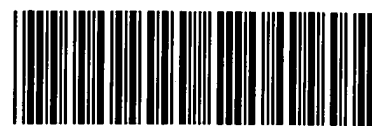


Aptamer Group PLC
Annual report and accounts
2024

Science unlimited

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COMPANIES HOUSE

Our vision is science unlimited

We do this by powering scientific innovation for our partners across the life sciences with novel technology solutions.

Through our people and values, we are driven to remove scientific barriers for our partners success by delivering high quality science underpinned by innovation, integrity, and precision.



View our investor presentations in full at:
aptamergroup.com/investors/reports-and-presentations/

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Vision

Read our Chairman's statement

Strategic report

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Strategy

Understand our strategy to deliver growth and shareholder value.

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→ Read our strategy

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Innovation

Insight into the advancement of key Optimizer® assets with strategic partners

→ See our strategy in action

At a glance



What is an Optimer®?

An Optimer® is a short single-stranded DNA or RNA molecule that can selectively bind to a target.

Optimer® binders are oligonucleotide affinity binders that can function as complementary to, or an alternative to, antibodies. The limitations of antibodies are recognised by the market, but no alternative is readily available. Optimer® binders are offering new solutions within the global market, currently worth over \$170 billion,¹ delivering solutions to bioprocessing, diagnostic, and pharmaceutical scientists.

Global market current worth

\$170.8bn¹

Developing affinity binders for therapeutics, diagnostics, and research applications

Targeting the affinity ligand market to meet demand for alternative solutions to antibodies

Discovery and development using proprietary, automated, high-throughput platforms

Optimer®+ - A next-generation platform

Optimer®+ combines a single-stranded DNA backbone with protein-like side chains for the best of Optimer® and protein-based antibodies.

Optimer®+ will broaden the applications and improve the performance over the Group's existing Optimer® technology while providing a strong differentiator to enter new markets, address new targets, and provide a proprietary position. These factors will give Aptamer Group a greater share of the affinity ligand market.

¹ Azoth Analytics. Global Affinity Ligands Market(2023 Edition)- Analysis By Type (Antibodies, Ig Binding Proteins, Lectins, Enzymes, Others), End Use, By Region, By Country: Market Size, Insights, Competition, Covid-19 Impact and Forecast (2023-2028).Report number: 1229133

Optimised affinity binders to enable the life science industry



Disruptive technology

Our proprietary Optimer® are developed to solve complex problems facing the biotech and pharmaceutical industries.

The *in vitro* discovery processes used to develop our affinity binders enable researchers to:

- Pursue new targets
- Develop new assays
- Improve therapeutic effectiveness
- Speed their discoveries
- Overcome logistical and batch variability issues

Optimer® binders can be used alongside, or in place of, antibodies to deliver a range of commercial benefits over alternative affinity binders, including:

Broader target applicability

Lab-based isolation enables the pursuit of targets that are not possible with antibodies e.g. whole tissues, toxins etc.

Tuneable selectivity

Optimer® isolation processes are tailored to give the required target selectivity, affinity and stability. This cannot be incorporated into traditional antibody generation.

Speed of discovery

Automated high-throughput development processes mean binders can be generated in as little as 17 days. Other binder technologies typically take 4 – 18 months.

Scalable, cost-effective production

Chemical synthesis is easier and cheaper to scale up, leading to significant savings in large-scale manufacture.

The highest batch consistency

Well-established chemical manufacturing methods are more reliable and give lower batch-to-batch variability than cell-based antibody manufacture.

Despite the well-recognised limitations of antibody technology, these affinity ligands dominate the market, which was estimated to be worth in excess of \$170.8 billion in 2021 and is expected to reach \$355.5 billion by 2028.¹ Driven by the growing understanding of the advantages of aptamers over antibodies, the aptamer market is set to grow rapidly over the next five to ten years into a multi-billion-dollar worldwide market.²

\$170.8bn

Estimated global affinity ligand market¹

¹ Azoth Analytics. Global Affinity Ligands Market(2023 Edition)- Analysis By Type (Antibodies, Ig Binding Proteins, Lectins, Enzymes, Others), End Use, By Region, By Country: Market Size, Insights, Competition, Covid-19 Impact and Forecast (2023-2028).Report number: 1229133

² Grand View Research. Aptamers Market Size, Share & Trends Analysis Report By Type (Nucleic Acid, Peptide), By Application (Diagnostics, Therapeutics, Research & Developments, Others), By Region, And Segment Forecasts, 2023 – 2030. Report ID: GVR-1-68038-483-3



Specific, stable and automated competitive advantages

Our proprietary platform technologies deliver binders as little as 1/15th the size of traditional antibodies. Smaller size offers many advantages, including:

Increased tissue penetration for precision medicines

Interactions are closer to sensor surfaces giving better response in biosensors

Ability to access a broader range of target binding sites for new scientific insights

More cost-effective production

Aptamer's high-throughput, automated systems mean that just a small number of scientists are needed to isolate binders, for efficient processing & rapid discovery of new functional molecules. This can be conducted in as little as 17 working days, saving time and money.



Improving the Optimer® platform

Process improvements and expanded product offerings have been implemented across the Optimer® platform during the last financial year. These updates support:

- ↓ **sample requirements**
- ↑ **capacity**
- ↑ **project margins**
- ↑ **revenues**

Advancing the Optimer®+ platform

Technical progress made with the Optimer®+ platform enabled a soft launch of this service in February 2024.

The Optimer®+ platform will offer a number of advantages beyond our standard Optimer® development, including:

- Compatibility with a broader range of target types, including high value therapeutics
- Increased target specificity
- Improved affinity
- Faster development
- Proven stable and non-toxic performance in lab-based tests
- Demonstrated tolerability in animal studies



Blue chip customer base

Aptamer Group is proud to have continuing relationships with a blue-chip customer base.

The Group has worked with all of the top 10 global pharmaceutical companies, as well as SMEs, large regional organisations, universities and charities.

100%

Percentage of top 10
pharma companies
we have served



IP Portfolio

Aptamer Group has a strong Intellectual Property (IP) position

In most cases, the Group retains ownership of the intellectual property in relation to the binders developed for customers and therefore we retain the potential for significant ongoing royalty and licence fee income.

Our proprietary, fully-controlled patent portfolio covers 49 patents in various territories, from processes to products, including a novel aptamer-based diagnostic platform, binders against specific targets of commercial interest, and novel chemistries.

49

patent rights owned



Advancing strategic assets

The Group has developed a number of strategic Optimer® assets from fee-for-service development work. These assets are now being progressed towards licensing opportunities with specific partners.

Evaluating fibrotic liver Optimer® delivery vehicles for siRNA to generate precision medicines.

Developing an Optimer®-powered lateral flow test for early Alzheimer's disease diagnosis.

Advancing Optimer® as novel active ingredient for deodorants.

Top 10 pharma

Supporting development of novel drugs with Optimer® critical reagents.

Horizons expanded

"Excellent technical and commercial progress; a comprehensive cost-base reset; and an acceleration of licensing opportunities will cement Aptamer Group's position as a global leader in line with shareholder expectations."

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:

- accelerated development of wholly-owned and partnered internal assets;
- revenue maximisation from our fee-for-service work; and,
- prudence 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 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 the 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.

Dr Adam Hargreaves
Non-Executive Chairman

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 2022,¹ 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 2016.² With no therapies currently available that directly tackle 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 2023.³ 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 Optimer® 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 £1.0 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

- 1 Market Research Future. Alzheimers Disease Diagnostic Market Research Report Information By Type (Early Onset Alzheimers, Late Onset Alzheimers, Familial Alzheimers Disease, and Others), By Diagnostic Tests (Genetic Testing, Neurological Exam, Mini Mental State Exam (MMSE), Brain Imaging, and Others), By End User (Clinic, Hospital, Diagnostic Center, and Others), and By Region (North America, Europe, Asia-Pacific, and Rest Of The World) – Market Forecast Till 2032. (2024) Report ID: MRFR/MED/1597-HCR
- 2 Zamani, M. Global Prevalence of Advanced Liver Fibrosis and Cirrhosis in the General Population: A Systematic Review and Meta-analysis. *Clin Gastroenterol Hepatol.* (2024). S1542-3565(24)00790-0.
- 3 ResearchNester. Small Interfering RNA (siRNA) Market Size & Share, by Type (LiposomeBased Systemic Therapy, Nanoparticle Based Systemic Therapy); End User (Hospital, Research Institutions, Pharmaceutical and Biotechnology Companies, Academic Institutions); Indication (Cardiovascular Diseases, Respiratory Diseases, Oncology, Neurodegenerative Diseases, Infectious Diseases) – Global Supply & Demand Analysis, Growth Forecasts, Statistics Report 2024-2036. (2023) Report ID: 5297

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 prudence 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, 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 vehicle 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.

Dr Adam Hargreaves
Non-Executive Chairman
21 October 2024



Opportunity advanced

The tuned target binding and scalable, consistent manufacturing characteristics of Optimer® binders position them as a disruptive technology in the well-established global antibody market.

Large and growing antibody market

The value of the well-established monoclonal antibody market is estimated at \$111.9 billion per annum (2022).¹

It is expected to grow at approximately 6.6% (CAGR) to \$186.7 billion by 2030.¹ Current market drivers are cited as an increase in chronic disease and precision medicine pushing demand for novel treatments, along with the patent expiry of many renowned antibodies which will fuel development of new biosimilars to meet the supply gaps of these therapeutics.¹

However, whilst it is growing rapidly, it is not without its challenges. Reports suggest that between 50-60% of research antibodies fail to meet their internal research standards,² with \$1 billion wasted annually on ineffective antibodies in the research segment alone.³

Antibodies are also costly to manufacture, transport and store. Coupled with the expense, the unethical use of animals in antibody generation is driving demand for alternative, synthetic technologies across research and pharmaceutical sectors.⁴

Antibody alternatives bring much needed benefits

Alternative binding approaches, such as the disruptive technologies used by Aptamer, address many of the challenges faced in the antibody market.

Aptamer Group develops Optimer® binders, as an antibody alternative. Optimer® binders are engineered to address many of the issues found with alternative binder technologies, such as antibodies, and offer innovative solutions to bioprocessing, diagnostic and pharmaceutical scientists.

Optimer® binders, as next-generation aptamers, overcome pitfalls in antibody production, manufacture, supply and ethics. The aptamer market is set to expand rapidly over the next decade at over 24% per annum, to a multi-billion dollar worldwide market.⁵ Drivers for this market include the increasing recognition of aptamers over antibodies, and the increasing number of clinical trials for aptamer therapeutics.⁵

Increased recognition of the advantages of the Optimer® platform has driven expansion of the customer base beyond the standard life science applications into the cosmetics/fast-moving consumer goods market.

