	2,075
30 June 2022 (audited)	-	464	19	483

9. TRADE AND OTHER RECEIVABLES

	31 December 2022 £'000	31 December 2021 £'000	30 June 2022 £'000
Trade receivables	748	446	629
Corporation tax recoverable	882	311	545
Other receivables	459	358	525
Prepayments	162	252	167
	2,251	1,367	1,866

Trade receivables at the reporting date are shown net of impairment for estimated irrecoverable amounts of £150,000 (six months ended 31 December 2021: £nil; year ended 30 June 2022: £nil). Impairment losses are recognised for expected credit losses on trade receivables where there is an increased probability that the counterparty will not settle the debt on the contractual due date.

10. CURRENT LIABILITIES

	31 December 2022 £'000	31 December 2021 £'000	30 June 2022 £'000
Interest-bearing loans and borrowings	359	147	248
Trade payables	643	1,884	514
Other taxation and social security	115	206	105
Other payables	-	-	234
Accruals	756	353	959
Deferred income	303	1,007	314
	2,176	3,597	2,374