RNS Number : 6110I
Aptamer Group PLC
28 March 2024

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Aptamer Group plc
("Aptamer", the "Company" or the "Group")
Interim results for the six months ended 31 December 2023

Fundraising complete, R&D development progress and cost base reset

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

Financial highlights (H1 2023)

- Revenue £0.3 million (H1 2023: £1.0 million)
- Cash balance at 31 December 2023 of £1.8 million (H1 2023: £1.9 million)
- Adjusted EBITDA loss of £1.8 million (H1 2023: £2.5 million)
  - Recapitalised with £3.5 million in two equity placings.
  - Completed the reset of the fixed cost base to £3.5 million per annum in September 2023, whilst maintaining the ability to win sales and deliver projects.

Operational highlights

- Follow-on deal with a US-based vaccine development company to develop Optimer® binders as QC reagents was signed in July.
- Refreshed Board in August with pre-IPO Chairman and co-founder returning to support and direct the team to revenue generation & technical delivery.
- Contracts agreed in August with a top five pharmaceutical company to develop multiple Optimer® binders for different applications across both pipeline assets and early discovery targets.
  - Process improvements have been successfully trialled and implemented across the platform in October to support lower sample requirements, increase capacity and improve project margins.
  - Developed broader portfolio of post-development validation assays to increase revenue and improve translation into functional products.
  - Agreement in December to the value of up to approximately £0.6 million with a genetic medicines company for Optimer® targeting of genetic medicines to specific cell types.
  - Contract signed in December with a US-based biotechnology company for Optimer®-Fc reagent development to new targets.

Post-period highlights

- Developed binders for a top five pharma company undergoing external validation for IHC, with initial results reported as promising and leading to a commercial request for more material in January.
- Entered the second phase of development with Neuro-Bio in February, to deliver additional Optimer® binders to support Alzheimer's lateral flow test development.
- Technical progress to date in developing the new affinity ligand platform, Optimer®+, was made in February, highlighting the improved results compared to the current Optimer® platform, and good tolerance in animal studies, demonstrating its potential for use in therapeutics.
- In February, results from a gene therapy delivery partnership with a top 15 pharmaceutical company, have led to their request to validate the material in their own labs. This material is currently being manufactured at Aptamer Group for shipment.
- Partnership with Unilever announced in March, following successful testing of developed Optimer® binders by Unilever to support novel applications in fast moving consumer goods, with patent applications for the binders now being prepared.

Commenting on the interim results, Stephen Hull, Chairman of Aptamer Group, said: "The strong technical delivery in the first half of the year, includes the new demonstration of binder performance in gene therapy delivery and IHC, and we are pleased that large pharmaceutical company partners have shown significant interest in binders developed for both of these applications. The data generated in these key focus areas is supporting ongoing marketing activities, and the developed expertise at Aptamer Group is being applied to customer projects to support improved protocols and faster adoption of our Optimer® technology. Additionally, our new affinity ligand platform, Optimer®+, has been further developed with results showing excellent performance and its viability for therapeutic use from initial animal studies.

Positive validation of Optimer® performance both in-house from our own scientific team and from external partners has resulted in interest in the licensing of current assets, which remains part of our strategy, particularly within the key focus areas of drug delivery and IHC, where we have identified a specific market need that Optimer® and our new Optimer®-Fc platform are well placed to address.

The Group has continued to make encouraging progress since recapitalising in August, rebuilding the pipeline of sales opportunities and reinvigorating operations through the laboratory. We are seeing increasing conversion of the deal pipeline, including repeat business being won and the potential for large deals in the drug delivery space."

Webinar

Dr Arron Tolley (Chief Technical Officer), Dr David Bunka (Chief Scientific Officer) and Andrew Rapson (Chief Financial Officer) will provide a live presentation relating to the Interim Results via Investor Meet Company on 28 March 2024, 15:00 GMT.

The live presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 27 March 2024, 09:00 GMT, or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Aptamer Group Plc via:

https://www.investormeetcompany.com/aptamer-group-plc/register-investor

Investors who already follow Aptamer Group Plc on the Investor Meet Company platform will automatically be invited.

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About Aptamer Group plc

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

Optimer® binders are oligonucleotide affinity ligands that can function as an antibody alternative. The global affinity ligand market is currently worth over $170 billion.