- 1 Vantage Market Research. Monoclonal Antibodies Market - Global Industry Assessment & Forecast. (2022) Report ID: VMR-1673
- 2 Bradbury & Plcukthun. Standardize antibodies used in research. *Nature*. 518:27-29 (2015)
Gray et al. Animal-free alternatives and the antibody iceberg. *Nature Biotechnology*. 38:1234-1239 (2020)
Ayoubi et al. Scaling of an antibody validation procedure enables quantification of antibody performance in major research applications. *eLife*. 12:RP91645 (2023)
- 3 eLife. Ineffective Antibodies. Nov 23, 2023. <https://elifesciences.org/digests/91645/ineffective-antibodies>
- 4 NC3Rs. Recommendations to accelerate the replacement of animal-derived antibodies. Mar 6, 2024. <https://nc3rs.org.uk/news/recommendations-accelerate-replacement-animal-derived-antibodies>
- 5 Grand View Research. Aptamers Market Size, Share & Trends Analysis Report By Type (Nucleic Acid, Peptide), By Application (Diagnostics, Therapeutics, Research & Developments, Others), By Region, And Segment Forecasts, 2023 – 2030. Report ID: GVR-I-68038-483-3

Competition

The competitive landscape includes companies in direct competition with Aptamer Group, using their own aptamer platforms and those that use non-aptamer-based binder technologies. Their existence validates the market opportunity in this field.

Aptamer Group views its competition as those companies providing a commercial service offering for the development of affinity binders or collaborating to develop affinity-based diagnostic or therapeutic applications. There are several other companies that operate in the aptamer space and are not direct competitors of Aptamer Group; these companies have often developed aptamer based diagnostic and therapeutics for specific uses and do not have a commercial service offering.

Targeted drug delivery for precision therapies

Aptamer has witnessed traction in the use of Optimer® binders as delivery vehicles for diverse payloads, including oligonucleotide therapies, radiopharmaceuticals and small molecule drugs.

Companies developing technologies that can enable targeted drug delivery to specific tissues and cell types are attracting interest as partners for pioneering developers and major pharmaceutical companies.² Multiple companies are now entering this market to support the increase in demand for precision therapies, with high value deals reported for the development of drug delivery vehicles.³

Aptamer is forming collaborations with academia, and diagnostic and pharmaceutical companies, to develop innovative products and platforms worldwide.

The delivery of drugs to their specific site of action in the body is a major challenge in the development of precision medicines. Demonstrating the prominent need across precision chemotherapy, oligonucleotide therapies and radiopharmaceuticals, the non-viral drug delivery systems market is estimated to be worth \$7.1 billion (2023) with a growth rate of 13.8% (CAGR) to 2035.¹

The use of affinity ligands to target drugs to specific sites in the body can increase drug efficacy and reduce side effects. While antibodies are being applied in this market, multiple drawbacks, such as the large size and long development times, have spurred interest in smaller alternative affinity binders.

1 Roots Analysis Business Research and Consulting. Non-Viral / Intracellular Drug Delivery Systems Market by Type of Molecule, Type of Biologics delivered, Type of Vehicle Used, Type of Therapeutic Area, Type of Payments and Key Geographical Regions: Industry Trends and Global Forecasts (2nd Edition), 2023-2035. Available at: <https://www.rootsanalysis.com/reports/non-viral-drug-delivery-systems-market.html>

2 Nature. Dealmaking delivers for nucleic-acid-based drugs. B30 (2023)

3 Pharmaceutical Technology. Aro Biotherapeutics signs licensing agreement worth up to \$1.4bn. Jan 10, 2020. Accessed at: <https://www.pharmaceutical-technology.com/news/aro-biotherapeutics-licensing-agreement/>

Fierce Biotech. Novartis tags Molecular Partners for next radioligand play in \$560M biobucks deal. Nov 14, 2021 Accessed at: <https://www.fiercebiotech.com/biotech/novartis-tags-molecular-partners-for-next-radioligand-play-560m-biobucks-deal>

Fierce Biotech. Ionis pays Bicycle \$45M to expand oligonucleotide delivery toolkit. Jun 13, 2021. Accessed at: <https://www.fiercebiotech.com/biotech/ionis-pays-bicycle-45m-to-expand-oligonucleotide-delivery-toolkit>

Fierce Biotech. Takeda reveals potential \$3.5B value of central nervous system deep dive with PeptiDream. Jul 28, 2021. Accessed at: <https://www.fiercebiotech.com/biotech/takeda-could-dish-out-up-to-3-5b-expanded-cns-collaboration-peptidream>

Innovation enabled

Aptamer's business model is to provide contract research services on a fee-for-service basis in addition to longer-term upside potential from ongoing royalty and licensing revenues where the Group's binders are taken forward by customers into commercial applications.

Description

Providing contract research services focusing on the custom development of oligonucleotide Optimer® binders for customers, using the Group's proprietary high throughput platform technology.

What we do

Contract research services

- Generating revenues
- Bioprocessing (affinity purification)
- CMC / QC release reagents
- Research reagents
- Horizon scanning

The Group's technology is used by customers to support the development of diagnostic platforms with applications across human health, environmental services and in the agri-food sector.

Enabling diagnostics

- Lateral flow devices (LFD)
- Biosensor development
- Immunoassays (ELISA, flow cytometry/ FACS etc)
- Applications across human health, environmental and agri-food

Providing contract research services in the field of therapeutics, using its technology and experience to develop Optimer®-drug conjugates, Optimer®-enabled gene therapies and Optimer® agonists and antagonists.

Enabling therapeutics

- Optimer®-drug conjugate (ODC)
- Optimer®-enabled delivery of gene therapies
- Optimer® agonists/antagonists

Aptamer’s unique platform technology drives three business models generating revenue in the near term, with potential for substantial value creation in the longer term.

Strategic assets

Optimer® for use in deodorant

- Developed in partnership with Unilever as novel active ingredient in deodorants
- Entering on-person functionality studies in 2024
- Expected completion in next 2 years with potential for licensing if successful

Aptamer technology is highly flexible and adaptable, and is being used broadly in a number of verticals as illustrated below:

Research reagents

Optimer® reagents for Alzheimer’s disease test

- Developed in partnership with Neuro-Bio to enable lateral flow test for early Alzheimer’s disease
- Entered second phase of development in 2024
- High single digit royalties proposed for clinical diagnostic test

Bioprocessing

Diagnostics

Optimer® drug delivery vehicle for fibrotic liver

- Developed in partnership with large pharma partner and validated in lab-based tests
- Ongoing collaboration with AstraZeneca to evaluate for siRNA delivery
- Potential to progress to animal studies if successful

Therapeutics

Bioprocessing tools and diagnostic reagents have a **faster route to market.**

Enabling therapeutics programmes offers **high long-term value.**



The Optimer® platform

Our proprietary Optimer® platform enables the discovery and development of optimised DNA or RNA aptamers.

Following discovery, the selected Optimer® sequence is truncated while ensuring it delivers the required performance.

This process produces a smaller final Optimer® binder, resulting in a number of performance and manufacturing benefits.

- Flexible DNA/RNA molecules
- 4 building blocks for target interaction
- Negatively charged building blocks

The Optimer®+ platform

Our proprietary Optimer®+ platform, has had an initial soft launch.

This platform enables the discovery and development of hybrid DNA-protein molecules that combine the best features of Optimer® and antibodies.

- Hybrid Optimer®-peptide scaffold
- Potential for up to 10 building blocks for target interaction
- Hydrophobic, polar, negatively and positively charged building blocks

Our platform technologies can be applied to a broad range of target types from small molecules, to proteins and cells. Dedicated discovery processes tuned for each target type increase the potential for success across each project versus the 'one-size-fits-all' approach adopted by many of the Group's competitors.

Technical advantages of our platform technologies

Broad target applicability

Tuneable selectivity, tailored to end application

Speed of discovery

Scalable, cost-effective production

Synthetic manufacture for better quality control

Proprietary, fully-controlled patent portfolio from processes to products

Discovery process and assay toolkit

Each stage of discovery with Optimer® is uniquely tailored to our customer needs to ensure the identification of a fit-for-purpose binder.

The best platform and binder library is selected according to the target type and end application.

Binder discovery processes are customised based on relevant assay conditions, positive and negative targets for selection and counter-selection, kinetic profiles and application performance parameters.

Post-discovery, each binder is optimised for stability and manufacturability and functionalised for compatibility with the end application, all to maximise their translational potential.

Validation & Assay Services

Formatting

- Conjugation to payloads, fluorophores, tags and enzymes
- Tuning of Optimer® half-life

Kinetics

- Binding kinetics to proteins
- Binding kinetics to cells
- Homologous target/matrix binding assessment
- Cross-reactivity screening

Biomarker analysis

- Biomarker identification
- Mass spectrometry

Cell assays

- Flow cytometry/FACS
- Cell line screening and cross-reactivity analysis
- Cell viability assays
- Cell proliferation assays
- Gene knockdown assays
- Immunocytochemistry
- Cell activity assays

Functional assays

- Enzyme activity assays
- Protein/small molecule ELISA
- Immunohistochemistry
- Small scale column purification

Aptamer Solutions uses the automated, high-throughput Optimer® platform to provide contract research services focusing on the custom development of Optimer® binders. Customers use these bespoke tools as research reagents, bioprocessing ligands (e.g., purification reagents) and critical reagents (e.g., batch release tools).

Optimer® binders are developed with customer-specific targets and end-use applications in mind, including:

- Research tools
- Proteomics
- Cosmetic ingredients
- Quality control analysis reagents
- Drug metabolism and pharmacokinetics assays
- Protein purification reagents

Optimer® binders are ethically compliant due to the in vitro discovery and development processes and offer tuneable target binding which can be critical for improving the functional yield of fragile proteins in bioprocessing applications, and is ideal for supporting use as cosmetic ingredients. We are currently progressing our Optimer® asset with the potential for use as an active ingredient in deodorant with Unilever.

Revenues are generated on a fee-for-service basis with the potential for licence fee income through retained intellectual property. Aptamer Solutions provides services to a broad range of customers, which gives us an overview of growing demand in particular areas of scientific development and of opportunities we should be targeting. Consequently, Aptamer Solutions also acts as a "Horizon Scanning" platform for our Group.

Our technology is used by customers to develop diagnostic platforms – for example, in proteomics, lateral flow devices, biosensors and immunoassays. These types of diagnostic platforms have applications across human health, environmental services and in the agri-food sector.

The sensitivity of a diagnostic test relies on high-performance binding reagents and the capabilities of the Optimiser® platform can be tuned to deliver reagents suitable for diagnostic use. These reagents are central to a test's performance. Optimiser® binders are more likely to successfully integrate into a commercially viable diagnostic platform compared to traditionally derived binders, such as antibodies, as they are selected using conditions that mirror the end application (temperature, environment, sample type, etc).

In addition, Optimisers' physical properties are beneficial compared to protein-based alternatives making them of specific interest for the diagnostic market. For example, manufacturing of aptamers is scalable and consistent through solid-phase synthesis, they have extended shelf-life through dry storage and there is no need for cold-chain supply.

