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Aptamer Group PLC
22 October 2024

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**Aptamer Group plc**

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

**Full year results for the twelve months ended 30 June 2024**

***Significant advances in Optimer asset development with a focus on licensing; increasing commercial traction***

Aptamer Group plc (AIM: APTA), the developer of novel Optimer® binders to enable innovation in the life sciences industry, today announces its full year results for the twelve months ended 30 June 2024 (the "Period").

**Highlights**

- New strategic approach launched in August 2024 with a focus on the development and partnering of high-value Optimer assets with licensing potential.
- Group reorganisation with a refreshed Board and cost base reduced to enable strategy delivery.
- Dr Adam Hargreaves appointed Non-Executive Chair of Aptamer Group, Dr Arron Tolley re-appointed as Chief Executive Officer, Andrew Rapson appointed as Chief Financial Officer in August 2024 and Tim Sykes appointed to the Board as Non-Executive Director in September 2024.
- Commercial pipeline rebuilt with increasing revenue momentum in the second half of the financial year and £1.0 million in orders won in the last quarter.
- Delivering on our strategic milestones, including:
    - Increased commercial traction and advancing to licensing of critical reagent with a top five pharmaceutical partner.
    - Planned on-person functionality tests of Optimer as active ingredient in deodorants by Unilever, with the potential for further development and downstream licensing if successful.
    - Second phase of Optimer development for early Alzheimer's disease lateral flow test.
    - Proof of fibrotic liver delivery vehicle with AstraZeneca's siRNA payload.
    - Planned identification of the fibrotic liver biomarker to satisfy significant interest from multiple partners and support the mechanism of action, which has the potential to unlock multiple significant high-value deals.

**Financial summary**

- Revenue £0.9 million (2023: £1.8 million).
- Cash balance at 30 June 2024 £0.9 million (2023: £0.2 million).
- Adjusted EBITDA loss of £2.8 million (2023: £4.7 million).
- Administration expenses £3.2 million (2023: £5.0 million).
- £3.5 million net proceeds received from equity raising in August and September 2023.

**Post-period end**

- Successful fundraise in August 2024 of £2.6 million (net).
- Further to project with a genetic medicines biotechnology company in December 2023,[1] completed development of the Optimer delivery vehicle and shipped material to the partner for testing. This delivery vehicle could form a critical part of precision gene therapy with the potential for downstream licensing.
- Developed Optimer binders for a new non-invasive prenatal diagnostic platform that avoids amniocentesis, with material shipped to Bioliquid Innovative Genetics for testing on human samples.

- Revenue from contracts progressing through the laboratory of £0.9 million, (subject to scientific attrition), including contracts with top 10 pharmaceutical companies and many of these contracts with licensing potential.

**Commenting on the results, Arron Tolley, Chief Executive Officer of Aptamer Group, said:** "Over the past year, we have made significant progress commercially and technically, under challenging market conditions. The Group has focused on three key aspects of our strategy, being 1. internal asset development, 2. regaining commercial traction and 3. cost discipline. We have rebuilt and expanded the pipeline over the year, demonstrating a positive trajectory in revenue recognition with 65% of the year's total revenue realised in the second half and increased our collaborations with top ten pharmaceutical partners. We have underscored the growing demand for Optimer technology and the rising recognition of our platform within the industry.

"Aptamer's strong technical delivery across both immunohistochemistry (IHC) and gene therapy delivery has been instrumental in driving commercial interest. The Group has secured an increasing number of contracts for Optimer IHC development, reinforcing our growing reputation in this segment of the market. In the drug delivery space, data generated internally facilitated the signing of a substantial contract for Optimer delivery vehicles for gene therapies and initiated a post-period collaboration with AstraZeneca to explore the use of our molecules for drug delivery in fibrotic liver disease.

"The Group's partnership with Unilever has made considerable progress towards the use of Optimer binders in treating malodour in deodorant products. Finally, a soft launch of our new Optimer+ platform has been well received across the industry, leading to two new contracts, one with a top ten pharmaceutical partner, in the first few months of launch. This provides us with a unique position within the market to continue progression.

"These developments have been made in parallel with substantial reductions to the cost base and a continued commitment to tight cost discipline supporting the future of the Group. We thank investors for their support during our placing in August 2024, which enables us to focus on advancing our Optimer assets and pursuing new opportunities through additional partnerships."

**Investor webinar**

Dr Arron Tolley, Chief Executive Officer, and Andrew Rapson, Chief Financial Officer will provide a live presentation relating to the Full Year Results via Investor Meet Company on Tuesday, 22 October 2024, 14:00 BST.

The presentation is open to all existing and potential shareholders. Questions can be submitted 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.

1. Aptamer Group signs material agreement with genetic medicines company

**- Ends -**

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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 through the use of its proprietary Optimer platform.

Optimer binders are oligonucleotide affinity ligands that can function as an antibody alternative. The global affinity

Optimer binders are oligonucleotide affinity ligands that can function as an antibody alternative. The global affinity ligand market is currently worth over 170 billion. Optimer binders are engineered to address many of the issues found with alternative affinity molecules, such as antibodies, and offer new, innovative solutions to bioprocessing, diagnostic and pharmaceutical scientists.

Aptamer has successfully delivered projects for global pharmaceutical companies, diagnostic development companies, and research institutes covering a range of targets and applications to establish royalty-bearing licenses. Through the unique Optimer technology and processes, scientists and collaborators can make faster, more informed decisions that support discovery and development across life sciences sector.

**Chairman's statement**

I am delighted to have recently taken the role of Non-Executive Chairman at Aptamer Group. With a background in drug development, it is inspiring to be working at the forefront of the cutting-edge innovations and technical advancements the Group is driving across various sectors.

Recent changes over the last twelve months, both within the Company and across the macroeconomic and investment landscape, have encouraged the new Board of Directors to fortify a strategy that aims for three objectives: 1. accelerated development of wholly-owned and partnered internal assets; 2. revenue maximisation from our fee-for-service work; and, 3. prudency of spending.

Having raised the requisite funding to support our next phase of growth, we have refocused the Company from a primary fee-for-service operation to a synergised contract research/internal portfolio business, restructured the Board to provide the requisite expertise to support this new strategy and substantially realigned the operational cost-base. The Group has set achievable targets to maximise the cash runway while maintaining our ability to advance its in-house platform of wholly-owned and partnered licensing opportunities.

**Delivering internal projects and developing assets**

Excellent technical progress has been made over the period in developing Optimer assets within each of the business units. The Optimer platform has diverse applications across the life sciences, and as recognition of our technology's advantages has increased, this has driven the expansion of the customer base beyond the standard markets of reagents, diagnostics, and therapeutics. A key example of this is our ongoing partnership with Unilever, which aims to develop Optimer binders for the treatment of malodour in personal care products. The fast-moving consumer goods market is a non-exploited territory for aptamer use, and we are excited to partner with the leading global player in this commercially-attractive space.

In more traditional applications, key assets are under development in diagnostics and therapeutics. The Group is working in partnership with Neuro-Bio to develop Optimers to enable the world's first lateral flow tests for the pre-symptomatic diagnosis of Alzheimer's disease. The diagnostic market value for Alzheimer's disease was worth over 4 billion in 2022, and we believe an Optimer-based test could be revolutionary for this disease, as it would allow patients access to treatments earlier, with the potential to halt this cruel disease.

Aptamer has developed an Optimer delivery vehicle targeting the cells that cause liver fibrosis which could ultimately lead to a therapeutic. Estimates show 4.6% of the global population suffer with advanced stages of this disease and numbers have been increasing since 2016. With no therapies currently available for liver fibrosis, this is a serious area of unmet need that could potentially be addressed by our delivery vehicle. We are not aware of any other company that has been able to generate delivery vehicles targeting liver fibrosis to date. The demonstration data developed during the period for this Optimer is highly encouraging and has led to a post-period collaboration with AstraZeneca, exploring the potential of this product in delivering their siRNA payloads.

The Group aims to attract other large pharmaceutical companies into this intellectual space and foster a vertical market in this arena of unmet medical needs. The targeted delivery of siRNA to precise cell types and tissues remains a significant challenge for the wider therapeutic application of siRNA therapies. Despite this limitation, the siRNA market was valued at over 13 billion in 2023. Optimer technology could represent a paradigm shift in the targeted delivery of siRNA molecules.

These three examples testify to the potential of the technology and skill of our scientific team. Developing new diagnostics and therapeutics in an emerging field is challenging and Aptamer is leading the market in these specific areas.

Of particular note concerning the work undertaken during the past six months has been the soft launch of our Optimer+ platform. This combines all the advantages of an aptamer with additional protein constructs akin to protein-based ligands, such as antibodies and bicyclic peptides. Optimer+ is a wholly-owned and patent-protected technology. Initial contracts for this platform, including from a large pharmaceutical company, have been signed. Following validation and optimisation of the platform, we expect this area of the business to become a key offering.

**Increasing the commercial trajectory**

Commercially, the start of the FY23-24 year was very challenging for Aptamer. The Group experienced a reduction in customer confidence due to the strength of our balance sheet and a downturn in market conditions across the life sciences sector. Despite these factors, extremely proactive work by all employees across the Group has returned confidence in our technology, as methodology and operational advancement have continued apace. Over the year, the Group has seen increasing revenue recognition, with 65% realised in the second half and £0.98 million in orders won in the last quarter.

Tight cost discipline over the last twelve months reduced the cost base from a budgeted £6.4 million per annum at the start of the financial year to £3.6 million per annum as of August 2024. These reductions were achieved through operational headcount, premises, leadership team costs, and overheads. Due to this rightsizing of the business and the successful post-period fundraise in August 2024, Aptamer can begin to capitalise on its technological and commercial traction, with the security of a significant cash runway. Revenues from fee-for-service work and income from any licensing deals will continue to extend this cash runway as the Group continues to develop to a scale that can sustain itself.

With funding now in place, Aptamer is well-positioned to traverse the next phase in its evolution, namely, delivering shareholder value across several potential inflection targets.

**Board changes**

Since joining Aptamer's Board as a Non-Executive Director in 2023, I have been impressed with the talent and dedication of the entire staff. It has been a privilege to step into the role of Chair as of August 2024. I would like to express my thanks to former Executive Chairman Steve Hull, who returned to the Group's management team in August 2023 to help successfully reset the business. I would also like to thank Non-Executive Director Dean Fielding, who joined Aptamer in August 2023, for his valued commitment and contribution over the year. Both have been instrumental in reshaping the Group and have now stepped down from the Board as we focus to capitalise on the technical Optimer assets that have been developed.

Integral to the dynamic shift of direction have been further exciting changes. Aptamer co-founder Dr. Arron Tolley returned to the Group as Chief Technical Officer in August 2023. His technical focus and commercial expertise have been critical in shaping fit-for-purpose product development methods and building a fresh and enthusiastic customer base, keen to explore our technology. Arron has been notable in his ability to create commercial opportunities and maximise the Group's scientific potential. As of August 2024, we welcomed Arron to the role of Chief Executive Officer.

Andrew Rapson has joined the Board of Directors as Chief Financial Officer and Company Secretary in August 2024, and Tim Sykes joined as a Non-Executive Director in September 2024. Andrew brings shrewd financial awareness, foresight, and fiscal prudency to the team, having previously worked with the financial team here at Aptamer. Tim brings a wealth of industrial and economic knowledge, with comprehensive experience in both public and private companies. We welcome them both and look forward to working together.

Dr. David Bunka remains as Chief Scientific Officer of the Group. David is a co-founder of the Company, and his leadership and international reputation have been paramount in rebuilding our network of key clients and solving myriad scientific challenges whenever they have arisen. David is integral to the Group, and we are proud to have him in this role.