Aptamer has successfully delivered projects for a range of global pharma companies, diagnostic development companies, and research institutes, covering multiple application areas with the objective of establishing royalty-bearing licenses.

Chairman's Statement

Aptamer Group has signed contracts with a number of new and repeat customers, including major pharmaceutical companies, in the first half of the year. Following the recapitalising of the business in August 2023, the new management team has worked hard to implement its strategy and rebuild customer confidence, whilst demonstrating the performance of the technology platform through increased delivery of technical data. Despite first half revenues below previous market expectations, £0.8 million of deals were signed in December 2023 contributing to a signed deals pipeline today of £1.3 million, which are at various stages of being progressed through the laboratory to recognise as revenue.

With a focus on remaining at the forefront of aptamer technology, the initial demonstration of our proprietary Optimer®+ platform has yielded positive results, particularly for its application in the therapeutic space. In addition, we continue to see particular interest for our current binders in drug delivery, where there is a recognised market need for new delivery mechanisms to support targeting drugs to different tissues. We aim to continue to build the required data and binders to meet the needs of this sector and increase penetration into the high value 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.

Since the Company was recapitalised in August 2023, several deals have been signed with partners that require Optimer® development to enable improved assay solutions for discovery and pipeline assets. In addition to supporting customers with new projects where antibodies have proven intractable, we are also seeing a number of returning customers, demonstrating the performance of the platform.

Two new projects were initiated with a top five pharmaceutical partner, to develop Optimer® binders for use in research assays and immunohistochemistry (IHC). This builds on the adoption of our Optimer®-Fc platform for use in automated IHC workflows. These contracts represent repeat custom, with over ten contracts now signed with this pharma partner, signifying the increasing confidence in Optimer® technology and keenness to adopt this within major life science companies.

Within the first half of the year, further repeat business was seen with a follow-on contract signed with a US-based vaccine development company. Following initial positive results in an earlier project, the partner sought further Optimer® development to viral targets as critical reagents for their QC assays.

Following the launch of the Optimer®-Fc platform to support new reagent solutions for IHC in the second half of FY23, the first half of this financial year saw the initial contract signed for Optimer®-Fc development. The developed Optimer®-Fc is intended as a critical reagent to support patient stratification for clinical trials. This agreement is with a US-based oncology-focused biotechnology company, with the potential for further licensing on success.

Aptamer established a new partnership with a US-based gene therapy company for the development of Optimer® binders to key biomarkers in neurodegenerative disease. The Optimer® binders will be used with an antibody in a sandwich pair format to advance neuroscience disease research where alternative affinity ligands have previously failed to deliver the required performance.

In the bioprocessing field, the Company signed a new deal with a top ten pharmaceutical company to develop Optimer® binders as affinity ligands to support the downstream bioprocessing of advanced therapy medicinal products. The binders will be used to streamline the manufacturing process and offer enhanced purification of the product, solutions for which are not currently available within the market.

During the period, progress in validating Optimer® binders developed for Unilever has been positive. External validation of the Optimer® binders by Unilever has been successful and, post period, Aptamer and Unilever are now working to patent these binders for use in novel fast moving consumer goods applications.

Post period end, the Company announced that Optimer® binders previously developed for a top five pharmaceutical company have shown promising results in the partner's own IHC validation studies. Validation studies are ongoing with this partner and may result in a license.

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 Optimer® 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; Optimer® binders are offering much-needed innovation to enable new research and bioprocessing solutions.

Aptamer Diagnostics

Aptamer Diagnostics focuses on the development and integration of Optimer® binders into diagnostic platforms. Optimer® binders offer significant advantages, including the 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 to support diagnostic development with Optimer® binders. Post period, the Company entered the second phase of development with the UK-based biotechnology company Neuro-Bio Ltd. Following success in the first development phase delivering Optimer® binders to Neuro-Bio's biomarker for Alzheimer's disease, Aptamer has agreed the development of additional binders to form an Optimer® pair that will enable a wholly Optimer®-based lateral flow test for the early diagnosis of Alzheimer's disease.

As the global need for diagnostics continues to grow, Optimer® 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 Optimer®-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 Optimer® platform to develop binders for use as Optimer®-drug conjugates, Optimer®-enabled gene therapies, and Optimer® agonists and antagonists for therapeutic application.