Aptamer Diagnostics has successfully developed Optimiser® binders that have been applied in existing diagnostic platforms, including Enzyme-Linked Immunosorbent Assay (ELISA), lateral flow assays, flow cytometry and cell or tissue imaging. We have also demonstrated the use of these binders in several biosensor formats, including BioLayer Interferometry (BLI), which we routinely use for internal and customer-focused development work, as well as gold-electrochemical, redox-based, graphene-based and Raman spectroscopy-based sensors.

Aptamer Diagnostics' revenue model comprises an initial fee-for-service, with potential for ongoing licence fees, milestone payments, technology transfer and success fees. The Group will generate revenue in any event for our initial discovery services, but if an Optimiser® is successfully identified and commercialised or licensed by a customer, revenues and margins can be significant. Timescales from project initiation to commercialisation by the customer can be as little as 1–2 years and initial licensing payments within approximately 4 years.

Aptamer Therapeutics provides contract research services in the field of therapeutics, using our Optimer[®] platform to develop Optimer[®]-drug conjugates, Optimer[®]-enabled gene therapies and Optimer[®] agonists and antagonists.

The use of Optimer[®] binders as drug conjugates has generated significant interest from potential pharmaceutical partners focused on the targeted delivery of drug molecules. Delivering drug molecules to specific cells and tissues within the body remains a major translational challenge yet holds the potential to increase the therapeutic index of many drugs. The relatively small size of Optimer[®] binders compared with antibodies gives them several advantages in tissue penetration and access to binding sites. When coupled with the typically low immunogenic profiles of oligonucleotide-based therapeutics, and comparative ease of synthesis and modification, this creates the potential to use them as novel format targeted delivery vehicles.

As part of our long-term growth strategy, we are pursuing the development of Optimer[®]-based therapeutics, much like the established process of monoclonal antibody drug development in partnership with selected biopharma and pharma partners. Importantly, we are using a collaborative development model to mitigate the risks and costs associated with drug development. We have undertaken preliminary discovery programmes with organisations including Cancer Research UK (CRUK) and AstraZeneca and have ongoing early-stage projects with partners for the development of Optimer[®]-targeted genetic medicines and precision chemotherapeutics.

Aptamer Therapeutics' revenue model comprises an initial fee-for-service, with potential for ongoing licence fees, milestone payments, technology transfer and success fees. The Group will generate revenue in any event for its initial discovery services, but if an Optimer[®] is successfully identified and commercialised or licensed by a customer, revenues and margins can be significant. Timescales from project initiation to commercialisation or developmental milestones, can be 1–2 years, and initial licensing payments can be within approximately 4 years.

Future mapped

We are focused on advancing our developed assets and continuing to deliver innovation into the pipeline for future growth.

Aptamer Group operates on a fee-for-service model, providing contract research services across various sectors. In addition to receiving payment for Optimer® development work, we aim to retain the intellectual property rights for the resulting binders. Should a partner advance a specific binder into further stages of development and commercialisation, we are positioned to generate ongoing long-term royalty and licensing fee income. This approach applies across each of our business units, including research applications, bioprocessing, diagnostics, and therapeutics. The potential upside from royalty and licensing streams is significant.

We have developed several Optimer® assets from specific fee-for-service development projects, which are now approaching critical value inflection points. Assets in the fields of cosmetics and research reagents have a faster route to market and revenue generation. Enabling therapeutics programmes can take longer but offer higher longer-term revenues and margins.

We have three strategic focuses to enable the Company to progress the development of Optimer® assets and deliver a fertile base for future growth.

Our developed Optimer® assets cover therapeutics, diagnostics, cosmetics and critical reagents. We are working with specific dedicated partners for the development of each asset (see the Strategy in Action section, pages 24 to 29).

To allow us to continue to develop assets with the potential for licensing in the future, we will maintain focus on fee-for-service development across our Optimer® platform and integrate our proprietary Optimer+ platform following full validation, to support customers across the life science industry. Increasing revenue from our fee-for-service stream and continued commitment

Progress assets to licensing with relevant partners

- Optimer® delivery vehicle for fibrotic liver
- Optimer® for Alzheimer's disease test
- Optimer® as active ingredient in deodorants

to a lean cost base with implementation of further cost reductions will make the progression to positive net cashflow and EBITDA break even more achievable. Importantly, reductions to the Group's ongoing cost base have not compromised operational capacity or the scientific expertise within the Group, ensuring the required skill base for continued technical and commercial advancement.

Continue fee-for-service development across Optimer® platforms

- Increase development revenue towards positive net cashflow
- Identify strategic Optimer® assets arising from development for future licensing potential

Rigorous cost management maintained across the business

- Reduce fixed cost base from £3.6 million to £3.0 million
- Aim to reach EBITDA breakeven

Key milestones that we aim to meet over the following two years in the progression of our strategic assets

- 1 Licensing of an Optimer® critical reagent to a biopharmaceutical partner
- 2 On-person functionality studies of Optimer® for malodour with completion of project with Unilever and potential licensing if successful
- 3 Delivery of a diagnostic test for Alzheimer's disease with Neuro-Bio

To further advance our objectives, we aim to:

- progress the Optimer® delivery vehicles for fibrotic liver disease to a pivotal demonstration point within in vivo studies

New strategies in deodorants

Working with Unilever, we have developed Optimer® binders with the potential for use as active ingredients to prevent malodour in deodorants.

The current market value for deodorants is in excess of \$21 billion per annum and growing at 4.5% (CAGR for the next 5 years). Unilever is the leader in the deodorant market, with over 30% market share - an increase of over 20% compared to its nearest competitor. The use of active ingredients such as Optimer® binders within deodorant products is highly novel within the market and holds the potential for enhanced efficacy for consumer products.

Optimer® binders have been successfully developed that target the C-S Lyase bacterial enzyme, which is critical in the generation of axillary odour. The binders have undergone extensive laboratory testing both in-house and at Unilever's facilities, demonstrating consistent and effective inhibition of the enzyme. This progress signifies the potential application of the Optimers in deodorant products.

The developed binders have been further refined to enhance their efficacy as potential active ingredients and to improve their manufacturability for Unilever's production processes.

Unilever is continuing to progress the Optimer® binders through rigorous internal testing, with plans to initiate in-vivo efficacy studies before the end of 2024. It is anticipated that this project will be completed over the next two years.



“This is the first time that Unilever has examined the impact of Optimer® binders in cosmetic applications and the data so far have shown encouraging results. This utilisation of Optimers in the cosmetic space represents a novel application for this class of materials and we will continue to engage with the world class team at Aptamer Group.”

Dr Sam Samaras
Senior Vice President R&D
Unilever

Early diagnosis of Alzheimer's disease

In partnership with Neuro-Bio, we are developing Optimer® binders to enable a lateral flow test for the early diagnosis of Alzheimer's disease.

55 million people are living with dementia around the globe. Estimates show this number will rise to 139 million by 2050.¹ Disease diagnosis is a limiting factor in patients accessing treatment.² In 2022, the Alzheimer's disease diagnostic market was valued at \$4.1 billion.³

Early detection of Alzheimer's disease is critical to allow interventions that could prevent the onset of devastating memory loss and confusion in these patients. Neuro-Bio, led by the eminent neuroscientist Baroness Susan Greenfield, is pursuing a novel biomarker for Alzheimer's disease.

Common lateral flow test formats require a pair of binders to increase diagnostic test accuracy. Optimer® binders have been successfully developed and validated for the first phase of the work. To prevent the need for animal-derived antibodies in the Alzheimer's disease diagnostic, the next phase of Optimer® development is underway to deliver a second binder that will allow a wholly Optimer-powered test.

We are on track to deliver the Optimer-based lateral flow test for Alzheimer's disease within the next two years.

- 1 Alzheimer's Society. Available at: <https://www.alzheimers.org.uk/about-us/news-and-media/facts-media>
- 2 All Party Parliamentary Group on Dementia. Raising the Barriers: An Action Plan to Tackle Regional Variation in Dementia Diagnosis in England. (2023)
- 3 Market Research Future. Alzheimers Disease Diagnostic Market Research Report Information By Type (Early Onset Alzheimers, Late Onset Alzheimers, Familial Alzheimers Disease, and Others), By Diagnostic Tests (Genetic Testing, Neurological Exam, Mini Mental State Exam (MMSE), Brain Imaging, and Others), By End User (Clinic, Hospital, Diagnostic Center, and Others), and By Region (North America, Europe, Asia-Pacific, and Rest Of The World) – Market Forecast Till 2032. (2024) Report ID: MRFR/MED/1597-HCR



“We’re thrilled to be working with Aptamer Group: the first phase of work has proved productive and very promising. Now, as we continue this partnership, we move closer to realising a highly novel and much needed technology for detecting neurodegenerative diseases at a very early stage”

Baroness Susan Greenfield
Chief Executive Officer
Neuro-bio

Precision treatment for fibrotic liver disease

In collaboration with AstraZeneca, we are progressing our developed Optimer[®] delivery vehicle for fibrotic liver disease.

Liver fibrosis significantly impacts long-term morbidity and mortality in liver disease. While fibrosis itself is asymptomatic, the resulting tissue scarring can lead to portal hypertension and progress to irreversible liver cirrhosis, potentially culminating in liver failure.

Globally liver disease is the 11th leading cause of death resulting in 2 million deaths annually.¹ Only one drug has been approved that shows any level of regression in liver fibrosis.² While many potential therapies are in development, targeting these drugs to the site of action remains a significant challenge.

Our Optimer[®] delivery vehicle targets fibrotic liver for new treatment approaches in this disease area of high unmet need. Proven in lab-based experiments to deliver functional RNA therapies specifically to the cells responsible for liver fibrosis, this delivery vehicle is being advanced in collaboration with AstraZeneca for the targeted delivery of siRNA.

We aim to progress evaluations to animal models and further identify a committed partner for the ongoing development of the Optimer[®] delivery vehicle.

- 1 Devarbhavi, H. et al. Global burden of liver disease: 2023 update. *J. Hepatol.* (2023) 79:2; 516-537.
- 2 U.S. Food & Drug Administration. FDA Approves First Treatment for Patients with Liver Scarring Due to Fatty Liver Disease. (Mar 14, 2024) Accessed at: <https://www.fda.gov/news-events/press-announcements/fda-approves-first-treatment-patients-liver-scarring-due-fatty-liver-disease>



“Enabling targeted delivery of functional medicines to new tissues remains a major translational challenge. Our progress to date suggests we have overcome these issues in developing Optimer® delivery vehicles that could offer new hope as precision medicines for liver disease, to support a hugely underserved patient group with limited treatment options.”

Dr Arron Tolley
Chief Executive Officer
Aptamer Group

Technology¹ accelerated

"The technical strides made at Aptamer over the last year have supported the reinvigoration of the pipeline and delivered strategic assets that are primed for licensing, affirming our position as a market leader."

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.

Dr Arron Tolley
Chief Executive Officer

Strategic objectives to deliver shareholder value

Aptamer's strategic focus will 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.

Commercial pipeline expansion

To rebuild and expand our commercial pipeline for the development of future assets for licensing and grow opportunities for repeat business.