**Outlook**

The previous twelve months have undoubtedly been challenging at Aptamer. I would like to thank all shareholders, both current and new, who supported us in the latest fundraising, and who continue to support the Company. Following the raise, the Group is now sufficiently well-funded to enable the development of Optimer assets

Following the raise, the Group is now sufficiently well-funded to enable the development of Optimer assets, crystallising value inflection opportunities over the coming years.

Aptamer's strategic focus going forward is to advance the development of our valued internal assets, and plans are in place with relevant partners to enable this. Unilever intends to move to on-person functionality studies in 2024 for the application of our Optimer as an active ingredient in deodorants, which will be another key step in the demonstration of our technology. If successful, we anticipate project completion within the next two years, with a potential for licensing. The Group is in multiple discussions with interested parties around the Optimer delivery vehicles for liver fibrosis. We are delighted to continue the partnership with AstraZeneca and aim to extend the current dataset to encompass *in vivo* proof-of-concept studies. Such work has the potential to unlock multiple significant high-value deals.

The Board will continue to apply its rigorous cost management principles and has identified up to £0.6 million of further annualised savings. In addition, the Group expects to continue growing the fee-for-service development work, which is important in its objective of being self-sustaining. This work also acts as a horizon-scanning method with which the Group can determine future potential high-value Optimer assets.

The progress across the Group over the past year has been transformational. I would like to extend our gratitude to all team members at Aptamer. They have displayed admirable enthusiasm, dedication, and commitment to overhauling the business model and maintaining a sharp focus on ongoing projects and activities. They have also been pivotal in growing Aptamer's new innovative scientific and entrepreneurial culture.

In closing, I thank shareholders for their ongoing support and enthusiasm in what we as a Company are trying to achieve.

**Chief Executive Officer's statement**

Last year, major changes were seen in the aptamer market: in July 2023, Astellas, a pharmaceutical giant, acquired Iveric Bio, a therapeutic aptamer company, for 5.9BN,[1] followed by FDA approval of the second-ever aptamer therapy in August 2024.[2] In concert with these milestones, the therapeutic pipeline for aptamers continues to advance and grow through various stages of clinical trials for a range of indications. This increasing maturation of aptamer technology has also been noted across research and diagnostic sectors, where antibodies' shortcomings mean they fail ~50% of the time,[3] leading to a requirement for alternatives to fulfil unmet needs.

The rising awareness and exploration of aptamer technology across the life sciences industry has fuelled growth in the market, leading to the emergence of numerous smaller competitors. As a leading global player, Aptamer Group is strategically positioned with unique expertise and advanced development capabilities, creating substantial barriers for other companies attempting to match our pace of innovation and progress.

The past financial year was challenging for Aptamer. However, since recapitalising, customer confidence has returned, and our skilled team and well-equipped laboratory have enabled us to deliver on exciting projects, and to rebuild and grow a sales pipeline that we aim to maintain and diversify into the new financial year. As part of last year's technical progress, multiple assets developed from our fee-for-service offering have reached, or are approaching, key value inflection points. This means that we are getting closer to the crystallisation of potential licensing revenues.

Going forward, we aim to increase shareholder value by focusing on the generation of high-value assets, alongside generating fee-for-service revenue, to drive high-value licensing opportunities. Therefore, the following are our key strategic objectives:

For the current financial year, we expect to deliver:

- out-licensing of a developed Optimer asset to a leading pharmaceutical company subject to successful testing in partners' labs;
- on-person functionality studies with Unilever demonstrating the use of Optimers in the treatment of malodour;
- a rebuilt and expanded commercial pipeline.

In the following financial year, we expect to deliver:

- a completed demonstration of the malodour technology with Unilever and potential licensing if successful;

- proof of concept lateral flow tests for Alzheimer's disease diagnosis with Neuro-Bio; and
- an expanded commercial pipeline with a general focus on repeat business.

Additionally, we aim to:

- further validate our platform by demonstrating the functionality of AstraZeneca's siRNA with our fibrotic liver Optimer delivery vehicles with a view to progressing to *in vivo* studies which will unlock multiple significant high-value deals.

**Group performance**

Over the past year, Aptamer has secured and delivered contracts from new and repeat customers, including major pharmaceutical companies leading to a position where we are now working with all the top 10 pharmaceutical companies globally. The Group is confident that our technologies are fully accepted within the portfolio of options that the market requires for the challenging targets that antibodies cannot serve.

Important validatory datasets for the Optimer-based fibrotic liver delivery vehicle, immunohistochemistry (IHC) reagents, and small molecule binders have been generated. These datasets were enabled by the ring-fencing of R&D budget from our last fundraise and have been essential in the rebuilding of the sales pipeline.

We have advanced our Optimer+ platform and won two contracts to demonstrate the platform to strategic partners. We have also implemented a range of post-development validation assays that were added to the Group's service offering and should lead to increased revenue over time.

Following the fundraise in August 2023, the Group's commercial pipeline has been rebuilt and demonstrated increasing traction over the period, with £0.6 million in revenue generated in the second half of the year and an increase in order book values, including £1.0 million contracts won in the last quarter. We are now well-placed to maintain this commercial momentum and deliver on our new strategy with a focus on the development and licensing of high-value Optimer assets.

**Current pipeline**

We have continued to build on our pipeline since the year-end which now stands at £4.3 million across 28 advanced stage opportunities compared to the £2.1 million at 8 July 2024. Deals in this space can take 3-6 months or longer to identify, negotiate and sign, with a further 6 months or more to recognise the revenue. This is due to customer materials that are manufactured being sent to us, which can be delayed between contract signing and the start of revenue recognition and cash flows. At the end of September 2024, we have signed deals progressing through the laboratory giving a current total of £0.9 million of revenue visibility this financial year. This value is subject to scientific attrition, with our average realisation being approximately 60-70% of the maximum.

**Advancement of Optimer assets**

Over the past year, the Group has progressed multiple Optimer assets in fast-moving consumer goods, critical reagents, diagnostics, and precision medicine. Notable progress includes our continued collaboration with Unilever to develop Optimer binders as potential active ingredients in deodorants. Evaluation within Unilever's labs has shown consistent and effective performance. Based on the strength of the data, Unilever plans to progress the Optimers to on-person functionality studies in the second half of 2024, which, on successful completion, will represent a key inflection point in the value of this asset, with on-person efficacy trials expected to further reinforce the commercial viability of these innovative binders.

An Optimer critical reagent developed for a top five pharmaceutical partner has shown promising results in our partner's labs, with additional testing underway in multiple drug development programs within the Group, and the potential for commercial licensing.

Within diagnostics, we are developing a lateral flow test for the simple diagnosis of early Alzheimer's disease in partnership with Neuro-Bio. The Group entered the second phase of development in February 2024, to develop an additional Optimer binder against the innovative target implicated in Alzheimer's disease and evaluate complementary antibodies to identify a matched pair of binders to underpin the development of a prototype lateral flow device. As part of the European Eurostar project, we have successfully developed Optimer binders for use in a medical device for improved non-invasive prenatal testing and the diagnosis of placental disease. These binders are currently progressing through in-house and partner-led testing phases.

Our advances in therapeutics have focussed on targeted drug and gene therapy delivery for precision medicines. Over the past year, we have validated an Optimer delivery vehicle that targets the cells responsible for liver fibrosis, showing excellent targeting and significant therapeutic effects in lab-based tests. The quality of this dataset attracted a new collaboration with AstraZeneca to evaluate this technology with their proprietary RNA payloads.

**Significant commercial contracts**

Aptamer has seen a particular rise in demand for Optimer IHC reagent development this year, following the launch of Optimer-Fc last year. Agreements were signed for Optimer IHC reagents, including one with a top five pharmaceutical company with a value of up to £175,000 and another with a second top five pharmaceutical company for the development of a binder to a neurological biomarker. The Group also made the first direct sale of our new Optimer-Fc platform to a biotechnology company, with a deal value of up to £147,500. Post-period, an additional contract with a biopharmaceutical company has been signed to develop Optimer IHC reagents to targets known to be intractable with antibodies, which, if successful, may be integrated into companion diagnostics.

Within diagnostics, a material contract signed with Timser Group for the development of Optimer binders to enable the world's first blood test for cervical cancer, with a value of up to £465,000.

Within therapeutics, a further material contract was signed in December 2023 with a genetic medicines company for the development of therapeutic Optimer delivery vehicles, with a value of up to £553,000. Post-period end, the Group successfully developed and validated the Optimer delivery vehicles and transitioned this to the partner for testing within their labs. Additionally, we partnered with a leading pharmaceutical company to assess Optimer binders for the targeted delivery of their nanoparticles, which could enable the delivery of larger therapeutic payloads, such as mRNA. The Group also progressed our early-stage partnership with Kairos Biotech, with an agreement to leverage the new Optimer+ platform to develop binders that could offer new therapeutic approaches to overcome the complex area of transplant rejection.

Further contracts won in the period include Optimer reagent generation for a gene therapy company, a contract signed with a top ten pharmaceutical company to develop Optimer binders to improve biologic drug purification and the first sale of Optimer+ to a top ten pharmaceutical company for use in a highly sensitive immunoassay platform. Optimer development was also sought from a global speciality enzyme provider for inclusion in assay kits. This deal includes downstream royalties. Additionally, a top five pharmaceutical company signed an agreement to develop Optimer binders in flow cytometry assays used in their internal development of a clinical asset, worth up to £110,000.

Looking forward, Aptamer is strategically positioned for growth as the Group continues to refine our technology platforms, develop strategic partnerships, and generate compelling datasets to support our expanding client base.

1. Reuters. Astellas Pharma buys Iveric Bio for 5.9 billion. (1 May, 2023) https://www.reuters.com/markets/deals/astellas-pharma-buys-iveric-bio-59-bln-2023-04-30/

2. PR Newswire. Iveric Bio Receives U.S. FDA Approval for IZERVAY™ (avacincaptad pegol intravitreal solution), a New Treatment for Geographic Atrophy. (4 Aug, 2023) https://www.prnewswire.com/news-releases/iveric-bio-receives-us-fda-approval-for-izervay-avacincaptad-pegol-intravitreal-solution-a-new-treatment-for-geographic-atrophy-301894042.html

3. Bradbury & Plcukthun. Standardize antibodies used in research. Nature. 518:27-29 (2015)

4. https://polaris.brighterir.com/public/aptamer_group/news/rns/story/x21gjmw

**Operational progress**

As part of our Board reconfiguration, we have appointed a preclinical drug development expert Dr Adam Hargreaves as Chairman to help guide the Group into its next stage of evolution. Alongside this, we completed a successful fundraise in August 2024 to allow us to unlock the potential of our high-value Optimer assets. Our goal is to partner with key industry leaders identified through our fee-for-service opportunities and build on the positive relationships forged through solving challenging technical problems for those partners. We will then aim to drive these assets toward licensing opportunities over several years. During this process, we will maintain rigorous cost discipline across the Group. In parallel, we are expanding our fee-for-service pipeline with more chargeable offerings to support ongoing operations and identify future commercial opportunities and revenue streams.

Below is a summary of our progress against each of the Group's strategic objectives.

1. *To license an Optimer critical reagent to a leading pharmaceutical company*

While we have several similar opportunities in our pipeline, one specific example is an asset developed through a fee-for-service project that commenced in 2019 with a top five pharmaceutical company. The Optimer is specific for a key disease biomarker that will be used as a critical reagent to develop the partner's clinical assets. Data generated by Aptamer and the partner company has demonstrated the performance of the Optimer in IHC applications. This evaluation work has now been expanded to several other teams within the partner company, evaluating the Optimer in different research areas. If successful, the pharmaceutical company aims to license the Optimer binder for use during drug development and clinical trials.