Within the Aptamer Therapeutics business, a material contract was signed with a genetic medicines company for the development of Optimer® binders to enable the targeted gene therapy delivery to specific cell types. The deal comprises up to approximately £0.6 million in development fees with the potential for further licensing upon successful demonstration of the binders.

Post period end, Aptamer announced that Optimer® binders developed for a top 15 pharmaceutical company to enable gene therapy delivery, have demonstrated selective delivery and gene knockdown in our own lab-based experiments. Based upon the inhouse results of these binders, the pharmaceutical partner has requested the material for their own validation, with a view to licensing the molecule if successful.

Targeted delivery of therapeutic payloads remains a significant challenge, particularly within the emerging field of gene therapy. Optimer® 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. Optimer® 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

As part of the Company's strategy set by the newly appointed Board during the period, Aptamer Group is focused on increasing commercial traction to drive high impact partnerships and delivering process improvements through the current Optimer® platform, while maintaining a tight cost discipline. A summary of our delivery against each of these three areas is provided below:

1. *To achieve EBITDA and cash break-even position*

Following the recapitalisation of the Company and appointment of the new Board in August, the Company set challenging targets to reach EBITDA and cash break-even within two years. This remains the Board's aim. The new Board and strategy to deliver process improvements and marketing data are now helping to produce a qualified pipeline of opportunities that are evidence of tangible progress towards that target.

A reset of Aptamer's cost base was completed by 30 September, 2023. This included the reduction of previously budgeted costs for premises, overheads and development, directors and staff, from approximately £6.4 million in the year ended 30 June 2023, to approximately £3.5 million for the current financial year. As part of this process, there was a reduction in operational headcount to the level required to meet forecasted revenues, where the top performers were retained and incentivised, and a reduction in the Company's operational footprint. This reset of the cost base, along with continued tight cost discipline, is intended to support the move towards a positive cash flow position over the next two years.

2. *To implement platform process improvements and generate marketing data*

Improving the Optimer® platform processes allow increased margins and enables improved services for customers. The first wave of process improvements has been completed and integrated into the platform, streamlining production for increased capacity and reduced customer material requirements. Further process improvements are ongoing to reduce development timelines and improve success rates, with new updates being trialed prior to implementation within the platform. The Group anticipates that this work will be completed by June 2024.

Additionally, a range of post-development validation assays have been added to the Group's service offering. This broader range of functional assays enables demonstration of the performance of Optimer® binders in the same end use applications that partners wish to adopt. Validation and assay development services offer additional revenue from fee-for-service projects and support faster translation of the technology to the Company's partners, whilst also delivering high quality data to support marketing activities.

Data generation for marketing purposes evidences the applications of the Optimer® platform to increase technology adoption. Data generation has focused on two specific areas: Optimer®-based pharmaceuticals for gene therapy delivery and precision chemotherapy and the Optimer®-Fc platform for the immunohistochemistry (IHC) market.

Lab-based experiments at Aptamer Group using developed Optimer® binders for gene therapy delivery have shown selective delivery and gene knockdown. This data was recently presented at the Biologics UK conference and has also resulted in a request from a top 15 pharmaceutical partner to trial the Optimer® within their laboratories, with a view to licensing, if successful. This Optimer® can be tailored for the delivery of multiple gene therapy or chemotherapeutic conjugates, with the potential to form a series of novel pharmaceutical entities. Further validation work is continuing in-house to increase this data pack and support the commercial licensing of this product.

The development of our novel Optimer®-Fc platform for IHC applications uses custom-developed target-specific Optimer® binders conjugated to an antibody Fc portion. This 'plug-and-play' affinity toolkit could allow the simple integration of Optimer® binders into existing commercial automated IHC workflows to support improved processes for current targets and enable the development of novel biomarkers in automated IHC applications. The progress made in validating this platform resulted in the first commercial contract for Optimer®-Fc tools being signed in December 2023, valued at up to £147,500. A patent application protecting this platform has now been submitted. Additional IHC validation of a broader panel of Optimer® binders and the Optimer®-Fc reagents is continuing in-house and is anticipated to be completed by July 2024, providing complete data packs and technical know-how for marketing in this field.