Licensing of Optimer® critical reagent

To advance a developed Optimer® critical reagent with a top five pharmaceutical company to a commercial licensing agreement.

Advance Optimer® asset with Unilever

To carry out on-person functionality studies beginning in 2024 for the use of Optimer® in deodorant with potential for project completion in two years and licensing if successful.

Optimer® test for Alzheimer's disease

To deliver proof-of-concept Optimer® lateral flow test for early diagnosis of Alzheimer's disease with Neuro-Bio.

Optimer® delivery vehicles

To demonstrate performance of fibrotic liver Optimer® delivery vehicles with AstraZeneca's siRNA molecule with a view to progressing to *in vivo* studies.

- 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)

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 validating 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.

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 fundraising in August 2024 to allow us to unlock the potential of our high-value Optimiser® 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 Optimiser® 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 Optimiser® 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 Optimiser® in IHC applications. This evaluation work has now been expanded to several other teams within the partner company, evaluating the Optimiser® in different research areas. If successful, the pharmaceutical company aims to license the Optimiser® binder for use during drug development and clinical trials.



2. To advance the Optimiser® for the potential treatment of malodour with Unilever

The Group undertook a fee-for-service development project with Unilever in 2022 to develop Optimisers 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 Optimiser® 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 Optimiser® binders to enable a novel Alzheimer's disease diagnostic in 2023. The relationship started as a fee-for-service project, where Optimiser® 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 Optimiser® 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. generating demonstrator data in animal models for evaluation by AstraZeneca.

Corporate governance

As a publicly listed company we are committed to running our business in line with best practice environmental, social and governance standards. Further details on how we are maintaining the highest standards of corporate governance are outlined in greater detail on pages 44 to 55 of this report.

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

Dr Arron Tolley
Chief Executive Officer
21 October 2024

Cost base managed

Over the period, Aptamer sales pipeline has been re-established and the fixed cost base cut substantially, which has put the Company on a good footing to move forward.

Increases in the sales pipeline culminated in contracts being signed in the final quarter worth up to £1.0 million. To support the Company, a significant cost-cutting exercise was carried out in the first quarter, reducing the fixed costs to £3.6 million per annum.

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.

Andrew Rapson
Chief Financial Officer

Group	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)

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 Company had to focus on rebuilding the pipeline.

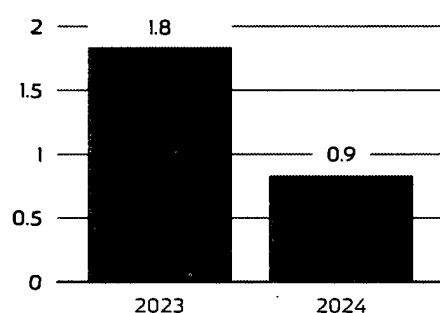
Research and development costs

During the year, the Group expensed through the income statement £0.4m (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. 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.

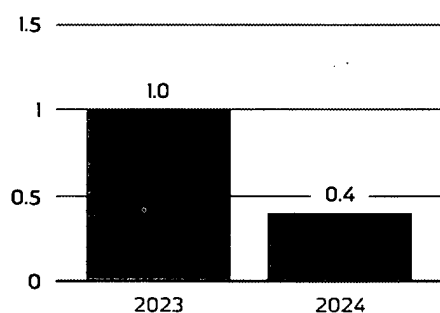
Administrative expenses

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.

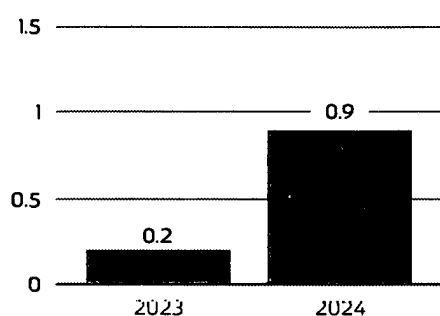
Group revenue (£m)



Research and development spend (£m)



Cash (£m)



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 on page 37.

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: £0.84 million).

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 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 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 £0.5 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 fundraising in August 2024.

Andrew Rapson
Chief Financial Officer
21 October 2024

Section 172 statement

Statement by the Directors in relation to their statutory duty in accordance with Section 172(1) of the Companies Act 2006

The Directors and the Board as a whole consider that they have acted in a way that would be most likely to ensure the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a) to (f) of the Act) in decisions taken during the year ended 30 June 2024. The Directors fulfil their duty by ensuring that there is a robust governance structure and process running through all aspects of the Group's operations. The Group's culture of strong governance is described in more detail on pages 44 to 55.

The Group's strategy is determined by the Board following careful consideration of materials and presentations from the Group Executive Team. This encompasses the impact on each of our main stakeholders and ensures alignment to the Group's culture. The Board engages with and meets stakeholders regularly, continually monitors the markets in which the business operates, and ensures that it regularly engages its leadership team to assess progress on strategy and specific projects. The Group's focus on ESG is especially relevant to our stakeholders and this is explained in detail across our approach to risk management on pages 42 to 43 and governance on pages 44 to 55.

We listen

Engaging with our stakeholders through open and clear communications.

The Board considers its major stakeholders to be our people, our investors, our customers and our suppliers.

Engagement with all stakeholders is carried out in accordance with Section 172(1) of the Companies Act 2006. For further information see page 39.



People

People are the key to the success of the Group.

It is their skills, experience and hard work that allow us to deliver quality services to our customers and be innovative in our research and development.

We believe every employee should have a voice and that every opinion should be heard because every individual working at Aptamer has something unique and valuable to offer. The Directors strive to provide an open culture where feedback and interaction is encouraged between the workforce. Regular interaction is conducted in multiple formats for all staff:

- Bi-monthly town hall meetings
- Team meetings by function
- Events and social activities



Investors

Without the long-term support of our shareholders, our business and delivery of our strategy is not sustainable.

We provide regular and open communication with our shareholders to ensure they are fully abreast of our strategic objectives, financial and operational performance, governance of the Group and values by which we operate:

- Regulatory News Service (RNS) announcements
- Annual and half-year reports
- Annual General Meeting
- One-to-one investor meetings
- Social media updates



Customers

Our customers are central to Aptamer's strategic objectives, and we deliver a first-class service to them at the highest regulatory standards.

Our principal customers include large pharmaceutical and biotechnology companies who either use our services or collaborate with us to deliver research and development.

We engage regularly with our customers to ensure we are meeting their needs adequately:

- Weekly team calls
- Project progress reports
- Customer experience surveys
- Scientific webinars
- Industry events and conferences



Suppliers

The success of the delivery of our projects depends on strong relationships with trusted and professional suppliers who play a key role in our commercial strategy.

They underpin our business growth and ensure we deliver a quality service and remain competitive.

Our employees have a strong working relationship with our suppliers and liaise with them regularly through:

- Team calls
- Progress reports

A robust approach to risk management

The Board:

Is ultimately responsible for risk.

Reviews the principal risks and uncertainties facing the Group and assesses the controls in place to manage risk and mitigate potential adverse impacts.

The Audit Committee:

Monitors the effectiveness of risk management and internal controls.

The Leadership Team:

Oversees the risk management process and monitors mitigating actions.

Our Principal Risks

The Board considers risk assessment, identification of mitigating actions and related internal controls to be crucial to achieving the Group's strategic objectives. The Corporate Governance Report describes the systems and processes through which the Directors manage and mitigate risk.

The principal risks to achieving the Group's objectives are:

Risk	Description	Mitigating Actions
Financial Risk	<p>The Group is at an early stage of its development and faces a number of operational, strategic and financial risks frequently encountered by companies looking to bring new products to market.</p> <p>The Group is focussed on delivering revenue growth, developing high value assets and is expected to be loss-making for the foreseeable future with further commitments planned to invest in the infrastructure and capabilities to support future growth.</p> <p>There can be no certainty that the Group will begin to be cash positive from trading activity or that further capital will be available once the current funds are fully committed and utilised.</p>	<p>The Group endeavours to reduce this risk by forecasting cash flow and driving financial planning to improve the financial resilience of the Group.</p> <p>Management is also committed to mitigating this risk by delivering against the Group's growth strategy, generating revenue and winning new and existing contracts.</p> <p>Furthermore, the Group is committed to minimising its cost base whilst still being able to meet its growth strategy.</p> <p>The Board reviews financial performance on a frequent basis in order to ensure that Management are delivering against plan.</p> <p>The cash balance at 30 June 2024 was £0.9 million and following the completion of the fundraise in August 2024 was £2.9 million at the end of August 2024.</p>
Dependence on Key Personnel	<p>The Group continues to be dependent upon the involvement and contribution of Aptamer's founding scientists, Dr Arron Tolley and Dr David Bunka. Also, given the relatively small size of the Group, it is reliant on a small number of key individuals.</p>	<p>The Group appreciates the high level of expertise and contributions made by its key people. It offers a merit-based, stimulating work environment with a culture focused on teamwork and freedom to operate. In addition, there is a competitive performance-based reward structure, including annual performance bonus and share options that vest over a number of years. The Board is also taking steps to ensure that knowledge, skills and expertise are shared and developed across all levels of the organisation.</p>


Risk change:

Increasing
 Decreasing
 Stable

Risk	Description	Mitigating Actions
Research and Development	The Group engages in research and development to develop solutions required by customers or to develop new technology to address specific market needs. The Group may not reach customer requirements or develop the technology quick enough which could result in the delay to projects.	The Group is building an experienced and reputable team of subject matter experts who are monitoring the outputs of the projects to ensure appropriate decisions based on data outcomes are taken at the right time. Projects are planned in detail and reviewed regularly through working groups to ensure incremental progress is being made.
Intellectual Property	The Group owns a portfolio of intellectual property comprising patents, patent applications and know-how. The commercial success of the Group and its ability to compete effectively with other companies depends, amongst other things, on its ability to obtain and maintain these patents and know-how sufficiently to provide protection for the Group. The absence of a commercially viable product that has been granted patents using our technology may have a material adverse effect on the Group's ability to develop its business. In addition, an infringement on any of our patents would present a risk to the Group, as would a patent being granted to an alternative technology prior to one being granted on our technology.	The Group seeks to reduce this risk by only developing products where legal advice indicates patent protection would be available and commercially viable, seeking patent protection for the Group's products, maintaining confidentiality agreements regarding Group know-how and technology, and monitoring technological developments and the registration of patents by other parties.
IT and Assets	The Group is reliant on its information technology systems for the processing, transmission and storage of electronic data relating to its research; operations and financial reporting. The success of the Group is dependent on its technical capabilities.	The Group has security measures and back-up systems in place in an attempt to counter any attacks by hackers, computer viruses or malicious code or other disruptions, including as a result of natural disasters or telecommunications breakdown or other reasons beyond the Group's control.
External Factors /Global Macro-economic Events	The outbreak of epidemics or pandemics, such as any future strains of the SARS-CoV-2, may adversely impact the business, third-party suppliers and/or its customers. Disruptive events such as natural catastrophes, economic turmoil, pandemics, political crisis and regulatory intervention which impact third-party suppliers and may require the Group to adapt the way it operates may present operational risk.	Our employees are already used to working remotely effectively, flexibly and alongside our valued and skilled network of consultants and sub-contractors. The Group has relocated to larger premises with more space to socially distance from one another. The Board and Senior Management monitor global events and how they could potentially impact the business.