2. *To advance the Optimer for the potential treatment of malodour with Unilever*

The Group undertook a fee-for-service development project with Unilever in 2022 to develop Optimers to treat malodour in personal care products, such as deodorants. The binders have been rigorously tested at both Aptamer and Unilever and have shown highly positive and reproducible results. Based on these results, a patent was submitted in March 2024 to protect the intellectual property. Unilever plans to begin on-person functionality studies of the technology in deodorants in 2024. Aptamer has recently signed a contract extension to allow this advancement to on-person functionality studies using the Optimer binders. As with the vast majority of our opportunities, if successful, there is potential for licensing, and passive income remains.

3. *To develop lateral flow tests for Alzheimer's disease diagnosis with Neuro-Bio*

The Group partnered with Neuro-Bio to develop Optimer binders to enable a novel Alzheimer's disease diagnostic in 2023. The relationship started as a fee-for-service project, where Optimer binders were developed to enable the development of a lateral flow test for the early diagnosis of Alzheimer's disease. A panel of binders were successfully developed in the project's first phase and characterised for use in lateral flow and biosensor tests. The binders have been transitioned to Neuro-Bio, and testing is currently underway in their labs using a biosensor platform. The project's second phase began in February 2024 to develop an additional Optimer binder for the target, to enable the development of a simple lateral flow assay.

4. *To secure a committed development partner for the fibrotic liver delivery vehicle*

The delivery vehicle targeting fibrotic liver has been validated through in-house studies, demonstrating its function as a therapeutic delivery vehicle with the potential to selectively deliver drugs for new treatment approaches in liver fibrosis. The data generated shows its selectivity along with its ability to deliver functional drug cargo for therapeutic effect. This data spurred AstraZeneca's interest in the delivery vehicle and resulted in a post-period agreement to trial this delivery vehicle with the partner's siRNA cargo. This project has the potential to progress to generating demonstrator data in animal models for evaluation by AstraZeneca.

5. *To achieve a full market launch of the Optimer+ platform*

Significant technical progress has been made over the last year in the development of our Optimer+ platform, with a soft launch and two commercial sales being made to evaluate the platform. Optimer+ is a novel affinity ligand platform that can be considered among the next generation of binding reagents. Data shows the platform's performance in terms of development time and affinity is superior to our current offering and that Optimer+ carries the basic requirements for therapeutic applications.

**Summary and outlook**

I am pleased to report that the Group's new strategy, with a focus on strict cost controls, increased commercial focus, and a heavy tilt towards R&D for asset development and licensing potential, has allowed us to make substantial technical progress and solid commercial headway.

The assets we have developed both internally and with strategic partners hold the potential for significant impact in their specific markets. Continued demonstration of each of these assets over time will further validate Optimer technology to support commercial traction.

Looking ahead to the next financial year, the Group aims to progress each Optimer asset to meet our strategic milestones and crystallise value inflection points for shareholders. Our commercial pipeline is now robust, with multiple deals in late-stage negotiations. Additionally, projects are advancing smoothly through the laboratory, thanks to the enhancements implemented last year.

The new streamlined management team and focus across the business positions us well to move forward with impact. I am excited about delivering on our strategy to drive long-term value for Aptamer and its shareholders.

**Financial Review**

Over the period, Aptamer's sales pipeline has been re-established and the fixed cost base reduced substantially, which has put the Group on a good footing to move forward. Increases in the sales pipeline culminated in contracts being signed in the final quarter worth up to £1 million. A significant cost-cutting exercise was carried out in the first quarter, reducing the fixed costs to £3.6 million per annum from approximately £6.4 million.

Post-period fundraises totalling net proceeds of £2.6 million have been completed with the issuance of 1,453,000,000 ordinary shares at 0.2 pence per share.

**Revenue**

The Group reported revenues for the year ended 30 June 2024 of £0.9 million (year ended 30 June 2023: £1.8 million).

**Gross profit**

Gross profit for the year of £0.25 million (year end 30 June 2023: £0.36 million) following a lull in commercial customer work, particularly in the first half of the year when the Group had to focus on rebuilding the pipeline. Costs are largely fixed staff costs which have not been leveraged on such low volumes of work, but the team is now operating on the minimum possible skill base.

**Research and development costs**

During the year, the Group expensed through the income statement £0.5 million (2023: £1.0 million), relating to the continued development of the Optimer®+ platform technology and the development of Optimer delivery vehicles to cells associated with liver fibrosis. The fundraise completed in August 2024 has enabled the continuation of this work.

**Administrative expenses**

Administrative costs were £3.2 million for the year compared to £5.0 million for the year to 30 June 2023. This decrease in costs is a result of employee costs reducing to £2.1 million (2023: £3.3 million) and a decrease in operational footprint and consultancy and other administrative costs. The headcount has decreased slightly from 46 at 30 June 2023 to 34 at 30 June 2024. Since the year end, the Group has reduced the cost base by a further £0.3 million.

**Adjusted EBITDA**

The Group uses adjusted EBITDA as a profit performance metric as this excludes items which can distort comparability of underlying trading as well as being the measure of profit which most accurately reflects the cash generating activities of the Group. The reconciliation of adjusted EBITDA to Operating Loss is as follows:

| | **Year ended 30 June 2024 £'000** | Year ended 30 June 2023 £'000 |
|---|---|---|
| **Adjusted EBITDA** | (2,790) | (4,672) |
| Share based payment expense | (49) | (84) |
| Impairment of tangible and intangible assets | - | (2,601) |
| **Statutory EBITDA** | **(2,839)** | **(7,357)** |
| Amortisation | (13) | (44) |
| Depreciation | (232) | (756) |
| **Operating Loss** | **(3,084)** | **(8,157)** |

In the prior period an impairment loss of £2.6 million was recognised following a review of the carrying value of the cash-generating unit in light of the conditions prevailing as at 30 June 2023. No further impairment of this cash generating unit was considered necessary at 30 June 2024.

**Share-based payment charges**

The non-cash charge for the year was £0.49 million (2023: £0.84m).

**Tax**

The Group claims each year for research and development tax credits. Since it is loss-making, the Group elects to surrender these tax losses for a cash rebate. The amount of the rebate is included within the taxation line of the income statement and amounts to £0.2 million (2023: £0.5 million) and represents a tax loss surrender of £1.9 million. Tax losses carried forward totalled £11.4 million (2023: £9.0 million). The Group has not recognised any tax assets in respect of trading losses arising in the current financial year or accumulated losses in previous financial years.

**Loss for the year**

The loss for the year was £3.0 million (2023: £7.8 million loss). The basic loss per ordinary share decreased to 0.71 pence (2023: 11.35 pence per share) based on an average number of shares in issue during the period of 415,107,581 (2023: 69,055,369).

**Cash flow**

The Group had £0.9 million of cash at 30 June 2024 (2023: £0.2 million). The net cash inflow for the year was £0.6 million (2023: £6.5 million net outflow). This reflects a cash outflow from operations of £2.7 million (2023: £4.6 million), a cash inflow from fundraising activities of £3.5 million (2023: £Nil), cash receipts relating to research and development tax credits of £0.5 million which represented the tax refund for the prior period (2023: £0.5 million), payment of leases of £0.4 million (2023: £0.4 million) and an investment in capital expenditure and intangible assets of £0.1 million (2023: £2.0 million). The £2.0 million capital expenditure in the prior year was in relation to the fit-out of the new laboratory and office space.

**Financial position**

Net assets at 30 June 2024 were £0.9 million (2023: £0.3 million) of which cash amounted to £0.9 million (2023: £0.2 million) reflecting the remainder of funds from the equity raising earlier in the year. Non-current assets were slightly higher than the prior period which is largely due to a small impairment reversal following the recognition of investment property.

Following the year end, the Company has successfully raised £2.6 million in net proceeds through an equity fundraise in August 2024.

## Consolidated statement of comprehensive income

For the year ended 30 June 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| Revenue | 4 | **860** | 1,752 |
| Cost of sales | | **(610)** | (1,393) |
| **Gross profit** | | **250** | 359 |
| Administrative expenses | | **(3,167)** | (5,034) |
| Other operating income | 7 | **127** | 3 |
| **Adjusted EBITDA** | 9 | **(2,790)** | (4,672) |
| Amortisation and impairment of intangible assets | 16 | **(13)** | (324) |
| Depreciation and impairment (including loss on disposal of assets) | 17,18 | **(232)** | (3,077) |
| Share-based payment expense | 34 | **(49)** | (84) |
| **Operating loss** | 6 | **(3,084)** | (8,157) |
| Investment revenue | 12 | **24** | - |
| Finance costs | 12 | **(81)** | (141) |
| **Loss before taxation** | | **(3,141)** | (8,298) |
| Taxation | 13 | **183** | 462 |
| **Loss and total comprehensive loss** | | **(2,958)** | (7,836) |
| Basic loss per share | 14 | **0.71p** | 11.35p |
| Diluted loss per share | 14 | **0.71p** | 11.35p |

There were no items of other comprehensive income in the current or prior period. Accordingly, no statement of other comprehensive income has been prepared.

Loss and total comprehensive loss for the year is all attributable to the owners of the Parent Company.

All activities relate to continuing operations.

## Consolidated statement of financial position

At as 30 June 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 16 | **165** | 70 |
| Property, plant and equipment | 17 | **424** | 561 |
| Right-of-use assets | 18 | **187** | 160 |
| Other receivables | 22 | **373** | 373 |
| | | **1,149** | 1,164 |
| **Current assets** | | | |
| Inventories | 21 | **119** | 204 |
| Trade and other receivables | 22 | **439** | 678 |
| Tax receivable | | **192** | 473 |
| Cash and cash equivalents | 29 | **870** | 234 |
| | | **1,620** | 1,589 |
| **Total assets** | | **2,769** | 2,753 |
| **Current liabilities** | | | |
| Trade and other payables | 23 | **(1,027)** | (1,329) |
| Borrowings | 25 | **(38)** | (50) |
| Leases | 26 | **(215)** | (264) |
| | | **(1,280)** | (1,643) |
| **Net current assets / (liabilities)** | | **340** | (54) |
| **Non-current liabilities** | | | |
| Trade and other payables | 24 | **(3)** | (7) |
| Borrowings | 25 | **(9)** | (19) |
| Leases | 26 | **(555)** | (745) |
| Provisions for liabilities | 27 | **(35)** | (35) |
| | | **(602)** | (806) |
| **Net assets** | | **887** | 304 |
| **Equity** | | | |
| Issued share capital | 32 | **467** | 69 |
| Share premium | 33 | **12,672** | 9,578 |
| Group reorganisation reserve | 33 | **185** | 185 |
| Share-based payment reserve | 34 | **504** | 544 |
| Accumulated losses | | **(12,941)** | (10,072) |
| **Equity attributable to shareholders** | | **887** | 304 |