3. *To increase commercial traction and broaden the market for our technology*

The new strategy for the delivery of improved validatory data in the focus areas of targeted drug delivery and IHC has supported increased commercial traction since the beginning of the period. We anticipate this progress will continue, allowing the core fee-for-service offering to expand and act as a horizon-scanning platform for future license fee opportunities while the Group moves toward profitability.

In the first half, a material agreement was signed with a genetic medicines company for targeted drug delivery at the value of up to £0.6 million, contributing to over £1.3 million of signed deals currently being processed or awaiting processing through the laboratory. The Company expects to progress the £1.3 million of signed work and a proportion of an additional £2.9 million of contracts in advanced-stage negotiations through the laboratory before the end of the financial year, subject to target material being delivered by customers in a timely manner and scientific attrition.

A continued focus on licensing the Optimer® technology has resulted in the emergence of a number of potential opportunities within the current pipeline post period end. While management is aware of the long timeframes associated with reaching and securing licensing agreements, earlier projects are starting to come to fruition and may contribute to revenue over the next two years. An ongoing partnership with a top 15 pharmaceutical company for gene therapy delivery has resulted in their request to validate the developed binders in their own laboratories, with a view to licensing if successful. Additionally, a top five pharma partner is currently evaluating developed Optimer® binders for IHC, with initial results reported as promising. Finally, the current partnership with a Unilever for binders to support novel applications in fast moving consumer goods is progressing to patenting following positive results at Aptamer Group and Unilever's labs. This will allow the next stage of commercial advancements with our partner.

The increasing commercial traction developed over the first half of the year demonstrates that there is a continued demand for Optimer® binders across the life sciences, with traction in the drug delivery space, where high value and high impact contracts can be targeted. As we progress the partnership in the fast-moving consumer goods space, we aim to translate this potential of Optimer® technology into additional markets for a broader market penetrance. To support increased commercial traction new marketing materials and a new Company website are under development, which are expected to launch this year.

R&D developments

Following the Fundraise in August 2023, £0.3 million was ringfenced to support R&D activities within the Company. These funds have been put to good use, with strong developments in demonstrating Optimer® delivery of functional gene therapies, validation of Optimer® binders and the Optimer®-Fc platform in IHC, and the progression of our novel affinity ligand platform, Optimer®+.

Results generated for Optimer® drug delivery and IHC during the first half of the year have been used to support marketing activities. Ongoing R&D activities in these areas will bolster the available evidence to support increased adoption whilst further increasing the team's technical knowledge in these fields. The developed in-house expertise in drug delivery and IHC applications can be applied to customer specific projects to support with improved protocols and allow faster adoption of the Optimer® technology within customer labs for improved downstream success.

Work to develop the novel Optimer®+ platform has resulted in the demonstration of the new affinity ligands as possessing improved performance and development times compared to the current platform, as well as being stable and well tolerated in mice, indicating the basic requirements for therapeutic use. Optimer®+ uses a modified oligonucleotide library that creates hybrid Optimer®-peptide binders engineered with a scaffold structure that bridge the gap between traditional aptamers and protein-based affinity ligands and occupy a niche between large biologics and small molecule drugs. Development of the new platform is ongoing at Aptamer Group, alongside discussions with partners to scale manufacturing processes. The new platform is expected to launch to the market in FY25.

Board and Senior Management Changes

During the first half, the Board was restructured to include Stephen Hull returning to the Company as Executive Chairman after leading the Group to flotation in 2021 with Dr Arron Tolley. Dr Tolley returned as Chief Technical Officer, while Dr David Bunka moved to Chief Scientific Officer to concentrate on research and development activities for the Group. Dean Fielding and Dr Adam Hargreaves joined the Company as new Independent Non-Executive Directors. Dean Fielding is an experienced senior company director with extensive prior involvement as a board member of listed companies. Dr Adam Hargreaves is a board-certified pathologist who brings a broad range of expertise in both diagnostics and early-stage pharmaceutical efficacy and safety development to support Aptamer's technical strategy. The Company intends to appoint a Chief Executive Officer when appropriate to do so.

Andrew Rapson, the previous Head of Finance, was promoted to Chief Financial Officer and Company Secretary, and Alastair Fleming remains as Chief Operating Officer.