The Strategic Report is contained on pages 1 to 43. It was approved by the Board on 21 October 2024 and signed on its behalf by:

Dr Arron Tolley
Chief Executive Officer



Expertise assembled

Committee membership:

-  Audit Committee
-  Remuneration Committee
-  Committee Chair

Dr Adam Hargreaves
Independent
Non-Executive Chairman

Dr Arron Tolley
Chief Executive Officer

Background and experience:

Spanning a 20-year career, Adam has previously worked for AstraZeneca, and has interests and skills in preclinical and translational small molecule, biologic, and RNA-based pharmaceuticals. He is the founder of PathCelerate, a contract research pharmaceutical testing company and has consulted across preclinical and clinical drug discovery and development for a number of global pharmaceutical companies, diverse range of small- and medium-sized biotechnology and medical device firms; assisting in the generation of numerous Investigational New Drug and Clinical Trial Application submissions.

Adam is a Fellow of the Royal College of Pathologists and is a board-certified Diplomate of the American College of Veterinary Pathology. He holds a PhD in oncology and has held posts including President of the British Society of Toxicologic Pathology and Visiting Professor at the University of Surrey.

Arron is the founder of Aptamer Group and was CEO from 2008 – 2023. Arron has over 19 years' experience in the field of nucleic acid biology and has expertise in the development of aptamers against multiple target types, including complex cellular targets in model disease systems. Arron led the growth of the company from a small laboratory built in the basement of his house to a successful aptamer development company, through various stages of growth, and funding, including the AIM IPO in December 2021. Arron has extensive experience in business development, business administration and translational science and holds an honorary professorship for translational science and entrepreneurship from the University of Surrey. Arron holds a Ph.D. in Molecular Biology and Biophysics from the University of Leeds.

Committee membership:



Andrew Rapson Chief Financial Officer

Andrew is a highly experienced chartered accountant with over 20 years of expertise in finance and accounting. Throughout his career, Andrew has worked extensively in AIM-listed environments, accumulating nine years of specialized knowledge in this sector. Prior to joining Aptamer Group plc in 2022, he served as Head of Finance at Hunters Property plc, where he demonstrated exceptional leadership in financial strategy and operations. His wealth of experience and proven track record in financial management continues to be an asset in driving Aptamer Group plc's financial growth and governance.

Dr David Bunka Chief Scientific Officer

David leads research and development activities to support customer validation assays and internal R&D at Aptamer Group. He holds a Ph.D. in Molecular Biology and has spent nearly 20 years developing nucleic acid aptamers against a wide variety of targets including small molecules (antibiotics, food contaminants, chemotherapeutics), disease-associated proteins, several cancer-associated cell-lines, viruses and tissue biopsies. This work has been facilitated through the use of high-throughput, automated aptamer selection methods. David has built up an established international reputation in the field and has authored several peer-reviewed research articles, invited review articles and a book chapter on aptamer-based therapeutics. He has also given many guest seminars covering aptamer-based applications at top universities and international conferences.

Tim Sykes Independent Non-Executive Director

Tim is an experienced executive and non-executive director with a career spanning over 20 years. He served as CEO and previously CFO of Proactis Holdings PLC from 2006 to 2022, leading the company's growth and strategic direction. In addition to his executive roles, Tim has acted as a fractional or transitional CFO for AIM-listed companies, including Avacta Group plc, Altitude Group, and Eleco plc, bringing valuable expertise in financial management and corporate governance. Currently, Tim serves as Non-Executive Director at Data Connect Group Limited and fractional CFO at Rio AI Limited. A qualified chartered accountant, he brings a wealth of experience in guiding companies through financial transitions and driving long-term value.



Chairman's introduction

Introducing the Board's approach to governance and its key areas of focus this year.

The Board of Aptamer Group is committed to maintaining the highest standards of corporate governance and sets clear expectations concerning the Group's culture, values and behaviours. This is reinforced through the adoption of the Quoted Companies Alliance's Corporate Governance Code ('QCA Code'). The Board works diligently to ensure that Aptamer follows and applies the 10 principles of the QCA Code to the extent that is appropriate for a business of the Group's size and stage of development.

Full details of the code and how we adopt it can be found on the Group's website within the Corporate Governance section within the Investor Relations section.

Role of the Board

The Board is responsible for taking all major strategic decisions and addressing any significant operational matters. In addition, the Board reviews the risk profile of the Group and ensures that an adequate system of internal control is in place. This is underpinned by the Board's focus on ensuring that the Group delivers long-term value to its shareholders.

Composition of the Board

At the start of the period, the Board comprised five Directors, including a Non-Executive Chair, two full-time Executive Directors and two Non-Executive Directors, of which two were considered to be independent.

Following a fundraise in August 2023, a new Board was established comprising five Directors, including an Executive Chair, two full-time Executive Directors and two Non-Executive Directors, of which two were considered to be independent.

Post-period end, the Board was reconfigured comprising five Directors, including a Non-Executive Chair, three full-time Executive Directors and a Non-Executive Director, of which two were considered to be independent.

The Board believes that the composition of the Board brings a complementary range of skills and experience to support Aptamer Group's opportunities and challenges as a public company on AIM, while at the same time ensuring that no individual, or small group of individuals, can dominate the Board's decision-making.

Board committees

During the period, the Board met regularly to review the Group's progress toward its strategic goals and to approve corporate plans and actions, budgets and financial reporting. The Board has established the Audit Committee and the Remuneration Committee to fulfil specific functions, each with formally delegated duties and responsibilities. The committees meet on a regular basis and are both chaired by independent Non-Executive Directors.

Dr Adam Hargreaves
Non-Executive Chair

Board meetings

During the year, the Board held 15 scheduled meetings. Attendance at these meetings is below.

The Board has elected not to constitute a dedicated Nomination Committee, instead retaining such decision-making with the Board as a whole. This approach is considered appropriate to enable all Board members to take an active involvement in the consideration of Board candidates and to support the Chair in matters of nomination and succession.

Social and environmental impact

The Board is mindful of the potential social and environmental impact of the Group's activities and is committed to ensuring the environmental effects of these are minimized wherever possible. We ensure the Company strives to make a positive difference in the communities in which it operates by maintaining robust business practices, operating as a good corporate citizen and acting as a trusted employer.

Equal opportunity employer

We believe in the value of diversity and strive to be an equal opportunity employer. We have a diverse group of employees in terms of both ethnicity and gender, and firmly believe diversity, inclusion and collaboration are key to our success.

Communication with shareholders

The Board recognises the importance of communicating with its shareholders – both institutional and private – to ensure that the strategy and performance of the Group is understood and that its actions are held accountable to shareholders. Throughout the year, regular communication with investors is maintained via a number of channels:

- Dedicated investor section of our website: <https://aptamergroup.com/investors>
- Company announcements published via Regulatory Information Service announcements.
- Annual Reports, fully audited, and published on our website.
- Interim results statements, published on our website.
- Meetings between Board representatives and shareholders held on an ad hoc basis, and following publication of the interim and final results.
- Annual General Meeting including both a presentation and an opportunity for shareholders to ask questions of Directors on a formal and informal basis, and to discuss the development of the business.

Key activities of the Board this year included:

- Review of R&D projects.
- Review and approval of interim results.
- Commercial presentations.
- Risk management and risk register.
- Strategic Review.
- Changes to the infrastructure and organisation of the business.

Member	Role	Appointment date	Resignation date	Attendance
Dr Ian Gilham	Non-Executive Chairman	22 December 2021	21 August 2023	5/5
Angela Hildreth	Non-Executive Director	22 December 2021	21 August 2023	5/5
Dr John Richards	Non-Executive Director	1 June 2021	21 August 2023	5/5
Dr Rob Quinn	Executive Director	1 March 2023	21 August 2023	5/5
Dr Arron Tolley	Executive Director	21 August 2023		10/10
Dr David Bunka	Executive Director	29 May 2014		15/15
Dean Fielding	Non-Executive Director	21 August 2023	14 August 2024	8/10
Stephen Hull	Executive Chairman	21 August 2023	14 August 2024	10/10
Dr Adam Hargreaves	Non-Executive Director	21 August 2023		9/10

1. Audit Committee report

The Audit Committee plays a key role in the Group's governance framework by monitoring the Group's financial reporting, internal controls and risk management.

Following the post-period establishment of a new Board of Directors, a new Audit Committee has been appointed. The Committee comprises Tim Sykes as Chair and Dr Adam Hargreaves.

The Role of the Committee

The Audit Committee assists the Board with monitoring and reviewing the Company's financial results and other reporting and has oversight of the effectiveness of risk management and systems of internal control. Its role is to provide confidence to shareholders on the integrity of our reported financial results and provide challenge to the external auditors and senior management. The framework of duties is set out in its Terms of Reference which are available on the Company's website. Each year the Committee will review its own performance and its Terms of Reference.

Members of the Committee have access to the Company Secretary who attends and minutes all meetings. To enable the Committee to discharge its duties effectively, the Company Secretary is responsible for ensuring the Committee receives high-quality, timely information. The Chair of the Committee works closely with the CFO and the finance department to ensure papers for meetings are comprehensive and comprehensible. When appropriate to do so, the Committee seeks the support of external advisers and consultants.

Duties of the Committee

The duties of the Committee include:

- Monitoring the integrity of all financial reporting including key accounting policies.
- Reviewing the content of the Annual Report and Accounts to ensure it is fair, balanced and understandable, providing the necessary information for shareholders to assess the Company's performance, business model and strategy.
- Assessing the Company's internal financial controls that identify, assess, manage and monitor financial risk and risk management systems.
- Reviewing the Company's procedures for detecting fraud, bribery and non-compliance and ensuring adequate arrangements are in place for employees and external parties to raise concerns.
- Considering annually the need for an internal audit function based on the Company's size and activities.
- Considering the appointment of external auditors and the frequency of re-tendering and rotation of the audit.
- Overseeing the relationship with, and the independence and objectivity of, the external auditors.
- Developing and recommending a policy in relation to the use of external auditors for non-audit services.

The Committee reports to the Board, which includes reporting on any matters where it considers action or improvement is needed, including the recommendation of remedial action. The Chair of the Committee reports to the Board on its proceedings after each meeting on all matters, including any reporting issues and on estimates and judgements made in the preparation of financial statements.

Attendance

During the year, the Committee held three scheduled meetings and reported on its activities to the Board. The members of the Audit Committee, who held office throughout the year are:

Member	Role	Status	Appointment date	Attendance
Dean Fielding	Chair	Independent	21 August 2023	3/3
Dr Adam Hargreaves	Non-Executive Director	Independent	21 August 2023	2/2

On 14 August 2024 Dean Fielding resigned from the Audit Committee. Following the appointment of Tim Sykes as a Non-Executive Director on 13 September 2024, the Audit Committee comprises Tim Sykes as Chair and Dr Adam Hargreaves.