## Consolidated statement of changes in equity

For the year ended 30 June 2024

| | Notes | Issued share capital £'000 | Share premium £'000 | Group reorganisation reserve £'000 | Share-based payment reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|---|
| **Balance at 30 June 2022** | | **69** | **9,573** | **185** | **538** | **(2,314)** | **8,051** |
| Loss and total comprehensive expense for the year | | - | - | - | - | (7,836) | (7,836) |
| *Transactions with the owners of the Parent Company:* | | | | | | | |
| Issue of share capital net of transaction costs | 32 | - | 5 | - | - | - | 5 |
| Credit to equity for equity-settled share-based payments | 34 | - | - | - | 84 | - | 84 |
| Exercised & forfeited equity-settled share-based payments | 34 | - | - | - | (78) | 78 | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Balance at 30 June 2023** | | **69** | **9,578** | **185** | **544** | **(10,072)** | **304** |
| Loss and total comprehensive expense for the year | | - | - | | - | (2,958) | (2,958) |
| *Transactions with the owners of the Parent Company* | | | | | | | |
| Issue of share capital | 32 | 398 | 3,613 | - | - | - | 4,011 |
| Share issue costs | | - | (519) | - | - | - | (519) |
| Credit to equity for equity-settled share-based payments | 34 | - | - | - | 49 | - | 49 |
| Exercised & forfeited equity-settled share-based payments | 34 | - | - | - | (89) | 89 | - |
| **Balance at 30 June 2024** | | **467** | **12,672** | **185** | **504** | **(12,941)** | **887** |

## Consolidated statement of cash flows

For the year ended 30 June 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | 35 | (2,772) | (4,598) |
| Income taxes received | | 464 | 534 |
| Investment income | | 24 | - |
| **Net cash used in operating activities** | | **(2,284)** | **(4,064)** |
| **Investing activities** | | | |
| Purchase of intangible assets | 16 | (108) | (53) |
| Purchase of tangible assets | 17 | (14) | (1,975) |
| **Net cash used in investing activities** | | **(122)** | **(2,028)** |
| **Financing activities** | | | |
| Proceeds from issue of share capital | 32 | 3,911 | 5 |
| Share issue costs | | (419) | - |
| Repayment of borrowings | | (22) | (37) |
| Payment of lease liabilities | 26 | (347) | (192) |
| Interest paid | | (81) | (141) |
| **Net cash generated from/ (used in) financing activities** | | **3,042** | **(365)** |
| **Net increase/ (decrease) in cash and cash equivalents** | | 636 | (6,457) |
| Cash and cash equivalents at beginning of year | | 234 | 6,691 |
| **Cash and cash equivalents at end of year** | | **870** | **234** |

## Notes to the financial statements

For the year ended 30 June 2024

### 1 Accounting policies

**Company information**

Aptamer Group PLC ("the Company") is a company limited by shares, domiciled, and incorporated in the United Kingdom and registered in England and Wales. The registered office is Windmill House, Innovation Way, York, YO10 5BR.

The Group consists of Aptamer Group PLC and all of its subsidiaries. The Group is a leading provider of Optimer® reagents for use by customers in research, diagnostics and therapeutics. The Group has developed a platform technology which is utilised by to solve problems for pharmaceutical and bio-technology customers in the bioprocessing, research reagents, diagnostic and therapeutic areas of the life sciences.

### 1.1 Basis of preparation

The financial information included in this annual results announcement for the year ended 30 June 2024 does not constitute the Group's statutory accounts. Statutory accounts for the period ended 30 June 2023 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2024 were approved by the Board on 16 October 2024 and will be delivered to the Registrar of Companies in due course. The Auditor's report on those accounts for the year ended 30 June 2024 was unqualified, made reference to material uncertainty with regard to the going concern basis, and did not contain a statement under 498(2) or 498(3).

The group financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") and International financial Reporting Committee ("IFRC") Interpretations that are

Reporting Standards ("IFRS") and International Financial Reporting Committee ("IFRIC") interpretations that are applicable to the consolidated financial statements for the year ending 30 June 2024, in conformity with the requirements of the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the Group and the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value.

The principal accounting policies adopted are set out below. The accounting policies have been consistently applied to all the periods presented, unless otherwise stated.

### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Aptamer Group PLC and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). The subsidiaries consolidated in these Group accounts were acquired via Group reorganisation and as such merger accounting principles have been applied. The financial statements of the Company and its subsidiaries are made up to 30 June 2024.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 1.3 Going concern

The Group has reported a loss after tax for the year ended 30 June 2024 of £3.0 million (year ended 30 June 2023: £7.8 million). The Group had a cash balance of £0.9 million at 30 June 2024 (30 June 2023: £0.2 million).

The Directors have considered the applicability of the going concern basis in the preparation of these financial statements, which includes assessing an internal forecast extending out to June 2026. The Directors consider that this forecast represents a reasonable best estimate of the performance of the Group over the period to June 2026.

In August 2024 the Company completed a fundraise which raised gross proceeds of £2.9 million before expenses. The cash balance at the end of June 2024 was £0.9 million.

We are encouraged by the health of our pipelines, with £0.9 million of revenue visibility so far in the June 2025 financial year and a further £4.3 million of advanced stage sales negotiations.

As a result of Board changes and revisiting some of the operational spend, the fixed cost base has been cut back to circa £3 million per annum. Management continue to maintain close control of costs to maximise the cash runway.

In the forecast, full year revenue is anticipated to be higher than was the case in the year to June 2024. 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 June 2026.

The Directors have also considered reasonable likely downside scenarios, which includes slower growth in core revenues.

Should these downside scenarios materialise, the Group may 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. 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 develop assets for licensing within the next 12 months.

Based on the above factors the Directors believe that it remains appropriate to prepare the financial statements 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.

### 1.4 Revenue from contracts with customers

***Research activities***

The Group's main source of revenue is fees for research activities carried out under contracts with customers. These contracts can be in progress over accounting period ends and consist of separate phases with fixed attributable income attached to each phase. The contract contains performance obligations set out for each phase. In most cases that customer has a right to proceed or cease the research work at the end of each phase.

The Group recognises revenue when it satisfies the performance obligations in respect of each phase of work. As a result, revenue is recognised over time as each performance obligation is satisfied, by reference to the work performed in delivering the performance obligations to the customer. Where consideration is received in advance of the performance obligations being fulfilled, a contract liability is recognised; where performance obligations are fulfilled in advance of an invoice being delivered to the customer, a contract asset is recognised.

No revenue is recognised in relation to subsequent contract phases until the customer has elected to progress to that phase and the above criteria in relation to satisfaction of performance obligations has been met.

Revenue is measured at the amount of consideration to which the Group expects to receive. If the consideration is receivable more than 12 months after the transaction date and the effect of discounting is material, the revenue amount recognised is discounted to its present value at the transaction date, using a discount rate which reflects customer risk, and the unwinding of this discount is recognised as financial income over the period until the date the consideration is due. Typically, the Group does not enter into transactions whereby revenue is variable or contains non-cash consideration, or is subject to reversals of income.

Costs incurred in fulfilling a contract phase, which include internal labour costs and materials, are recognised in the balance sheet until the satisfaction of performance obligations where:

- the costs relate directly to a contract that the Group can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Following performance obligations being satisfied, the constraint of costs incurred is removed and the revenue is recognised by reference to the contractual value of that performance obligation.

### 1.5 Research and development expenditure

An intangible asset arising from development (or from the development phase of an internal project) is recognised where the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is ability to use or sell the intangible asset;
- it can be demonstrated that the intangible asset will generate probable future economic benefits;
- there is evidence of existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- adequate technical, financial and other resources exist to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Research expenditure and development expenditure that do not meet the criteria above are written off against profits in the year in which they are incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Similarly, any research costs relating to revenue-generating contracts are not capitalised on the grounds that the Group does not retain rights to any intellectual property generated as part of this work.

### 1.6 Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

The depreciable amount of an intangible asset with a finite life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use.

The amortisation period and the amortisation method for intangible assets with a finite useful life is reviewed each financial year end. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Product development and registrations    Up to 15 years on a straight-line basis

### 1.7 Property, plant & equipment

Property, plant & equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Fixtures, fittings and equipment — 6 years on a straight-line basis
- Leasehold improvements — Over the remaining life of the lease*
- Other property, plant and equipment — 6 years on a straight-line basis

* Amounts are charged on a straight line basis from the date of costs being incurred to the expiry of the lease to which the improvement attracts. This is typically less than 5 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**1.8 Right-of-use assets**

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

- Right-of use assets — Shorter of the asset's useful life and the lease term on a straight-line basis

A number of assets have historically been recognised under lease but where there is a final balloon payment which transfers unconditional ownership into the Group's name. For these assets they have been depreciated over a longer period in accordance with the depreciation policy for the asset class (as shown in 1.7), and on the end date of the lease have been transferred to that asset class.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The right-of-use asset is subject to impairment testing and adjusted for any remeasurement of the lease liability and lease modifications.

Where a right-of-use asset is partially sublet to a third party, but is not separable from the main right-of-use asset, the Group continues to account for this as a right-of-use asset, continuing to depreciate the asset in line across its lease term.

**1.9 Impairment of tangible and intangible assets**

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets on an individual and on a cash-generating unit basis 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 it is not possible to estimate the recoverable amount of an individual asset, 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.10 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent Company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.11 Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw materials but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

The Group applies a number of key judgements to its impairment calculations, including:

- Where inventories are used for research projects, these are fully provided for;
- Inventories which have been owned for at least 18 months is fully provided for;
- Any opened and partially used packages of inventories with a residual value of less than £1,000 are fully provided for;
- Any other items which are close to or beyond the expiry date are reviewed by laboratory management staff and considered whether these can be used, then (where applicable) provided for.

**1.12 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities.

**1.13 Financial instruments**

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Financial assets**
Financial assets are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition r issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal or interest.

***Debt instruments***

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of profit or loss.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

*Impairment of financial assets*

An impairment loss is recognised for the expected credit losses on financial assets where there is an increased probability that the counterparty will be unable to settle an instrument's contractual cashflows on contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable, and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss on trade receivables is a probability weighted amount determined from grouping the receivables based on days overdue and making assumptions based on historic information to allocate an overall expected credit loss rate for each group.

*Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Financial liabilities**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial liabilities, including borrowings, trade payables and other payables, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

*Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

### 1.14 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

### 1.15 Taxation

The income tax expense or credit represents the sum of the tax currently payable or receivable on the current period's taxable income or loss, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

*Current tax*

The tax currently payable or receivable is based on taxable profit or loss for the period. Taxable profit differs from net profit as reported in the profit and loss account 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 reporting end date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Deferred tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

## 1.16 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the management's best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## 1.17 Employee benefits

***Short-term obligations***
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

***Retirement benefits***

The Group operates a defined contribution pension plan. Payments to the defined contribution pension plan are charged as an expense as they fall due.

***Share-based payments***

Share-based compensation benefits are provided to employees via the Aptamer Group EMI Share Option Scheme and unapproved share options. Information relating to these schemes is set out in note 34.

***Employee options***

The fair value of options granted under the Aptamer Group EMI Share Option Scheme and unapproved share options is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## 1.18 Leases

On commencement of a contract which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease (term is 12 months or less with no option to purchase the lease asset) or a 'low-value' lease (where the underlying asset is £4,000 or less when new).

**Initial measurement of the lease liability**
The lease liability is initially measured at the present value of the lease payments during the lease term, discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases

- uses a build up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The lease is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependent on an index or a rate, amounts expected to be payable by the Group under residual value guarantees and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option. Variable lease payments are initially measured using the index or rate when the leased asset is available for use. The cost of the right-of-use asset also includes any provisions expected to be settled on termination of the lease.

**Subsequent measurement of the lease liability**

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments.

Interest on the lease liability is recognised in the income statement. Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate are recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

When the lease liability is remeasured due to changes arising from the original terms and conditions of the lease, the corresponding adjustment is reflected in the right-of-use asset, or income statement if the right-of-use asset is already reduced to nil.