The previous Board members, Dr Ian Gilham (Executive Chairman), Dr Rob Quinn (Interim Chief Executive Officer and Chief Financial Officer), Dr John Richards (Non-Executive Director) and Angela Hildreth (Non-Executive Director), resigned on 21 August 2023. We thank them for their service over the prior 20 months.

Macro environment

The Board and senior management team continue to monitor risk factors that could affect the business. These risks include the wider macroeconomic environment and global supply chain, with the management team actively working to ensure that the business is well placed to act on and mitigate such risks where possible.

In FY23, the reduction in available investment and tighter budgeting across the life science industry impacted the Group's pipeline conversion numbers as clients, from top pharma companies to small biotech companies, had reduced available budgets for R&D outsourcing. Additionally, many of our partners' projects stalled, and licensing revenue was slower to achieve than anticipated. The new Board has responded to this by resetting Company targets during the period and moving focus to fee-for-service revenue, with product licensing removed from the revenue forecast until clearer timelines are available.

Summary and outlook

Since the Fundraise in August 2023 and reset of Company management, strategy and cost base there has been significant progress against targets within Aptamer Group, with strong technical delivery leading to growing commercial traction.

The pipeline of opportunities has now been rebuilt and is beginning to convert to sales, with sustained momentum expected into the second half of the financial year. We continue to see interest in our technology platform from across the life science field, indicating a clear demand for antibody alternatives, with increasing repeat business from partners including major pharmaceutical companies.

To support the identified opportunities for the Optimer® platform, the board has focused on the generation of validatory data, making excellent technical progress during the period within the focus areas of drug delivery and IHC. This is now supporting marketing activities to strengthen the opportunity pipeline. Additionally, the observed traction with developed Optimer® binders undergoing evaluation at partner companies indicates the capabilities of the platform with the potential to capitalise on subsequent downstream licensing revenues that will drive long term profitability for Aptamer.

The Company has made excellent technical progress with the new Optimer®+ programme and expects this platform to expand the capability of its binders in all applications, especially in precision medicine. The technology is fully protected with a portfolio of granted patents, ensuring the Company retains exclusive rights for all uses of the new system. Evaluation processes are ongoing within the Company and with external partners to optimise the development and large-scale manufacturing protocols, with an active marketing strategy to follow.

Financial review

Revenue

Revenue for the six months ended 31 December 2023 was £0.3 million (H1 2022: £1.0 million) following a lull in customer confidence and limited availability of working capital in the lead up to the completion of a fundraise in customer confidence and limited availability of working capital in the lead up to the completion of a fundraise in August 2023. Revenues for the full year are anticipated to be second half weighted following the signing of £0.8 million of orders in December 2023. These orders, together with previously signed orders where we are awaiting customer material to be delivered to us, will contribute to revenue in the second half of this financial year.

Gross loss/profit

Gross profit for the first half of the financial year was £nil (2022: £0.5 million) as a result of low revenue. There is limited variability in the staff costs contained within cost of sales at these levels of revenue, which has resulted in the erosion of gross margin. Otherwise, material costs remain variable with the level of revenue.

Administrative expenses

Administrative expenses were £1.7 million for the first six months of the year compared to £3.0 million for the same period last year. This decrease in costs follows the resetting of the cost base which was completed in September 2023. Headcount reduced from 46 at 30 June 2023 to 37 at 31 December 2023.

Research and development costs

During the first half of the financial year the Group expensed £0.2 million (H1 2023: £0.4 million) within Administrative Expenses on research and development costs related to the Optimer-Fc platform for immunohistochemistry (IHC), building a body of data for Optimer-based gene therapy and precision chemotherapy, and process improvements to streamline the production process.

Adjusted EBITDA

Adjusted EBITDA was a loss of £1.8 million for the six months ended 31 December 2023 (H1 2023: £2.5 million). The decrease in loss mainly results from a reduction in 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 £0.1 million for the first half of the year. Within current assets is a corporation tax debtor of £0.6 million, which relates to anticipated R&D tax credits in respect of claims not yet received / submitted for the 2023 and 2024 financial years. The claim for the year to 30 June 2023 amounted to £0.5 million and was received in January 2024.