Committee membership and attendance

Appointments to the Committee are made by the Board in consultation with the Chair of the Committee. Both members are independent Non-Executive Directors and have competence relevant to the sector, with at least one member having recent and relevant financial experience. Only members of the Committee have the right to attend Committee meetings. However, senior leadership team members and the external audit lead partner are invited to attend meetings on a regular basis.

Key activities of the Committee during the year:

- Reviewed the integrity of the financial statements including the Preliminary statement, Annual and Interim reports.
- Meeting with the Auditors to review the interim and full year results, discussing key accounting judgements made and advising the Board that these were a balanced and fair representation.
- Reviewed and updated the risk register and reporting to the Board its view on the key operational and financial risks the business faced.
- Reviewed findings from the internal audit report and implemented recommendations.
- Reviewed whether a going concern basis was appropriate for the preparation of the annual reports.

2. Remuneration Committee report

Aptamer Group has strong prospects for growth and is well-positioned to capitalise on the rapidly growing demand for new generations of binders for a wide range of applications across the global Life Sciences sector.

Following the post-period establishment of a new Board of Directors, a new Remuneration Committee has been appointed. The Committee comprises Dr Adam Hargreaves as Chair and Tim Sykes.

The Role of the Committee

The role of the Remuneration Committee is to ensure there is a formal process for considering executive remuneration. On behalf of the Board, it reviews the pay, benefits, and other terms of service of the Executive Directors of the Company and the broad pay strategy with respect to other senior executives. The framework of duties is set out in its Terms of Reference, which are available on the Company's website. Each year the Committee will review its own performance and its Terms of Reference. Members of the Committee have access to the Company Secretary who attends and minutes all meetings. To enable the Committee to discharge its duties effectively, the Company Secretary is responsible for ensuring the Committee receives high-quality, timely information.

The Chair of the Committee reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the Committee will make any recommendations to the Board it deems appropriate.

Duties of the Committee

The duties of the Committee include:

- Determining the Directors' remuneration policy and setting the remuneration of the Company's Chair, Executive Directors, senior management, Company Secretary and the wider workforce.
- Establishing remuneration schemes for Executive Directors that promote long-term shareholding, and attract, retain and motivate those individuals without paying more than is necessary.
- Designing remuneration policies and practices to promote long-term sustainable success, with executive remuneration aligned to the Company's purpose and values, clearly linked to the successful delivery of the Company's long-term strategy.
- Within the terms of the agreed policy, determining the total individual remuneration package of each Executive Director, the Company Chair and senior managers including bonuses, incentive payments and share options or other share awards.
- Determining clawback and equivalent arrangements in the event of a significant downturn in performance or impropriety.
- Determine the policy for, and scope of, pension arrangements for each Executive Director and other designated senior executives.
- Agreeing the policy for authorising claims for expenses from the Directors.
- Review the Company's arrangements for its employees to raise concerns in confidence about possible wrongdoing in financial reporting or other matters.

No Executive Director is involved in decisions setting their remuneration.

Attendance

During the year the Committee held one scheduled meeting and reported on its activities to the Board. The members of the Remuneration Committee, who held office throughout the year, were:

Member	Role	Status	Appointment date	Attendance
Dean Fielding	Non-Executive Director	Independent	21 August 2023	2/2
Dr Adam Hargreaves	Chair	Independent	21 August 2023	2/2

Post-period Tim Sykes was appointed to the Remuneration Committee.

Committee membership and attendance

Appointments to the Committee are made by the Board in consultation with the Chair of the Committee. All members are independent Non-Executive Directors. Only members of the Committee have the right to attend Committee meetings. However, senior leadership team members and external advisers may be invited to attend all or part of any meeting.

Directors' remuneration policy

This report sets out the Company's policy on the remuneration of its Executive Directors and Non-Executive Directors (the "policy"). The Executive Directors have written terms of engagement with no fixed expiry date. Executive remuneration packages are prudently designed to attract, motivate and retain Directors of the necessary calibre and to reward them for enhancing value to shareholders. The performance measurement of the Executive Directors and key members of senior management and the determination of their annual remuneration package is undertaken by the Remuneration Committee.

Base salary

Salaries are determined by reference to market data and taking into account the responsibilities of the Executive. All increases and changes are at the discretion of the Committee.

Pension

Executives are offered a contribution into a defined contribution pension scheme.

Performance-related bonus

To incentivise performance against personal objectives and selected KPIs linked to business strategy, Company, and Individual bonus targets are set in June of each year. Achievement of both Company and Individual targets is assessed in the September following the end of the financial year with payment following shortly thereafter. For the year ending 30 June 2024, the maximum percentages were 25% all Board members. A maximum pay-out requires an Executive's personal performance to be maximum and the Company bonus achievement to be maximum as well. An overall Company achievement is based on financial and operational KPIs.

Benefits

Life assurance and medical insurance are offered as a benefit to the Executives.

2. Remuneration Committee report continued

Directors' Remuneration**Single figure for total remuneration**

The following table sets out the single figure for total remuneration for Directors for the year ended 30 June 2024 and the year ended 30 June 2023.

	30 June 2024				2023 Total £'000s
	Salary, fees and bonus £'000s	Other benefits* £'000s	Pension £'000s	Total £'000s	
Dr Arron Tolley ¹	130	3	1	134	246
Dr David Bunka	113	1	1	115	202
Stephen Hull ²	58	-	-	58	-
Dr Robert Quinn ³	49	-	-	49	64
Dean Fielding ⁴	26	-	-	26	-
Dr Ian Gilham ⁵	18	-	-	18	97
Angela Hildreth ⁶	9	-	-	9	47
Dr John Richards ⁷	8	-	-	8	42
Dr Adam Hargreaves	-	-	-	-	-
Total	411	4	2	417	698

The share-based payment charge to the Consolidated Income Statement in respect of Director' share options was £20,000 (2023: £44,000).

* Other benefits include health insurance and gym membership

1 Resigned 16 May 2023 and reappointed 21 August 2023

2 Appointed 21 August 2023 and resigned 14 August 2024.

3 Appointed 1 March 2023 and resigned 21 August 2023.

4 Appointed 21 August 2023 and resigned 14 August 2024

5 Appointed 22 December 2021 and resigned 21 August 2023

6 Appointed 22 December 2021 and resigned 21 August 2023

7 Appointed 1 June 2021 and resigned 21 August 2023

Directors and their interests in shares

The Directors of the Company who held office at the end of the year, and their interests in the ordinary share capital of the Company, were as follows:

	Year ended 30 June 2024	
	Number of shares	Percentage holding
Dr Arron Tolley	16,794,200	3.59%
Dr David Bunka	13,524,200	2.89%
Dr Adam Hargreaves	22,500,000	4.81%
Stephen Hull	2,436,400	0.52%
Dean Fielding	1,727,400	0.37%

On 29 July 2024 and 13 August 2024 the Company issued 116,835,918 and 1,336,164,082 new Ordinary shares respectively. Following these share issues the remaining directors who held office during the year held the following interests:

	Number of shares	Percentage holding
Dr Adam Hargreaves	50,000,000	2.60%
Dr Arron Tolley	21,794,200	1.13%
Dr David Bunka	18,524,200	0.96%

Directors' share options

The Directors of the Company who held office at the end of the year, have been granted the following share options:

	Number of shares	Date of grant	Date of expiry	Exercise price per ordinary share
Dr Arron Tolley	35,837,305	9 October 2023	9 October 2033	1p
Dr David Bunka	28,422,450	9 October 2023	9 October 2033	1p
Dr Adam Hargreaves	3,725,000	9 October 2023	9 October 2033	1p
Stephen Hull*	5,100,000	9 October 2023	9 October 2033	1p
Dean Fielding*	3,725,000	9 October 2023	9 October 2033	1p

* These options lapsed on 14 August 2024 following their resignation.

For the year ended 30 June 2024

The Directors present their Directors' Report and audited financial statements of the Group for Aptamer Group PLC ("the Company") and its subsidiaries (together "the Group") for the year ended 30 June 2024.

Principal activities

The principal activity of the Company and the Group during the year was the provision of aptamer selection and development services and the development of aptamer-based reagents. The Group operates across three divisions: custom services (research and bioprocessing tools), diagnostics and therapeutics.

Directors

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

Dr A Hargreaves	(appointed on 21 August 2023)
Dr A C Tolley	(reappointed on 21 August 2023)
A Rapson	(appointed on 14 August 2024)
Dr D H J Bunka	
T Sykes	(appointed on 13 September 2024)
S Hull	(appointed on 21 August 2023 and resigned 14 August 2024)
D Fielding	(appointed on 21 August 2023 and resigned 14 August 2024)
Dr R Quinn	(resigned on 21 August 2023)
Dr I D Gilham	(resigned on 21 August 2023)
A Hildreth	(resigned on 21 August 2023)
Dr J D Richards	(resigned on 21 August 2023)

Results and dividends

The results for the year are set out on page 64.

No ordinary dividends were paid. The Directors do not recommend payment of a dividend.

Qualifying third-party indemnity provisions

The Group has indemnified all Directors of the Group against liability in respect of proceedings brought by third parties, subject to conditions set out in the Companies Act 2006 in the year and up to the date of the approval of these financial statements

Substantial Shareholdings

Other than the Directors' own holdings, the Board has been notified that, as at 3 October 2024, the following shareholders on the Group's share register held interests of 3% or more of the issued ordinary share capital of the Group:

Shareholder	Percentage	Number
Nicholas Slater	6.48%	122,500,000
Dowgate Group Limited	6.14%	117,901,748
Crux Asset Management Limited	5.21%	100,000,000

Financial instruments

Financial risk management

The Group's activities expose it to a number of financial risks including credit risk, foreign currency risk, interest rate risk, cash flow risk and liquidity risk which it manages as follows:

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, Management closely monitors 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.

Credit risk

The Group's principal financial assets are bank balances and cash and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. Credit risk 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.

Foreign currency risk

The main currencies in which the Group operates 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. The risk associated with foreign currency fluctuations is mitigated by holding foreign currency bank accounts. There was no exposure to foreign currency fluctuations at the reporting date.

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.

Cashflow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Interest-bearing liabilities are a mixture of fixed and floating rate, where the Group mitigates the exposure through cash flow hedging.

Disabled persons

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment of disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its performance. The Group encourages the involvement of employees by means of regular management team briefings, regular training and feedback sessions.

Independent auditor

The Board are recommending Gravita Audit Limited for reappointment as auditor of the Company. Gravita Audit Limited have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the Company are unaware.

Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the Company are aware of that information.

Matters covered in the "Our Strategy" section

Certain matters required to be included in the Directors' Report have been included in the "Our Strategy" section on page 22 and 23, namely the discussion of the future developments.

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.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, there remains 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. The going concern assessment is disclosed in more detail in Note 1.3 to the financial statements.