A lease modification that was not part of the original terms and conditions of the lease is accounted for as a separate lease or an adjustment to the lease liability depending on the nature of the change.

## 1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria is satisfied is recognised as a liability.

***Research and development expenditure credits***

Where the Group receives research and development expenditure credits ("RDEC") it accounts for these as government grant income within operating income as it more closely aligns with grant income as opposed to a taxation credit. The income is recognised on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, under IAS 20 'Accounting for Government Grants and Disclosures'.

As well as receiving RDEC, the Group also receives R&D tax credits on the development expenditure it makes on the commercial projects it undertakes. These taxation credits are considered to reflect enhanced tax relief and as such are shown as a reduction in income tax or an increase in receivables due from HM Revenue & Customs

## 1.20 Foreign exchange

***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency"). The consolidated financial statements are presented in Great British Pounds sterling, which is functional and presentation currency of each of the Group's entities.

***Transactions and balances***

Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

### 1.21 Finance costs

Finance costs are expensed in the period in which they are incurred. Interest paid is included under financing activities in the statement of cash flows.

### 1.22 Earnings per share

Basic Earnings per share is calculated by dividing the profit or loss for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted Earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Details of the calculations presented under this are given in note 14.

## 2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised standards and interpretations have been adopted by the group and have an effect on the current period or a prior period or may have an effect on future periods:

IFRS17 Insurance Contracts: Withdrawal of IFRS4 Insurance Contracts
Amendments to IAS 12 'Income Taxes: Deferred tax relating to assets and liabilities arising from a single transaction
Amendments to IFRS 10 19 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies
Amendments to IAS 8: Definition of an accounting estimate
Amendments to IAS 12 'Income Taxes': International tax reform - Pillar Two Model Rules

**Standards which are in issue but not yet effective**

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK Endorsement Board).

Amendments to IAS 1 'Presentation of Financial Statements': Non-current liabilities with covenants
Amendments to IAS 1 'Presentation of Financial Statements': Classification of liabilities as current or non-current
Amendments to IAS 7 and IFRS 7: Supplier finance arrangements
IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related disclosures' :1 January 2025
Amendments to IAS 21 to clarify lack of exchangeability: 1 January 2025
Amendments to IFRS 7 and IFRS 9: Classification and measurement of financial instruments: 1 January 2026.
IFRS 18 'Presentation and Disclosure in Financial Statements': 1 January 2027
IFRS 19 'Subsidiaries without public accountability': 1 January 2027

Effective dates refer to periods commencing on or after this date. The Group's reported financial results are not expected to be materially affected by any standard. However, the presentation and disclosure of its results are expected to be impacted by the adoption of IFRS S1 and IFRS 18 which are both predominantly disclosure-only standards. Given this impacts only disclosures, the Directors do not expect there to be an impact on the reported profits or net assets of the Group from adopting these standards. As these are disclosure-led standards, the Directors have not presented a list of impacts on the financial statements.

## 3 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates, judgements, and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

*(i) Recognition of revenue from multiple element contracts, and revenue recognition*

Management uses judgement in determining the fair value of multiple element contracts in order to appropriately recognise the revenue attributable to each element, which may be based on contractual terms or (for bundled contracts) the standalone selling price that would be attributed to each service.

For revenues recognised over time, the value of revenue recognised in the period is dependent on an assessment of work to completion.

*(ii) Impairment of trade and other receivables*

The Group makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. As at 30 June 2024 the provision for trade receivables impairment amounted to £nil (2023: £nil).

*(iii) Impairment of investments and recoverability of intercompany loans (Company only)*

Interests in subsidiary undertakings are reviewed annually to assess whether there is objective evidence to indicate that either the carrying value of interests are impaired or impairments recognised in prior periods require to be reversed. Recoverable value of the subsidiary undertaking is estimated as the higher of value-in-use or fair value less cost of disposal. Fair value is based on net assets and incorporates adjustments to reflect the fair market value. See note 19 for the carrying amount of the investments.

Management further utilises judgement when assessing the recoverability of intercompany loans using the expected credit loss method in accordance with the requirements of IFRS 9 'Financial Instruments'. Based on these forecasts, all receivables have been fully provided for at 30 June 2024.

*(iv) Impairment of non-monetary assets*

Product development and registration costs are recognised at historical cost and are amortised on a straight-line basis over their useful life, which is typically up to 15 years. In the case of registration costs where the asset is not in use, amortisation commences from the date of grant.

The Group assesses these assets, and all other non-monetary assets including property, plant and equipment and right-of-use assets, for impairment on an annual basis by comparing the carrying value of the single cash-generating unit ("CGU") with the recoverable amount, the recoverable amount being based on an assessment of the CGU's value-in-use. The Group uses discounted cashflows from the CGU to determine the value-in-use. The Group sensitises these results and determines if there is an impairment of the non-monetary assets. Further details are provided in notes 5, 16, 17 and 18.

*(v) Share-based payments*

Valuation of share-based payments requires assumptions about the achievement of non-market conditions including staff retention and target achievement and the number of options that will vest. If actual performance is different from these assumptions, costs recorded in future periods will be different from expectations and will include revisions to amounts recognised so far. Details of the key inputs and assumptions are provided in note 34.

*(vi) Sublet assets*

The Group and Company have sublet part of a right-of-use asset during the year on an operating lease. The portion let is not separable from the right-of-use asset and therefore the Group has continued to classify this as a right-of-use asset at cost less depreciation, despite the sublet portion otherwise meeting the definition of an investment property.

## 4 Revenue

**Group revenue analysed by class of business**

The Group represents a single operating segment being research and experimental development of biotechnology.

**Group revenue analysed by geographical market**

Revenue recognised in the income statement is analysed by geographical market as follows:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| United Kingdom | **143** | 427 |
| Europe | **14** | 134 |
| United States of America | **593** | 1,026 |
| Rest of the World | **110** | 165 |
| | **860** | 1,752 |

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

An analysis of revenue by customer is set out in the table below:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Customer A | **271** | - |
| Customer B | **62** | - |
| Customer C | **75** | - |
| Customer D | **101** | 400 |
| Customer E | **-** | 236 |
| Customer F | **-** | 216 |
| All other customers | **351** | 900 |
| | **860** | 1,752 |

During the year the Group recognised revenue from performance obligations satisfied during the year. All of the Group's contracts are for the delivery of service within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. The entire revenue of the Group relates to its contracts with customers.

## 5 Impairments

During the year the following impairments have been recognised in the Income Statement:

| | Note | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| Inventories | 21 | - | 181 |
| **Total impairment expense charged to cost of sales** | | **-** | 181 |

| | Note | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| Property, plant and equipment (specific) | 17 | - | 259 |
| Intangible assets (specific) | 16 | - | 80 |
| Impairment of cash-generating unit | | - | 2,262 |
| **Total impairment expense charged to administrative costs** | | **-** | 2,601 |

Details of the impairment of property, plant and equipment on a specific basis is provided in note 17.

As a result of the ongoing trading conditions of the Group as at the previous year end, combined with the well-publicised risks to viability ahead of the fundraise in August 2023, the Directors reviewed the carrying value of the cash-generating unit ("CGU") in light of the condition. As a result, an impairment was recognised across all non-monetary assets of the Group's single CGU, allocated first to specific intangible assets which are not ongoing, and subsequently pro-rated across the carrying value of all relevant assets.

An impairment review has been performed in the current year, detailed in note 16, which has concluded that there is no adjustment (either increased impairment, or reversal of impairment) required as at 30 June 2024.

## 6 Operating loss

Operating loss is stated after charging:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Employee remuneration (note 10) | **2,059** | 3,264 |
| Share-based payment expenses | **49** | 84 |
| Amortisation of intangible assets (note 16) | **13** | 44 |
| Impairment of intangible assets (notes 5 & 16) | **-** | 280 |
| Depreciation of property, plant and equipment (note 17) | **151** | 401 |
| Impairment of property, plant and equipment (notes 5 & 17) | **-** | 1,609 |
| Depreciation of right-of-use assets (note 18) | **81** | 355 |
| Impairment of right-of-use assets (notes 5 & 18) | **-** | 712 |
| Research and development expenses (excluding R&D staff costs) | **317** | 474 |
| Raw materials and consumables used | **169** | 1,212 |
| Impairment of inventories charged as cost of sales (note 5) | **-** | 181 |

All depreciation, amortisation and impairment are included in administrative expenses.

## 7 Other operating income

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Government grants | **81** | 3 |
| Rent | **46** | - |
| | **127** | 3 |

The Group received funding from government grant schemes and has complied with the conditions of the funding throughout the year.

Rent includes service charge of £22,000.

Rent is received from a sublease of a surplus portion of the group's premises. Risk has been managed by requiring a written sublease including normal conditions regarding use and condition of the property.

requiring a written sublease including normal conditions regarding use and condition of the property.

## 8 Auditors' remuneration

Fees payable to the Group's auditors and associates:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **For audit services** | | |
| Audit of the financial statements of the Group and Company | **54** | 72 |

## 9 Alternative Performance Measures

The Directors have used an Alternative Performance Measure ("APM") in the preparation of these financial statements. The consolidated income statement has presented adjusted earnings before interest, tax, depreciation, and amortisation ("Adjusted EBITDA"), which removes non-cash items including depreciation, amortisation, and share-based payments which are not relevant to the underlying cash generation of the business.

The Directors have presented this APM because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

## 10 Employees

The average monthly number of persons (including Directors) employed by the Group and Company during the year was:

| | 2024 Number | 2023 Number |
|---|---|---|
| Administration and support | **9** | 13 |
| Production | **21** | 29 |
| Research and development | **3** | 4 |
| Sales | **5** | 8 |
| | **38** | 54 |

Their aggregate remuneration comprised:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Wages and salaries | **1,812** | 2,878 |
| Social security costs | **218** | 347 |
| Other pension costs | **29** | 39 |
| Short-term staff compensation | **2,059** | 3,264 |
| Share-based payment charge | **49** | 84 |
| **Staff costs charged to income statement** | **2,108** | 3,348 |

## 11 Directors' remuneration

Information about emoluments paid to Directors, including the highest paid Director, have been included in the Remuneration Committee report shown in the Annual Report.

## 12 Finance costs and investment income

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Interest on financial liabilities measured at amortised cost** | | |
| Bank interest and charges | **1** | 2 |
| Other interest on financial liabilities | **6** | 7 |
| | **77** | 9 |
| **Other finance costs** | | |
| Interest payable on lease liabilities | **74** | 125 |
| Foreign exchange loss | **-** | 7 |
| **Total finance costs** | **81** | 141 |

Refer to notes 25 and 26 for more details on the Group's outstanding borrowings and leases.

| | 2024 £'000 | 2023 £'000 |
|---|---|---|

| | | |
|---|---|---|
| **Investment revenue** | | |
| Bank interest | **24** | - |

## 13 Taxation

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Current tax** | | |
| UK corporation credit on loss for the current year/period | **(192)** | (473) |
| Adjustments in respect of prior periods | **9** | 11 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | **7** | - |
| Adjustments in respect of prior periods | **(7)** | - |
| **Total tax credit** | **(183)** | (462) |

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Loss before taxation | **(3,141)** | (8,298) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 25% (2023: 20.5%) | **(785)** | (1,701) |
| Expenses that are not deductible in determining taxable profit | **11** | 59 |
| Research and development tax relief | **(414)** | (388) |
| Surrender of tax losses for R&D tax credit refund | **480** | 243 |
| Deferred tax asset not recognised | **406** | 1,347 |
| Adjustments in respect of prior periods | **1** | 11 |
| Other adjustments | **118** | (33) |
| Taxation credit in the financial statements | **(183)** | (462) |

The UK corporation tax rate was 19% until 31 March 2023 and 25% thereafter. In the disclosure above a hybrid rate of 20.5% has been used in the prior year to pro-rate this change.