Loss for the period

The loss for the period was £1.8 million (H1 2023: £2.6 million). The basic and diluted loss per ordinary share decreased to 0.50 pence per share (H1 2023: 3.81 pence per share) based upon an average number of shares in issue during the period of 359,338,261 (H1 2023: 69,022,594)

Cash flow

The Group had £1.8 million of cash at 31 December 2023 (H1 2023: £1.9 million, FY23: £0.2 million). The cash inflow for the six-month period to 31 December 2023 was £1.5 million. During the period proceeds of £3.5m, net of costs, were received from fundraises in August 2023 and September 2023. Net cash used in operations totaled £1.8 million, which reflected operating losses for the period. Within this operating outflow creditors decreased by £0.4 million, which had built up at the year-end prior to the completion of the fundraise.

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 2023

	Unaudited 6 months ended 31 December	Unaudited 6 months ended 31 December	Audited year ended

	Note	Unaudited 6 months ended December 2023 £'000	Unaudited 6 months ended December 2022 £'000	Audited year ended 30 June 2023 £'000
Revenue	4	**298**	1,015	1,752
Cost of sales		**(324)**	(559)	(1,393)
Gross profit		**(26)**	456	359
Administrative expenses		**(1,735)**	(2,950)	(5,034)
Other operating income		**2**	-	3
Adjusted EBITDA		**(1,759)**	(2,494)	(4,672)
Depreciation (including gain on disposal)		**(107)**	(327)	(3,077)
Amortisation of intangible assets		**(5)**	(22)	(324)
Share-based payment expense		**(1)**	(68)	(84)
Operating loss	5	**(1,872)**	(2,911)	(8,157)
Finance income		**11**	-	-
Finance costs		**(42)**	(57)	(141)
Loss before taxation		**(1,903)**	(2,968)	(8,298)
Taxation	6	**96**	336	462
Loss and total comprehensive expense for the period/year		**(1,807)**	(2,632)	(7,836)
Basic loss per share	7	**0.50p**	3.81p	11.35p
Diluted loss per share	7	**0.50p**	3.81p	11.35p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Note	**Unaudited 31 December 2023 £'000**	**Unaudited 31 December 2022 £'000**	Audited 30 June 2023 £'000
Assets				
Non-current				
Other intangible assets		**99**	339	70
Property, plant, and equipment	9	**494**	2,075	561
Right-of-use assets		**233**	1,161	160
Other receivables		**373**	379	373
		1,199	3,954	1,164
Current				
Inventories		**132**	463	204
Trade and other receivables	10	**313**	1,369	678
Tax receivable		**568**	882	473
Cash and cash equivalents		**1,756**	1,922	234
		2,769	4,636	1,589
Total assets		**3,968**	8,590	2,753
Current liabilities				
Trade and other payables	11	**(882)**	(1,817)	(1,329)
Borrowings		**(99)**	(34)	(50)
Leases		**(313)**	(325)	(264)
		(1,294)	(2,176)	(1,643)
Net current assets/(liabilities)		**1,475**	2,460	(54)
Non-current liabilities				
Trade and other payables		**(5)**	-	(7)
Borrowings		**(14)**	-	(19)
Leases		**(630)**	(892)	(745)
Provisions for liabilities		**(35)**	(35)	(35)
		(684)	(927)	(806)
Net assets		**1,990**	5,487	304
Equity				
Issued share capital		**467**	69	69
Share premium		**12,672**	9,573	9,578
Group reorganisation reserve		**185**	185	185
Share based payments reserve		**460**	603	544
Accumulated losses		**(11,794)**	(4,943)	(10,072)

Accumulated losses	**(11,794)**	(4,943)	(10,072)
Equity attributable to shareholders	**1,990**	5,487	304