On behalf of the Board

Dr A Tolley
Chief Executive Officer
21 October 2024



For the year ended 30 June 2024

The Directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with international accounting standards in conformity with UK adopted international accounting standards ("IFRSs").

The directors have elected to prepare the parent company financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework').

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- for the group financial statements, state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

Independent Auditor's Report to the Members of Aptamer Group Plc

For the year ended 30 June 2024

Opinion

We have audited the financial statements of Aptamer Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Financial Reporting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted IFRS's;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

We performed audits of the complete financial information for Aptamer Group Plc, Aptamer Solutions Limited, Aptamer Diagnostics Limited, Aptamer Therapeutics Limited, Aptasort Limited, which were individually financially significant and accounted for 100% of the Group's revenue and 100% of the Group's absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). The Group engagement team performed all audit procedures.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We draw your attention to note 1.3 in the financial statements, which indicates the key risks and uncertainties set out on page 42 and 43 may affect the future prospects and trading activities of the group.

The Group cash receipts in the forecast includes revenues (as further disclosed in note 1.3) and the timely receipt of R & D tax credits and accounts receivables. The directors are satisfied that they would be able to take mitigating action in the event that the sales growth was slower and that these cash realizations will be met. These conditions, along with other matters as set out in note 1.3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report to the Members of Aptamer Group Plc continued

For the year ended 30 June 2024

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviews of expected cash flows for a period of 12 months, to determine expected cash requirements, which was compared to the liquid assets held in the entity, which included:

- Evaluating the appropriateness of the going concern assessment performed by management with regard to the requirements of the applicable financial reporting framework, including the period covered;
- Engaging with senior management around the group to obtain a broad-based understanding of key commercial drivers;
- Testing the mathematical accuracy of the going concern model prepared by management and the underlying calculations used within it;
- Verifying the level of cash held by the group as at 30 June 2024 and cash movements post year end;
- Critically assessing the directors' financial forecasts and the underlying key assumptions, including the sales pipeline, actual sales in the current financial year, operating cash burn rates and managements going concern sensitivity analysis; and,
- Evaluating the adequacy of disclosures made in the financial statements in respect of going concern.

Based on the work we have performed, there is an uncertainty on the achievement of the forecasts for twelve months from approval of the financial statements and there may be delays in cash realisations required to support the working capital cycle giving rise to material uncertainty related to going concern. However, because not all future events or conditions can be predicted this statement is not a guarantee of the company's ability to continue as a going concern.

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

Key audit matters

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

As there is a material uncertainty relating to going concern assumption noted above, this key audit matter has not been repeated within this key audit matters section.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>As disclosed the group's revenues is generated from a number of different revenue streams which arise from the provision of services in the parent and solutions operating segments.</p> <p>We assessed the audit risk for each revenue stream and identified significant risk existed in areas below:</p> <ul style="list-style-type: none"> — Milestone achievement may not be accurately identified or may be fraudulently misrepresented, leading to inaccurate reporting of revenue streams. — An inappropriate policy of recognising revenue under IFRS 15 may be applied fraudulently or in error leading to misstatement. This may arise either due to an incorrect assessment being made of whether revenue should be recognised at a point in time or over time, or because of an incorrect assessment is made of the distinction between performance obligations. The risk is that revenues are not recorded accurately or in the correct period and is present in all revenue streams. — Revenue may not be appropriately deferred when the provision of goods or services has not taken place in the financial year, leading to early revenue recognition and understatement of deferred income, or the reclassification to creditors if the project does not go ahead. 	<p>Our audit procedures in response to the assessed risks were substantive in nature. On a sample basis we:</p> <ul style="list-style-type: none"> — Agreed a sample of revenue items to supporting documents such as invoices, contracts, and proof of delivery / performance. — Obtained supporting evidence as to whether the milestones claimed have been achieved. — Assessed for each sample selected whether the revenue recognition policy applied was consistent with regards to nature of the contract entered in to with the customers. <p>This enabled us to conclude on whether revenue occurrence was demonstrable, and whether revenue had been recognised in the appropriate amount and in the correct period, according to contractual documents in place.</p> <p>Nothing has come to our attention as a result of performing the above procedures that causes us to believe that a material misstatement is present in respect of revenue recognition due to the matters identified as fraud and error risk set out on the left.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of Investments in Subsidiaries</p> <p>The Company financial statements present a significant level of investments, which may give rise to several risks associated with recognition, disclosure and completeness. We endeavour to assess the recognition, disclosure and completeness of investments in debt in line with the supporting documentation to ensure that such transactions are carried out at arm's length and adequate fair value disclosed at the end of the reporting period.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> Reviewed management's assessment of future operating cashflows and indicators of impairment; Assessed the methodology used by management to estimate the future profitability of companies in the group and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate; Assessed the reasonableness of the key assumptions used in management's estimates of recoverable value, in line with the economic and industry statistics relevant to the business; Confirmed that any adverse changes in key assumptions would not materially increase the impairment loss; Challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at the expected revenues for the foreseeable future. Reviewed the latest management accounts for all entities in the group to confirm reasonability of assumption used in the cashflow forecast. <p>Based on the audit work performed we are satisfied that management have made reasonable assumptions in arriving at the value of the companies in the group based on carrying value of investments and the amounts are disclosed in accordance with the reporting framework, the Company made additional impairment provisions for intercompany loans made in the period.</p>
<p>Share-based payment charge</p> <p>The Group has engaged in share-based payment transactions with its employees and senior management. To determine the fair value of the options, the Group consulted an external valuer who employed a Monte Carlo valuation technique. The granted awards are subject to non-market conditions, which will influence the year-end charge. There is a risk that the options may not be accurately valued and that the probability assumptions at year-end could prove to be misaligned.</p>	<p>We have conducted the following audit procedures:</p> <ul style="list-style-type: none"> — Reviewed the contractual agreements to determine whether the transactions are cash or equity settled. — Evaluated the computation of fair value of the options, including key assumptions, and engaged with management on these assessments. — Assessed the qualifications and expertise of the valuer to ensure the appropriateness of the options valuation. — Reviewed the disclosures in the financial statements to confirm their adequacy and compliance with IFRS 2. — Analysed related factors involved in this assessment, including the vesting period, vesting conditions, settlement choices, and estimated number of employees and cancellation of options. <p>Based on the procedures performed, we have found no issues that lead us to believe that the options have been inadequately valued or that the share-based payment charge is misrepresented.</p>

Independent Auditor's Report to the Members of Aptamer Group Plc continued

For the year ended 30 June 2024

Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of intangible assets, right of use assets & Impairment.</p> <p>The group accounts hold a significant amount of Intangible assets and right of use assets. There is a risk associated with intangibles and right of use assets that they could be overstated. There has been no further impairment to these assets from the specific and general provisions made in 2023 and detailed in Note 5. An appropriately prepared discount flow model and necessary assumptions and sensitivities are disclosed in Note 16. No additional impairment has been provided for this year.</p> <p>The difficulty with predicting future revenue streams is highlighted in Note 1.3 and also in disclosures within Note 16 which we wish to bring this to your attention.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> — Obtained management's forecast when preparing its calculations to support the cash generating unit that was identified and the inputs that determined its value in use; — Reviewed management assumptions and challenged management on their judgements of the forecasted sales, including the start-up and success of revenue generating projects, and estimates and useful lives of the intangible assets; — We considered the key assumptions in the model including the discount rate, the reliability of the revenue by comparing this to historical inputs and corroborated the inputs on revenue to correspondence and supporting information where available. — Reviewed the inputs in the right of use assets and considered the allocation of impairment applied across the cash generating units; — Tested the clerical accuracy of management's forecast. <p>Though the financial statements include no further indicators of impairment we bring to your attention that, the company's revenue pipeline includes certain assumptions and expectations of revenue yet to be contractually completed. Certain other judgements and assumptions have been highlighted in note 16. Should these revenue items not materialise, an impairment would be required and the impact of a drop in the revenue and its impact on the carrying values is documented in note 16. There are no other matters that have arisen which would otherwise require us to bring them to your attention.</p>

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£157,000 (2023: £261,000).	£150,000 (2023: £230,000).
How we determined it	Based on 5% of loss before tax (2023: 5% of Net Loss – before impairment loss).	Based on 5% of Net Loss (2023: 5% of Net Loss).
Rationale for benchmark applied	The most adequate basis is for materiality to be based on the net loss, which is consistent with our understanding of the cashflows and the Group's business model year on year which also considers that there are some trading components in the group.	The most adequate basis is for materiality to be based on the net loss, which is consistent with our understanding of the cashflows and the Company's business model year on year.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. Each component has been assigned materiality individually, with a maximum allocation of £36,000.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality has been set at 75% of overall materiality equal to £117,000. We determined performance materiality with reference to factors such as our understanding of the Group and its complexity, the quality of the control environment and ability to rely on controls and the low level of uncorrected misstatements in the prior year audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £7,500 (2023: £13,000) being 5% of Group financial materiality as a whole, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 56, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Aptamer Group Plc continued

For the year ended 30 June 2024

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
 - enquiring of management as to actual and potential litigation and claims;
 - reviewing correspondence with HMRC and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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

Sachin Ramaiya (Senior Statutory Auditor)
For and on behalf of Gravita Audit Limited, Statutory Auditor

Aldgate Tower
2 Lemn Street
London E1 8FA

21 October 2024

Consolidated statement of comprehensive income

For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 £'000	Year ended 30 June 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

As at 30 June 2024

	Notes	30 June 2024 £'000	30 June 2023 £'000
Assets			
Non-current			
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			
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

The notes on pages 70 to 102 form an integral part of these Financial Statements. The financial statements of Aptamer Group Plc (registered number 09061413) were approved by the Board on 21 October 2024 and signed on its behalf by:

Dr A C Tolley
Director



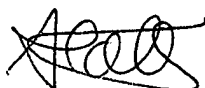
Company statement of financial position

As at 30 June 2024

	Notes	30 June 2024 £'000	30 June 2023 £'000
Assets			
Non-current			
Intangible assets	16	109	39
Property, plant and equipment	17	340	459
Right-of-use assets	18	187	160
Investments	19	203	203
Other receivables	22	373	373
		1,212	1,234
Current			
Trade and other receivables	22	404	615
Tax receivable		192	473
Cash and cash equivalents	29	841	46
		1,437	1,134
Current liabilities			
Trade and other payables	23	(1,410)	(1,118)
Borrowings	25	(38)	(50)
Leases	26	(215)	(264)
		(1,663)	(1,432)
Net current (liabilities)			
		(226)	(298)
Non-current liabilities			
Trade and other payables	24	(3)	(7)
Borrowings	25	(9)	(19)
Leases	26	(555)	(745)
		(567)	(771)
Provisions for liabilities	27	(35)	(35)
Net assets			
		384	130
Equity			
Issued share capital	32	467	69
Share premium	33	12,672	9,578
Share based payment reserve	34	504	544
Accumulated losses		(13,259)	(10,061)
Equity attributable to shareholders			
		384	130