Deferred tax balances at the reporting date are measured at 25% (2023: 25%).

As at 30 June 2024 the Group had unrelieved tax losses of approximately £11,384,000 (2023: £9,033,000). A deferred tax asset has not been recognised in respect of these losses. Further details are given in note 28.

## 14 Earnings per share

| | 2024 | 2023 |
|---|---|---|
| Basic loss per share | **0.71p** | 11.35p |
| Diluted loss per share | **0.71p** | 11.35p |
| Loss for the year | **£2,958,000** | £7,836,000 |
| Weighted average number of ordinary shares used as the denominator in calculating the basic/diluted loss per share | **415,107,581** | 69,055,369 |

The loss attributable to equity holders (holders of ordinary shares) of the Company for the purpose of calculating the fully diluted loss per share is identical to that used for calculating the loss per share. The exercise of share options would have the effect of reducing the loss per share and is therefore anti-dilutive under the terms of IAS 33 "Earnings per Share".

## 15 Dividends

No dividends were paid during the current or prior year, and no final dividends are proposed to be declared subsequent to the year end.

## 16 Intangible assets

| | Product development & registrations £'000s | Software £'000s | Total £'000s |
|---|---|---|---|
| **Cost** | | | |
| **At 1 July 2022** | 390 | - | 390 |
| Additions - internally generated | 53 | - | 53 |
| **At 30 June 2023** | **443** | **-** | **443** |
| Additions - internally generated | **70** | **-** | **70** |
| Additions - acquired | **-** | **38** | **38** |

| | | | |
|---|---|---|---|
| **At 30 June 2024** | **513** | **38** | **551** |
| | | | |
| **Accumulated amortisation** | | | |
| **At 1 July 2022** | 49 | - | 49 |
| Charge for the period | 44 | - | 44 |
| Impairment | 280 | - | 280 |
| **At 30 June 2023** | **373** | **-** | **373** |
| Charge for the year | **11** | **2** | **13** |
| **At 30 June 2024** | **384** | **2** | **386** |
| | | | |
| **Carrying amount** | | | |
| **At 30 June 2024** | **129** | **36** | **165** |
| | | | |
| .At 30 June 2023 | 70 | - | 70 |

Development costs capitalised are in relation to the generation of intellectual property and the patenting of such intellectual property, some of which are pending and thus not currently being amortised. As at the year end, £75,000 (2023 - £31,000) of patents are pending and not yet being amortised.

The Directors prepare forecasts which show the projected growth of the business and use of these assets, which forms a key part of the Group's future strategy. The forecasts include an assessment of the likely commercialisation of the technology based on current demand and anticipated market growth strategies, profiled on a discounted cash flow basis which is further probability weighted for certain sensitivities around key forecasts and the timing of these. This approach is consistent with the review performed in the previous year.

As a result of this cashflow forecast, and ongoing trading conditions prevalent at the previous year end, the Directors recognised an impairment at 30 June 2023 as explained in note 5. An impairment review at 30 June 2024 identified no further impairment; this showed that the cashflow forecasts on a cautious basis continue to approximate to the carrying value of the CGU, and were also substantially aligned with the previous year. As a result, no adjustment has been made to the carrying value of the CGU, either in respect of a new impairment or reversing the previous year's impairment charge.

In the prior year, the impairment expense was allocated across all non-monetary assets of the CGU, including property, plant and equipment, and right-of-use assets.

The forecasts used in the previous year were for a specific period of 1 year, subsequently growing at 25% per annum. In the current year the forecasts include specific growth rates between 0% and 25% annualised, which are factored into the 15 year life on a specific basis. As each project covers a defined term in the event of commercialisation, this has been predicated on a specific basis beyond the 5 year window suggested by IAS 36 on the grounds that this gives a more reliable and risk adjusted expectation than a perpetuity model, and also includes long term growth rates for revenue and costs on a specific basis. More detailed analysis is not provided as to do so may be commercially sensitive.

The key unobservable input to the model was:

- A pre-tax discount rate of 32.30% (2023- 34.50%), equating to a post-tax discount rate of 25.30% (2023 - 25.80%).

The main forecasts assumed the going concern status of the Group through anticipated trading following a new fundraising round (as explained in note 39), and its planned use of funds. This fundraise was completed in July and August 2024, which then secured the Group's status as a going concern. As the fundraise successfully completed, management prepared two scenarios addressing successful and unsuccessful completion of the fundraise, which was consistent with the equivalent fundraise and impairment review as at 30 June 2023.

A weighting of 70:30 (2023 - 75:25) in favour of successful completion of the fundraise was applied in calculating the value in use of the CGU. In the current year, as the focus was on projects the successful route was further split into two additional forecasts for timing of these risk-adjusted projects commencing. The forecast for 2024 also reflected the risk to the timing and included a probability weighting of 50% for the original forecast and 50% for an alternative in which all income occurs one year later. If this alternative happens the value in use of the CGU will be reduced to £nil.

The Directors considered sensitivities to revenue and discount rate in the cashflow forecast and the weighting applied between successful and unsuccessful fundraise post period end. If forecasted revenue in the cashflow forecast was reduced by more than 4.8% (2023 - 8%), this would result in a further impairment charge of £734,000 (2023 - £791,000), which would reduce the value in use of the CGU to £nil. If weighting in favour of successful completion of the post period end fundraise was reduced to 52.1:47.9 (2023 - 50:50), this would result in an additional impairment of £734,000 (2023 - £650,000). If the post-tax discount rate was increased by 10% to 35.30% (2023 - 35.80%) then this would result in an additional impairment of £734,000 (2023 - £645,000).

Cashflow projections have been produced for a 15 year period because this is a prudent estimate of the expected product life cycle. No terminal values or perpetuity growth factors have been considered.

The Directors are confident that the value of the CGU as at the date of approval of the financial statements is significantly in excess of the carrying value as at 30 June 2024, as a result of the removal of the uncertainty relating to the 2024 fundraising event. However this value has not been quantified, and cannot be utilised for the purpose of impairment testing as at 30 June 2024 under the requirements of IAS 36.

Further, the Directors are confident that the carrying value of the CGU has the potential to be significantly in excess of that recognised as probabilities used for each project are considered cautious. If any uncertainties around the timing and completion of projects are closed positively then the forecasts present an outcome significantly in excess of the carrying value of the CGU.

## 17 Property, plant and equipment

| | Leasehold improvements | Other property, plant and equipment | Fixtures, fittings and equipment | Total |
|---|---|---|---|---|
| **Cost** | **£'000** | **£'000** | **£'000** | **£'000** |
| **At 1 July 2022** | - | 908 | 40 | 948 |
| Additions | 1,603 | 363 | 9 | 1,975 |
| Disposals | - | (31) | (5) | (36) |
| Transfers | - | 217 | - | 217 |
| **At 30 June 2023** | **1,603** | **1,457** | **44** | **3,104** |
| Additions | **4** | **8** | **2** | **14** |
| Disposals | **-** | **-** | **(10)** | **(10)** |
| **At 30 June 2024** | **1,607** | **1,465** | **36** | **3,108** |
| **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 |
| Transfers | - | 104 | - | 104 |
| **At 30 June 2023** | **1,258** | **1,247** | **38** | **2,543** |
| Charge for the year | **99** | **52** | **-** | **151** |
| Disposals | **-** | **-** | **(10)** | **(10)** |
| Impairment | **-** | **-** | **-** | **-** |
| Transfers | **-** | **-** | **-** | **-** |
| **At 30 June 2024** | **1,357** | **1,299** | **28** | **2,684** |
| **Carrying amount** | | | | |
| **At 30 June 2024** | **250** | **166** | **8** | **424** |
| At 30 June 2023 | 345 | 210 | 6 | 561 |

Transfers represent a reclassification from right-of-use assets where the underlying lease has completed, with the assets being purchased and having remaining useful life.

The impairment reflects one floor of the Group's head office, where ongoing trading conditions mean that the space is not being fully utilised.

## 18 Right-of-use assets

| **Group** | **Buildings** | **Plant and machinery** | **Total** |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| **Cost** | | | |
| **At 1 July 2022** | 1,225 | 427 | 1,652 |
| Transfers | - | (217) | (217) |
| **At 30 June 2023** | **1,225** | **210** | **1,435** |
| Additions | **-** | **108** | **108** |
| Disposals | **(212)** | **-** | **(212)** |

| | | | |
|---|---|---|---|
| **At 30 June 2024** | **1,013** | **318** | **1,331** |
| **Depreciation** | | | |
| **At 1 July 2022** | 231 | 81 | 312 |
| Charge for the year | 217 | 138 | 355 |
| Transfers | - | (104) | (104) |
| Impairments | 641 | 71 | 712 |
| **At 30 June 2023** | **1,089** | **186** | **1,275** |
| Charge for the year | **42** | **39** | **81** |
| Disposals | **(212)** | **-** | **(212)** |
| **At 30 June 2024** | **919** | **225** | **1,144** |
| **Carrying amount** | | | |
| **At 30 June 2024** | **94** | **93** | **187** |
| At 30 June 2023 | 136 | 24 | 160 |

Transfers in the previous year represent a reclassification to property, plant and equipment where the underlying lease has completed, with the assets being purchased and having remaining useful life.

Included within Buildings is property formerly used by the Group but now sublet to a third party. The sublease is an operating lease and covers part of the remaining period to which the Group is entitled to use the property under the headlease. Details of rent receivable during the current period are provided in note 7.

## 19 Investments

*Investment in subsidiaries*

| | **Company Investments other than loans £'000** |
|---|---|
| **Cost** | |
| **At 1 July 2023** | **418** |
| Transfers | **-** |
| **At 30 June 2024** | **418** |
| **Provision for impairment** | |
| At 1 July 2023 | **215** |
| Transfers | **-** |
| Charge in the year | **-** |
| **At 30 June 2024** | **215** |
| **Carrying amount** | |
| **At 30 June 2024** | **203** |
| At 30 June 2023 | 203 |

Details of the subsidiaries can be found in note 20. The Directors believe that the carrying value of investments is supported by their underlying assets.

## 20 Subsidiaries

Details of the Company's subsidiaries at 30 June 2024 are as follows:

| **Name of undertaking** | **Registered office** | **Nature of business** | **Class of shares held** | **% Held Direct** |
|---|---|---|---|---|
| Aptamer Solutions Limited | Windmill House, Innovation Way, York, YO10 5BR | Research and development | Ordinary | 100 |
| Aptamer Therapeutics Limited | Windmill House, Innovation Way, York, YO10 5BR | Non-trading | Ordinary | 100 |
| Aptamer Diagnostics Limited | Windmill House, Innovation Way, York, YO10 5BR | Non-trading | Ordinary | 100 |
| Aptasort Limited (non-trading)) | Windmill House, Innovation Way, York, YO10 5BR | Dormant | Ordinary | 100 |

Each trading entity is a trading division of the Group and offers commercial services to customers.

## 21 Inventories

## 21 Inventories

| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|
| Raw materials and consumables | **119** | 204 | - | - |

Inventories are stated after provision for impairment of £181,000 (2023: £181,000).

Details of amounts charged to the Income Statement are provided in note 6. Inventories are charged to cost of sales when materials are consumed or contractual commitments are complete.