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 31 December 2023

	Issued share capital £'000	Share premium £'000	Group reorganisation reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 July 2022 (audited)	**69**	**9,573**	**185**	**538**	**(2,314)**	**8,051**
Loss for the period	-	-	-	-	(2,632)	(2,632)
Share based payments	-	-	-	68	-	68
Exercise & forfeited equity-settled share-based payments	-	-	-	(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**
Loss for the period	-	-	-	-	(5,204)	(5,204)
Issue of share capital	-	5	-	-	-	5
Share based payments	-	-	-	16	-	16
Exercise & forfeited equity-settled share-based payments	-	-	-	(75)	75	-
Total transactions with owners, recognised directly in equity	**-**	**5**	**-**	**(59)**	**-**	**(59)**
At 30 June 2023 (audited)	**69**	**9,578**	**185**	**544**	**(10,072)**	**304**
Loss for the period	-	-	-	-	(1,807)	(1,807)
Issue of ordinary shares, net of issue costs	398	3,094	-	-	-	3,492
Share-based payments	-	-	-	1	-	1
Exercise & forfeited equity-settled share-based payments	-	-	-	(85)	85	-
Total transactions with owners, recognised directly in equity	**398**	**3,094**	**-**	**(84)**	**85**	**3,493**
At 31 December 2023 (unaudited)	**467**	**12,672**	**185**	**460**	**(11,794)**	**1,990**

On 31 July 2023 the Directors announced a significant new fundraising event which resulted in a firm placing of 10,318,390 ordinary shares for total proceeds of £0.1 million, a conditional placing of 339,281,610 ordinary shares for total proceeds of £3.4 million and a subscription of 10,400,000 ordinary shares for total proceeds of £0.1 million, all before expenses. The conditional placing and subscription shares were approved at a General Meeting on 17 August 2023, and total net proceeds were £3.2 million.

On 19 September 2023 the Group completed a further fundraising through the issue of 28,251,956 ordinary shares by way of a subscription and placing. This fundraise resulted in total gross proceeds of £0.3 million before expenses.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 31 December 2023

	Unaudited 6 months ended 31 December 2023 £'000	Unaudited 6 months ended 31 December 2022 £'000	Audited year ended 30 June 2023 £'000
Cash flows from operating activities			
Loss for the period/year	**(1,807)**	(2,632)	(7,836)
Adjustments for:			
Taxation	**(96)**	(336)	(462)
Finance costs	**42**	57	141
Amortisation	**5**	22	324
Depreciation	**107**	327	3,077
Share-based payment expense	**1**	68	84
Operating cash outflow before changes in working capital	**(1,748)**	(2,494)	(4,672)
Decrease/(increase) in inventory	**72**	(43)	216
Decrease/(increase) in debtors	**365**	(48)	648
Decrease in creditors	**(446)**	(309)	(790)
Cash outflow from operations	**(1,757)**	(2,894)	(4,598)
Income taxes received	**-**	-	534
Net cash used in operating activities	**(1,757)**	(2,894)	(4,064)
Cash flows from investing activities			
Purchase of property, plant, and equipment	**(6)**	(1,741)	(1,975)
Purchase of intangible assets	**(34)**	(20)	(53)
Net cash used in investing activities	**(40)**	(1,761)	(2,028)
Cash flows from financing activities			
Issue of share capital, net of issue costs	**3,492**	-	5
Proceeds from borrowings	**89**	-	-
Repayment of borrowings	**(45)**	(5)	(37)
Payment of lease liabilities	**(175)**	(52)	(192)
Interest paid	**(42)**	(57)	(141)
Net cash generated from / (used in) financing activities	**3,319**	(114)	(365)
Net increase/(decrease) in cash and cash equivalents	**1,522**	(4,769)	(6,457)
Cash and cash equivalents at beginning of the period/year	**234**	6,691	6,691
Cash and cash equivalents at end of the period/year	**1,756**	1,922	234

NOTES TO THE FINANCIAL STATEMENTS
For the six-month period ended 31 December 2023

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 2023 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 27 March 2024.

2. BASIS OF PREPARATION

These results for 31 December 2023 and 31 December 2022 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 2023 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 2024, and uses the same accounting policies and methods of computation applied for the year ended 30 June 2023.

3. GOING CONCERN

The Group has reported a loss after tax for the six months ended 31 December 2023 of £1.8 million (six months ended 31 December 2022: £2.6 million). The Group had a cash balance of £1.8 million at 31 December 2023 (31 December 2022: £1.9 million). Since that date, the Group has received R&D tax credits of £0.5 million and at 29 February still had a cash balance of £1.8 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 2025. The Directors consider that this forecast represents a reasonable best estimate of the performance of the Group over the period to June 2025. In the forecast, the cash runway extends well into the next financial year, but does not extend more than 12 months from the date of these interim results. As a result, additional revenue or funding would be required to allow the Group to continue executing its plans. The Directors have a reasonable expectation that the Group will be able to access further funding, which could come from a variety of dilutive and non-dilutive sources, the latter including the licencing of intellectual property it has developed to one or more pharmaceutical partners, one of which it is in discussions with for such a licencing deal.