The notes on pages 70 to 102 form an integral part of these Financial Statements. As permitted by s408 of the Companies Act 2006, Aptamer Group Plc has not presented its own income statement. The loss for the financial year within the financial statements of the holding company was £3,287,000 (2023: £8,749,000) The financial statements of Aptamer Group Plc (registered number 09061413) were approved by the Board on 21 October 2024 and signed on its behalf by:

Dr A C Tolley
Director



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)
<i>Transactions with the owners of the Parent Company:</i>							
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)
<i>Transactions with the owners of the Parent Company:</i>							
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

Company statement of changes in equity

For the year ended 30 June 2024

	Notes	Issued share capital £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 30 June 2022		69	9,573	538	(1,390)	8,790
Loss and total comprehensive expense for the year		-	-	-	(8,749)	(8,749)
<i>Transactions with owners of the Parent Company:</i>						
Issue of share capital net of transaction costs	32	-	5	-	-	5
Credit to equity for equity settled share-based payment	34	-	-	84	-	84
Exercised & forfeited equity-settled share-based payments	34	-	-	(78)	78	-
Balance at 30 June 2023		69	9,578	544	(10,061)	130
Loss and total comprehensive expense for the year		-	-	-	(3,287)	(3,287)
<i>Transactions with owners of the Parent Company:</i>						
Issue of share capital	32	398	3,613	-	-	4,011
Share issue costs		-	(519)	-	-	(519)
Credit to equity for equity settled share-based payment	34	-	-	49	-	49
Exercised & forfeited equity-settled share-based payments	34	-	-	(89)	89	-
Balance at 30 June 2024		467	12,672	504	(13,259)	384

Consolidated statement of cash flows

For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 £'000	Year ended 30 June 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			
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

These financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") and International financial Reporting Committee ("IFRC") 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 the revaluation of certain financial instruments at fair value

The individual Parent Company meets the definition of a qualifying entity under FRS 101 'Reduced Disclosure Framework'. As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- (a) the requirements of IFRS 7 'Financial Instruments: Disclosure';
- (b) the requirements within IAS 1 relating to the presentation of certain comparative information;
- (c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;
- (d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective); and
- (e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

As permitted by section 408 Companies Act 2006, the Company had not presented its own Statement of Comprehensive Income. The Company's loss for the period was £3,287,000 (2023: loss of £8,749,000).

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.

Notes to the financial statements continued

For the year ended 30 June 2024

1 Accounting policies continued

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. Land and buildings held to earn rental income are classified as investment properties.

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.

Notes to the financial statements continued

For the year ended 30 June 2024

1 Accounting policies continued

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 or 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.

Notes to the financial statements continued

For the year ended 30 June 2024

1 Accounting policies continued

1.13 Financial instruments continued

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.

Notes to the financial statements continued

For the year ended 30 June 2024

1 Accounting policies continued

1.18 Leases continued

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 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 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'
- 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.

Notes to the financial statements continued

For the year ended 30 June 2024

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:

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'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:

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'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.

Notes to the financial statements continued

For the year ended 30 June 2024

5 Impairments

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

	Note	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Inventories	21	-	181
Total impairment expense charged to cost of sales		-	181

	Note	Year ended 30 June 2024 £'000	Year ended 30 June 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:

	Year ended 30 June 2024 £'000	Year ended 30 June 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

	Year ended 30 June 2024 £'000	Year ended 30 June 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.

8 Auditors' remuneration

Fees payable to the Group's auditors and associates:

	Year ended 30 June 2024 £'000	Year ended 30 June 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.

Notes to the financial statements continued

For the year ended 30 June 2024

10 Employees

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

	Group and Company	
	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Administration and support	9	13
Production	21	29
Research and development	3	4
Sales	5	8
	38	54

Their aggregate remuneration comprised:

	Group and Company	
	Year ended 30 June 2024 £'000	Year ended 30 June 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

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Interest on financial liabilities measured at amortised cost		
Bank interest and charges	1	2
Other interest on financial liabilities	6	7
	7	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.

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Investment revenue		
Bank interest	24	-

13 Taxation

	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Current tax		
UK corporation credit on loss for the current year	(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:

	Year ended 30 June 2024 £'000	Year ended 30 June 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".

Notes to the financial statements continued

For the year ended 30 June 2024

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

	Group			Company		
	Product development & registration £'000	Software £'000	Total £'000	Product development & registration £'000	Software £'000	Total £'000
Cost						
At 1 July 2022	390	-	390	217	-	217
Additions – internally generated	53	-	53	25	-	25
At 30 June 2023	443	-	443	242	-	242
Additions – internally generated	70	-	70	45	-	45
Additions – acquired	-	38	38	-	38	38
At 30 June 2024	513	38	551	287	38	325
Accumulated amortisation						
At 1 July 2022	49	-	49	49	-	49
Charge for the period	44	-	44	44	-	44
Impairment	280	-	280	110	-	110
At 30 June 2023	373	-	373	203	-	203
Charge for the year	11	2	13	11	2	13
Impairment	-	-	-	-	-	-
At 30 June 2024	384	2	386	214	2	216
Carrying amount						
At 30 June 2024	129	36	165	73	36	109
At 30 June 2023	70	-	70	39	-	39

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 fundraising was completed in July and August 2024, which then secured the Group's status as a going concern. As the fundraising successfully completed, management prepared two scenarios addressing successful and unsuccessful completion of the fundraising, which was consistent with the equivalent fundraising and impairment review as at 30 June 2023.

A weighting of 70:30 (2023 – 75:25) in favour of successful completion of the fundraising 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 fundraising 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 fundraising was reduced to 52:479 (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.

Notes to the financial statements continued

For the year ended 30 June 2024

17 Property, plant and equipment

Group	Leasehold improvement £'000	Other property, plant and equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 July 2022	-	908	40	948
Additions	1,603	363	9	1,975
Disposals	-	(31)	(5)	(36)
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.

Company	Leasehold improvement £'000	Other property, plant and equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 July 2022	-	363	28	391
Additions	1,603	254	9	1,866
Disposals	-	-	-	-
At 30 June 2023	1,603	617	37	2,257
Additions	4	-	-	4
Disposals	-	-	-	-
At 30 June 2024	1,607	617	37	2,261
Accumulated depreciation				
At 1 July 2022	-	136	10	146
Charge for the period	270	65	4	339
Disposals	-	-	-	-
Impairment	988	308	17	1,313
At 30 June 2023	1,258	509	31	1,798
Charge for the year	99	24	-	123
Disposals	-	-	-	-
Impairment	-	-	-	-
At 30 June 2024	1,357	533	31	1,921
Carrying amount				
At 30 June 2024	250	84	6	340
At 30 June 2023	345	108	6	459

Notes to the financial statements continued

For the year ended 30 June 2024

18 Right-of-use assets

	Group			Company		
	Buildings £'000	Plant and machinery £'000	Total £'000	Buildings £'000	Plant and machinery £'000	Total £'000
Cost						
At 1 July 2022	1,225	427	1,652	1,225	210	1,435
Transfers	-	(217)	(217)	-	-	-
At 30 June 2023	1,225	210	1,435	1,225	210	1,435
Additions	-	108	108	-	108	108
Disposals	(212)	-	(212)	(212)	-	(212)
At 30 June 2024	1,013	318	1,331	1,013	318	1,331
Accumulated depreciation						
At 1 July 2022	231	81	312	231	12	243
Charge for the year	217	138	355	217	103	320
Transfers	-	(104)	(104)	-	-	-
Impairments	641	71	712	641	71	712
At 30 June 2023	1,089	186	1,275	1,089	186	1,275
Charge for the year	42	39	81	42	39	81
Disposals	(212)	-	(212)	(212)	-	(212)
At 30 June 2024	919	225	1,144	919	225	1,144
Carrying amount						
At 30 June 2024	94	93	187	94	93	187
At 30 June 2023	136	24	160	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

	Company Investments other than loans £'000
Investment in subsidiaries	
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

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

	Group		Company	
	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.

Notes to the financial statements continued

For the year ended 30 June 2024

22 Trade and other receivables

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due within one year:				
Trade receivables	110	356	110	328
Allowance for expected credit losses	-	-	-	-
Trade receivables – net	110	356	110	328
Other receivables	66	145	37	115
Accrued income	101	-	101	-
Prepayments	162	177	156	172
	439	678	404	615
Amounts falling due after more than one year:				
Other receivables	373	373	373	373
	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:

	Year ended 30 June 2024 £'000	Year ended 30 June 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

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade payables	452	656	322	463
Other taxation and social security	56	85	56	85
Other payables	79	8	7	8
Amounts owed to group undertakings	-	-	621	-
Accruals	304	463	275	451
Deferred income	136	117	129	111
	1,027	1,329	1,410	1,118

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

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred income	3	7	3	7
	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.

Notes to the financial statements continued

For the year ended 30 June 2024

25 Borrowings

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

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current				
Other loans	38	50	38	50
	38	50	38	50
Non-current				
Other loans	9	19	9	19
	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

Group and parent company	2024 £'000	2023 £'000
Dilapidations	35	35
	35	35

Movements on provisions:

Group and parent company	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
Deferred tax liability/(asset) at 1 July 2023 as previously reported	6	(6)	-	-	-
Revision required by amendment to IAS12	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
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.

Notes to the financial statements continued

For the year ended 30 June 2024

29 Cash and cash equivalents

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash and cash equivalents	870	234	841	46

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	Total £'000
Trade and other payables	835	-	-	-	835
Bank 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	Total £'000
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 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	Total £'000
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	Total £'000
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:

	Year ended 30 June 2024 £'000	Year ended 30 June 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.

	Year ended 30 June 2024 £'000	Year ended 30 June 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.

Notes to the financial statements continued

For the year ended 30 June 2024

30 Financial risk management continued

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 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	-

30 June 2023	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	234	-	-	-	-
Right-of-use lease liabilities	8.0	1,009	264	290	455	-
Other loans	2.5	70	51	19	-	-
		845	315	309	455	-

31 Retirement benefit schemes

	2024 £'000	2023 £'000
Defined contribution schemes		
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:

Effective date 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

Notes to the financial statements continued

For the year ended 30 June 2024

34 Share-based payments continued

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
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)	0.011
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)	(461)
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.

Notes to the financial statements continued

For the year ended 30 June 2024

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:

	Year ended 30 June 2024 £'000	Year ended 30 June 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 period end 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.

Company information

Directors	Dr A Hargreaves Dr A Tolley Dr D Bunka A Rapson T Sykes
Company Secretary	A Rapson
Company number	09061413
Registered office	Windmill House Innovation Way York YO10 5BR
Independent Auditor	Gravita Audit Limited Aldgate Tower 2 Lemn Street London E1 8FA
Nominated advisor	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4BH
Broker	Turner Pope Investments (TPI) 3 Queen Street London W1J 5PA
Solicitor	Squire Patton Boggs (UK) LLP No. 1 Spinningfields 1 Harman Square Manchester M3 3EB
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL

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