## 22 Trade and other receivables

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Amounts falling due within one year:** | | |
| Trade receivables | **110** | 356 |
| Allowance for expected credit losses | **-** | - |
| Trade receivables - net | **110** | 356 |
| Other receivables | **66** | 145 |
| Accrued income | **101** | - |
| Prepayments | **162** | 177 |
| | **439** | 678 |
| **Amounts falling due after more than one year**: | | |
| Other receivables | **373** | 373 |
| | **373** | 373 |

The Directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

The Group's trade receivables have been reviewed for expected credit losses. Allowances have been made at the year end amounting to £nil (2023 - £nil), with movements on the allowances for doubtful debts as follows:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Balance at 1 July 2023 | **56** | - |
| Allowance for doubtful debts and accrued income | **-** | 331 |
| Release of irrecoverable debts | **(56)** | (275) |
| Balance at 30 June 2024 | **-** | 56 |

The expected credit loss provision fully relates to accrued income, which is included within 'other receivables' in the above table.

The calculation of expected credit losses for trade receivables at 30 June 2024 was determined as follows:

| | Current | Less than 3 months | 3 to 6 months | More than 6 months | Total |
|---|---|---|---|---|---|
| Expected credit loss rate | 0.25% | 0.5% | 1.0% | 100.0% | |
| Gross carrying amount of trade receivables (£'000) | 90 | - | 20 | - | 110 |
| Gross carrying amount of accrued income (£'000) (*) | 70 | 15 | - | - | 85 |
| Expected credit loss (£'000) | - | - | - | - | - |

* This is stated net of £16,000 of government grants which are included within accrued income, but excluded from the calculation of expected credit losses as non-commercial in nature.

The calculation of expected credit losses for trade receivables at 30 June 2023 was determined as follows:

| | Current | Less than 3 months | 3 to 6 months | More than 6 months | Total |
|---|---|---|---|---|---|
| Expected credit loss rate | 0.25% | 0.5% | 1.0% | 100.0% | |
| Gross carrying amount of trade receivables (£'000) | 324 | 32 | - | - | 356 |
| Gross carrying amount of accrued income (£'000) | - | - | - | 56 | 56 |
| Expected credit loss (£'000) | 1 | - | - | 56 | 57 |

On the grounds that the above calculation is trivial, no expected credit loss has been provided against trade receivables for at the current or comparative reporting period end date.

## 23 Current trade and other payables

| | Notes | 2024 £'000 | 2023 £'000 |
|---|---|---|---|

| | | |
|---|---|---|
| Trade payables | **452** | 656 |
| Other taxation and social security | **56** | 85 |
| Other payables | **79** | 8 |
| Amounts owed to group undertakings | **-** | - |
| Accruals | **304** | 463 |
| Deferred income | **136** | 117 |
| | **1,027** | 1,329 |

The carrying amount of these liabilities approximates to their fair value. Deferred income relates to amounts outstanding under existing customer contracts where the delivery of service has not been completed at the reporting date.

## 24 Non-current trade and other payables

| | **Notes** | **2024 £'000** | 2023 £'000 |
|---|---|---|---|
| Deferred income | | **3** | 7 |
| | | **3** | 7 |

Deferred income represents government grants where amounts to which the Group has an unconditional right are being recognised over a period of time related to an underlying asset.

## 25 Borrowings

The contractual terms of the Group's interest-bearing loans and borrowings are as follows:

| | **2024 £'000** | 2023 £'000 |
|---|---|---|
| ***Current*** | | |
| Other loans | **38** | 50 |
| | **38** | 50 |
| ***Non-current*** | | |
| Other loans | **9** | 19 |
| | **9** | 19 |

***Security of borrowings***

Other loans represents a bounce-back loan of £19,000 (2023 - £29,000) which is repayable in fixed instalments until 2026. The loan is not secured. It also represents £28,000 (2023 - £40,000) of financing which is secured against assets which have been acquired and subsequently had funding raised against them. All interest rates payable are on an arm's length basis.

## 26 Lease liabilities

| **Group and parent company** | **2024 £'000** | 2023 £'000 |
|---|---|---|
| ***Maturity analysis - contractual undiscounted cash flows*** | | |
| Within one year | **271** | 334 |
| Years two to five inclusive | **595** | 828 |
| After five years | **-** | - |
| Total undiscounted lease liabilities | **866** | 1,162 |
| Future finance charges | **(96)** | (153) |
| Discounted lease liabilities | **770** | 1,009 |
| Consisting of: | | |
| Non-current | **555** | 745 |
| Current | **215** | 264 |
| **Total discounted lease liabilities** | **770** | 1,009 |

Amounts of right-of-use assets recognised and the movements during the year are disclosed in note 18.

The total cash outflow for leases during the year was £421,000 (2023: £193,000).

## 27 Provisions for liabilities

| | **2024 £'000** | 2023 £'000 |
|---|---|---|
| Dilapidations | **35** | 35 |
| | **35** | 35 |

Movements on provisions:

| | **2024 £'000** | 2023 £'000 |
|---|---|---|
| *Dilapidations* | | |
| At 1 July | **35** | 35 |
| Additional provisions | **-** | - |
| **At 30 June** | **35** | 35 |

A provision was made in a prior period by the Directors to cover the expected contractual commitments on termination of the licence agreement to occupy the premises where the Group is based.

## 28 Deferred tax liabilities

No deferred tax balances were recognised in the prior year. The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current reporting period:

| | **ACA's £'000** | **Tax losses £'000** | **Lease assets £'000** | **Lease liabilities £'000** | **Short-term £'000** | **Total £'000** |
|---|---|---|---|---|---|---|
| Deferred tax liability/(asset) at 1 July 2023 as previously reported | 6 | (6) | - | - | - | - |
| Revision required by amendment to IAS 12 | 212 | - | 40 | (252) | - | - |
| Deferred tax liability/(asset) at 1 July 2023 as restated | 218 | (6) | 40 | (252) | - | - |
| *Deferred tax movement in the year* | | | | | | |
| Charge/(credit) to profit or loss | 1 | (87) | 37 | 60 | (11) | |
| Change in tax rates | - | - | - | - | - | - |
| Deferred tax liability/(asset) at 30 June 2024 | 219 | (93) | 77 | (192) | (11) | - |

| | **ACA's £'000** | **Tax losses £'000** | **Lease assets £'000** | **Lease liabilities £'000** | **Total £'000** |
|---|---|---|---|---|---|
| Deferred tax liability/(asset) at 1 July 2022 as previously reported | - | - | - | - | - |
| Revision required by amendment to IAS 12 | (18) | - | 335 | (317) | - |
| Deferred tax liability/(asset) at 1 July 2022 as restated | - | - | 335 | (317) | - |
| *Deferred tax movement in the year* | | | | | |
| Charge/(credit) to profit or loss | 236 | (6) | (295) | 65 | - |
| Change in tax rates | - | - | | | - |
| Deferred tax liability/(asset) at 30 June 2023 | 218 | (6) | 40 | (252) | - |

As at 30 June 2024, the Group had unrecognised tax losses of approximately £11,384,000 (2023: £9,033,000). A deferred tax asset of £2,846,000 at 25% (2023: £2,258,000 at 25%) has not been recognised in respect of these losses due to uncertainty of timing of taxable profits.

## 29 Cash and cash equivalents

| | **2024 £'000** | 2023 £'000 |
|---|---|---|
| Cash and cash equivalents | **870** | 234 |

## 30 Financial risk management

The Group's financial instruments comprise cash, receivables and payables held at amortised cost that arise from its operations.

The Group is exposed to financial risks on these financial instruments. The Group's risk management is coordinated by its Directors who focus actively on securing the Group's short to medium term cash flows through regular reviews of the operating activities of the business. The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

***Liquidity risk***
Management control and monitor the Group's cash flow on a regular basis, including forecasting future cash flows, available bank and other credit facilities in comparison to the Group's outstanding commitments on a regular basis to ensure that the Group has sufficient funds to meet the obligations of the Group as they fall due. Having regard to the visibility of sales, the cash forecasts are regularly reviewed and cover alternative income scenarios.

The undiscounted contractual maturity of the Group's financial liabilities at the end of the reporting period was as follows:

| **Year ended 30 June 2024** | **Within 3 months £'000** | **3-12 months £'000s** | **1-2 years £'000** | **2-5 years £'000s** | **Over 5 years £'000** | **Total** |
|---|---|---|---|---|---|---|
| Trade and other payables | 835 | - | - | - | - | 835 |
| Loans | 30 | 8 | 9 | - | - | 47 |
| Leases | 87 | 184 | 345 | 250 | - | 866 |
| Total financial liabilities | 952 | 192 | 354 | 250 | - | 1,748 |

The undiscounted contractual maturity analysis of the Group's financial assets at the end of the reporting period was as follows:

| **Year ended 30 June 2024** | **Within 3 months £'000** | **3-12 months £'000s** | **1-2 years £'000** | **2-5 years £'000s** | **Over 5 years £'000** | **Total** |
|---|---|---|---|---|---|---|
| Trade and other receivables | 549 | - | - | - | - | 549 |
| Accrued income | 101 | - | - | - | - | 101 |
| Cash | 870 | - | - | - | - | 870 |
| Total financial assets | 1,520 | - | - | | - | 1,520 |

The undiscounted contractual maturity of the Group's financial liabilities at the end of the previous period was as follows:

| Year ended 30 June 2023 | Within 3 months £'000 | 3-12 months £'000s | 1-2 years £'000 | 2-5 years £'000s | Over 5 years £'000 | Total |
|---|---|---|---|---|---|---|
| Trade and other payables | 1,177 | - | - | - | - | 1,177 |
| Loans | 13 | 38 | 19 | - | - | 70 |
| Leases | 31 | 303 | 311 | 517 | - | 1,162 |
| Total financial liabilities | 1,221 | 341 | 330 | 517 | - | 2,409 |

The undiscounted contractual maturity analysis of the Group's financial assets at the end of the reporting period was as follows:

| Year ended 30 June 2023 | Within 3 months £'000 | 3-12 months £'000s | 1-2 years £'000 | 2-5 years £'000s | Over 5 years £'000 | Total |
|---|---|---|---|---|---|---|
| Trade and other receivables | 356 | - | - | - | - | 356 |
| Accrued income * | - | - | - | - | - | - |
| Cash | 234 | - | - | - | - | 234 |
| Total financial assets | 590 | - | - | - | - | 590 |

* Stated after provision for expected credit loss.

***Interest rate risk***
The Group adopts a policy of ensuring that there is an appropriate mix of fixed and floating rates in managing its exposure to changes in interest rates on borrowings. There is no material exposure to changes in interest rates at the reporting date.

Management regularly reviews the Group's interest rate risk position and considers the requirement for any hedging instruments to mitigate risk as part of this regular monitoring. There were no such hedging instruments in place at the year-end (2023: none).
The carrying amount of financial assets / (liabilities) which expose the Group to cash flow interest rate risk are as follows:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Cash | **870** | 234 |
| Bank loans | **(19)** | (29) |
| | **851** | 205 |

***Foreign currency risk***
The main currencies in which the Group trades are the Pound Sterling and the US Dollar.

The Group is exposed in its trading operations to the risk of changes in foreign currency exchange rates and during the period the fluctuation in exchange rates has had an impact on reported results. As at 30 June 2024, the Group does not have any financial assets or liabilities denominated in a currency other than Pound Sterling, so is not exposure to any foreign currency risks at that date.

***Credit risk***
Credit risk predominantly arises from trade receivables and cash and cash equivalents. Credit risk attributable to trade receivables is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment. The Group has no issues with the impairment of debts at the reporting date. The historic trading activity and the collection of balances due from customers does not indicate that impairment risk will be significant in the future.