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 licensing 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 to 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.

5. 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 2023 £'000	6 months ended 31 December 2022 £'000	Year ended 30 June 2023 £'000
United Kingdom	**64**	159	427
Europe	**38**	73	134
Rest of the World	**196**	783	1,191
	298	1,015	1,752

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

6. OPERATING LOSS

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

	6 months ended 31 December 2023 £'000	6 months ended 31 December 2022 £'000	Year ended 30 June 2023 £'000
Employee remuneration	1,147	-	3,264
Share-based payments	1	-	84
Research and development expensed	170	393	474
Depreciation of property, plant, and equipment	73	149	401
Depreciation of right-of-use assets	34	178	355
Amortisation of intangible assets	5	22	44
Impairment of property, plant and equipment	-	-	1,609
Impairment of right-of-use assets	-	-	712
Impairment of inventories charged as cost of sales	-	-	181

7. TAXATION

The Group's tax credit for the six months ended 31 December 2023 was £96,000 (six month's ended 31 December 2022: £336,000; year ended 30 June 2023: £462,000).

Within debtors is a corporation tax debtor of £568,000, which relates to anticipated R&D tax credits in respect of claims not yet received / submitted for the 2023 and 2024 financial years. The claim for the year to 30 June 2023 amounted to £473,000 and was received in January 2024.

At 31 December 2023 the Group had unrelieved tax losses of approximately £10,551,000 (30 June 2023 - £9,033,000). A deferred tax asset has not been recognised in respect of these losses, except for losses recognised against deferred tax liabilities against which the losses will automatically unwind (and which are accordingly offset).

8. LOSS PER SHARE

	6 months ended 31 December 2023	6 months ended 31 December 2022	Year ended 30 June 2023
Basic loss per share	**0.50p**	3.81p	11.35p
Diluted loss per share	**0.50p**	3.81p	11.35p
Loss for the period/year	**£1,807,000**	£2,632,000	£7,836,000
Weighted average number of ordinary shares used as the denominator in calculating the basic/diluted loss per share	**359,338,261**	69,022,594	69,055,369

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	Other property, plant and equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 July 2022	-	908	40	948
Additions	1,603	363	9	1,975
Disposals	-	(31)	(5)	(36)
Transfer	-	217	-	217
At 30 June 2023 (audited)	1,603	1,457	44	3,104
Additions	1	5	-	6
At 31 December 2023 (unaudited)	**1,604**	**1,462**	**44**	**3,110**
Accumulated depreciation				
At 1 July 2022	-	444	21	465
Charge for the year	270	126	5	401
Disposals	-	(31)	(5)	(36)
Impairment	988	604	17	1,609
Transfer	-	104	-	104
At 30 June 2023 (audited)	1,258	1,247	38	2,543
Charge for the period	48	24	1	73
At 31 December 2023 (unaudited)	**1,306**	**1,271**	**39**	**2,616**
Net book values				
31 December 2023 (unaudited)	**298**	**191**	**5**	**494**
30 June 2023 (audited)	345	210	6	561

10. TRADE AND OTHER RECEIVABLES

	31 December 2023 £'000	31 December 2022 £'000	30 June 2023 £'000
Trade receivables	**23**	748	356
Other receivables	**120**	459	145
Prepayments	**170**	162	177
	313	1,369	678

Trade receivables at the reporting date are shown net of impairment for estimated irrecoverable amounts of £nil (six months ended 31 December 2022: £150,000; year ended 30 June 2023: £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.

11. CURRENT LIABILITIES

	31 December 2023 £'000	31 December 2022 £'000	30 June 2023 £'000
Trade payables	**287**	643	656
Other taxation and social security	**63**	115	85
Other payables	**-**	-	8
Accruals	**319**	756	463
Deferred income	**213**	303	117
	882	1,817	1,329

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