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Financial assets measured at amortised cost** | | |
| Trade and other receivables | **634** | 730 |
| Cash and cash equivalents | **870** | 234 |
| | **1,504** | 964 |
| | | |
| **Financial liabilities measured at amortised cost** | | |
| Trade and other payables | **835** | 1,301 |
| Interest-bearing loans and borrowings | **817** | 1,232 |
| | **1,652** | 2,533 |

All financial liabilities are measured at amortised cost.

**Capital risk management**

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Group can implement a range of measures to alter the capital structure including altering the dividends paid to shareholders and arranging appropriate banking facilities.

The capital structure of the Group consists of net debt (borrowing offset by cash and bank balances, see note 25) and equity (comprising issued share capital, reserves and retained earnings).

The Directors of the Group review the capital structure on an ongoing basis. As part of this review the Directors consider the cost of capital and risks associated with each class of capital.

***Effective interest rates and maturity analysis***

| *30 June 2023* | **Effective interest** | **One year or** | **More than 5** |
|---|---|---|---|

| | rate % | Total £'000 | less £'000 | 1-2 years £'000 | 2-5 years £'000 | years £'000 |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 0.0 | 6,691 | 6,671 | - | - | - |
| | | | | | | |
| Right-of-use lease liabilities | 8.0 | 1,269 | 209 | 335 | 725 | - |
| Other loans | 2.5 | 39 | 39 | - | - | - |
| | | 5,383 | 248 | 335 | 725 | - |

| *30 June 2024* | Effective interest rate % | Total £'000 | One year or less £'000 | 1-2 years £'000 | 2-5 years £'000 | More than 5 years £'000 |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 0.0 | 870 | 870 | - | - | - |
| | | | | | | |
| Right-of-use lease liabilities | 8.0 | 770 | 215 | 313 | 242 | - |
| Other loans | 2.5 | 47 | 38 | 9 | - | - |
| | | **817** | **253** | **322** | **242** | - |

**31 Retirement benefit schemes**

| **Defined contribution schemes** | **2024 £'000** | 2023 £'000 |
|---|---|---|
| Charge to income statement in respect of defined contribution schemes | **29** | 39 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling £6,899 (2023: £7,846) were payable to the fund at the balance sheet date.

**32 Issued share capital**

| | **2024 £'000** | 2023 £'000 |
|---|---|---|
| **Ordinary share capital** | | |
| *Issued and fully paid* | | |
| 467,343,673 (2023: 69,091,717) Ordinary shares of £0.001 each | **467** | 69 |
| | **467** | 69 |

During July 2023 and August 2023, 370 million shares were issued at 1 pence per share. In September 2023 a further 28.3 million shares were issued at 1.1 pence per share.

New share capital was issued after the year end, as disclosed in note 39.

**33 Reserves**

**Retained earnings**
Cumulative profit and loss net of distribution to owners.

**Share premium**
Cumulative excess over nominal value of consideration received, net of directly attributable issue costs, for shares issued.

**Share-based payments reserve**
Used to recognise the grant date fair value of options issued to employees but not exercised.

**Group reorganisation reserve**
Difference between the consideration given and the net assets of acquired entities at the date of acquisition.

**34 Share-based payments**

The Group operates an executive unapproved share option scheme and an EMI employee share option scheme. The movement on share options issued was as follows:

| | **Exercise price £** | **Options** |
|---|---|---|
| ***At 30 June 2022*** | | **2,958,410** |
| Exercised in the period (unapproved share scheme) | 0.0768 | (69,123) |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.0768 | (8,875) |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.1554 | (70,200) |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.6350 | (148,000) |
| ***At 30 June 2023*** | | **2,662,212** |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.0768 | (32,600) |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.1554 | (766,400) |
| Forfeited and lapsed in the period (executive share option scheme) | 1.1700 | (256,410) |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.6350 | (6,600) |
| Granted in period (EMI share option scheme) | 0.0100 | 116,835,918 |
| Forfeited and lapsed in the period (EMI share option scheme) | 0.0100 | (2,630,349) |
| ***At 30 June 2024*** | | **115,805,771** |

Share options outstanding at 30 June 2024 were:

Share options outstanding at 30 June 2024 were:

| Effective date oDate of grant | Expiry date | Exercise price £ | Options |
|---|---|---|---|
| Granted on 1 April 2015 (executive share option scheme) | 21 November 2030 | 0.0768 | 118,600 |
| Granted on 1 April 2016 (executive share option scheme) | 21 November 2030 | 0.0768 | 118,200 |
| Granted on 1 April 2017 (executive share option scheme) | 21 November 2030 | 0.0768 | 201,800 |
| Granted on 1 April 2018 (executive share option scheme) | 21 November 2030 | 0.1554 | 138,000 |
| Granted on 1 April 2019 (executive share option scheme) | 21 November 2030 | 0.1554 | 96,200 |
| Granted on 1 April 2020 (executive share option scheme) | 29 June 2031 | 0.1554 | 44,000 |
| Granted on 1 February 2021 (executive share option scheme) | 29 June 2031 | 0.1554 | 182,600 |
| Granted on 31 July 2019 (EMI share option scheme) | 31 July 2029 | 0.1554 | 120,802 |
| Granted on 30 June 2021 (EMI share option scheme) | 29 June 2031 | 0.1554 | 451,400 |
| Granted on 16 December 2021 (EMI share option scheme) | 15 December 2031 | 0.6350 | 128,600 |
| Granted on 9 October 2023 (EMI share option scheme) | 9 October 2033 | 0.0100 | 114,205,569 |
| | | | **115,805,771** |

The movement in options over ordinary shares of the Parent Company in the year were as follows:

| | Number of share options 2024 Number | Weighted average exercise price 2024 £ |
|---|---|---|
| Outstanding at 1 July 2023 | 2,662,212 | 0.260 |
| Granted in year | 116,835,918 | 0.010 |
| Forfeited in the year | (2,758,554) | 0.064 |
| Lapsed in the year | (933,805) | 0.295 |
| **Outstanding at 30 June 2024** | **115,805,771** | **0.012** |
| **Exercisable at 30 June 2024** | **1,600,202** | **0.172** |

New share options were granted ("the Award") as shown in the table above, which are all equity-settled share based payments. These have been valued by an independent valuation specialist using a Monte-Carlo simulation, which takes into account only the share price hurdles necessary to achieve a payoff at each date. There are additional non-market conditions, which are revenue targets for each financial year.

The inputs used in assessing the value of the Award were as follows:

- Grant date - 9 October 2023
- Vesting period - up to 10 years (price targets can be achieved at any time in this period)
- Volatility - 118.6%
- Dividend yield - 0%
- Risk-free rate - 5.0%
- Exercise price - £0.01/share

Notably, volatility is a significant input to the model and is unusually high. The value used is the observable volatility of the Group's share price, as priced on the Alternative Investment Market, from its flotation date to the grant date. Given the recent challenges and changes detailed in note 39, it is expected that similar volatility may be experienced in the short to medium term as the Group continues to grow and commercialise its products. Based on benchmarking of similar quoted companies, other similar companies have a volatility around 60%; if this was used instead then the fair value of the Award would fall from £1.088m to £0.66m.

The Award is expensed over the period in which entitlement to the Award is established through the non-market conditions. This is split into five tranches:

- Tranche 1 - total fair value £184,000. Entitlement is determined via revenue targets in the year ended 30 June 2024. These targets have been missed, therefore no expense is recognised to the P&L, and this portion of the Award is permanently foregone.
- Tranche 2 - total fair value £276,000. Entitlement is determined via revenue targets in the year ended 30 June 2025 ("FY25").
- Tranches 3 - 5 - total fair value £628,000. Entitlement is determined via revenue targets in the year ended 30 June 2026 ("FY26").

The expense recognised reflects the Directors' best assessment (as at the year end) of the likelihood of achieving revenue conditions in FY25 and FY26, as well as an estimate of the level of staff retention at those dates. Should targets be missed in those years, the amount charged to the P&L this year would be credited back to the P&L, however should targets be met then an additional charge would need to be recognised in future years in respect of the current year's entitlement.

The total expense recognised in the income statement from equity-settled share-based payments is disclosed in note 6.

On 15 December 2021, the Company granted to SPARK a warrant to subscribe for up to 689,417 Ordinary Shares (representing 1% of the Enlarged Share Capital) at the Placing Price. The exercise period commences on Admission and ends on the third anniversary of Admission.

**35 Cash used in operations**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Loss for the year after tax** | **(2,958)** | (7,836) |
| **Adjustments for:** | | |
| Taxation | **(183)** | (462) |
| Finance costs | **81** | 141 |
| Investment revenue | **(24)** | - |
| Amortisation and impairment of intangible assets | **13** | 324 |
| Depreciation and impairment of tangible assets | **232** | 3,077 |
| Equity-settled share-based payment expense | **49** | 84 |
| | **(2,790)** | (4,672) |
| **Movements in working capital:** | | |
| Decrease in inventory | **85** | 216 |
| Decrease in debtors | **239** | 648 |
| Decrease in creditors | **(306)** | (790) |
| **Cash used in operations** | **(2,772)** | (4,598) |

**36 Changes in liabilities arising from financing activities**

| | 1 July 2023 £'000 | Cash flows £'000 | New leases £'000 | Other non-cash changes £'000 | 30 June 2024 £'000 |
|---|---|---|---|---|---|
| Loans | **69** | **(22)** | **-** | **-** | **47** |
| Lease liabilities | **1,009** | **(347)** | **108** | **-** | **770** |
| | **1,078** | **(369)** | **108** | **-** | **817** |

| | 1 July 2022 £'000 | Cash flows £'000 | New leases £'000 | Other non-cash changes £'000 | 30 June 2023 £'000 |
|---|---|---|---|---|---|
| Loans | 39 | (37) | - | 67 | 69 |
| Lease liabilities | 1,269 | (193) | - | (67) | 1,009 |
| | 1,308 | (230) | - | - | 1,078 |

Other non-cash changes in the year ended 30 June 2023 represent a reclassification of certain borrowings from leases to more accurately represent the nature of the funding arrangements.

**37 Controlling party**

The Directors consider that there is no ultimate controlling party.

**38 Related party transactions**

Transactions with related parties

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company.

The remuneration of key management personnel of the Group was:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Aggregate emoluments | **731** | 1,161 |
| Share-based payments | **49** | 84 |
| Value of Company contribution to defined contribution pension schemes | **6** | 7 |
| | **786** | 1,252 |

**39 Events after the reporting date**

On 24 July 2024 the Directors announced a significant new fundraising event which resulted in a firm placing of 116,835,918 Ordinary shares for total proceeds of £0.2 million, a conditional placing of 1,272,164,082 ordinary shares for total proceeds of £2.5 million and a subscription of 26,000,000 ordinary shares for total proceeds of £0.1 million, all before expenses. On 1 August 2024 a supplementary placing of 30,000,000 ordinary shares was announced for total proceeds of £0.1 million. The conditional placing, the supplementary placing and subscription shares were approved at a General Meeting on 13 August 2024, and total net proceeds were £2.6 million.

In connection with the fundraise, the following Board changes took place on passing of the resolutions at the General Meeting on 13 August 2024

- Stephen Hull and Dean Fielding resigned.
- Dr Arron Tolley remained as a Director and his role changed to Chief Executive Officer
- Dr Adam Hargreaves remained as a Director and his role changed to Non-Executive Chairman
- Andrew Rapson was appointed to the Board as Chief Financial Officer.



END

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