

Stock Data

Share Price:	0.24p
Market Cap.:	£4.61m
Shares in issue:	1,920.34m
52 week high/low:	1.40p/0.20p

Company Profile

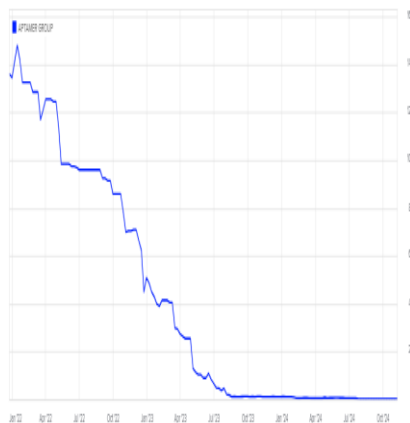
Sector:	Health Care
Ticker:	APTA
Exchange:	AIM

Activities

Aptamer Group plc ('APTA', 'Aptamer' 'the Group') is a leading provider of custom aptamer selection and development services for a wide range of research, diagnostic and therapeutic applications.

www.aptagroup.com

Share price performance since Admission²



²22 December 2021

Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

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TPI acts as broker to Aptamer Group plc.

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Aptamer Group plc

Two recent announcements have reinforced expectation that Aptamer will be able to deliver on both its revenue and licensing goals for FY2025/26. These were set on 24 July 2024, following the Group's successful £2.83m (gross) equity fund raise. Based simply on being able to sustain its existing trajectory of incoming Fee-For-Service ('FFS') work while also continuing the scale back of its cost base, the Board projected cash-in-hand (incl. annual R&D tax credit) would be sufficient to satisfy working capital needs out to end-June 2026, by which time anticipated collection of licensing fees offer potential for it to become financially self-sustaining going forward. The refreshed Board's decision to return focus on asset development and licensing initially appeared to raise the Group's risk profile, but subsequent contract extensions from both Unilever and a major US genetic medicines customer, together with a high level of confidence in its ability to capture significantly greater, highly visible, longer-term returns through accrual of downstream milestone payments, licensing fees and/or royalties as partnered projects approach and achieve commercialisation, now suggests such fears had been overstated. Given the number of major development partners, including Unilever, AstraZeneca, Neuro-Bio and other Top Tier Pharmaceutical Groups, continuing to progress products that utilise Aptamer's binders in order to target global market opportunities, modest initial collection of passive income that could commence as early as this financial year, with potential to multiply substantially thereafter. Seemingly unrecognised in the Group's current valuation, any such breakthrough adoption(s) would be transformative for Aptamer, both financially and in terms of reputation.

Upturn in trading activity being sustained

Back on 8 July 2024, Aptamer confirmed an upturn in its sales and order book had been seen during 2H FY2023/24. The trend has continued into the current period with new FFS contracts secured amounting to £0.47m being announced on 6 November 2024. Comprising multiple agreements, including one from Top 20 and two from a Top 5 global pharmaceutical company with total value up to £0.34m, these projects aim to develop Optimers as critical reagents in support of active clinical development programmes or the analysis of novel therapeutics.

As a result, Aptamer has now booked revenue contracts of up to c. £1.2m to be recognised during FY2024/25, while its advanced stage sales pipeline has also increased from £2.1m in July 2024 to c.£4.0m as of November 2024. A significant proportion of this work, which includes repeat business from customers that are advancing Aptamer's binders within their internal pipelines, is expected to be converted during the remaining seven or so months of the current period. Heightening the potential for longer-term receipt of passive licensing revenues, this continued momentum underscores Aptamer's role in advancing initiatives led by some of the world's largest pharmaceutical groups, who are eager to leverage the unique capabilities of its technical platforms.

With such FFS revenues expected to return to their historical inclined trend

this financial year while its overall cost base is seen falling to c.£2.9m (FY2023/24: c.£3.7m), EBITDA breakeven from the division's activities alone looks set to be achieved in FY2025/26. The Board also points out that last year's refocus of the company strategy towards accelerating internal development, has resulted in a number of potentially high value strategic assets, each capable of delivering substantial longer-term value creation through prospective licensing, etc. Together with its partnered programs, the Board considers that its focus on exploitation of such opportunities presents the best opportunity to maximise shareholder value over the medium term. While it can be expected to provide further FFS contract updates during the remaining months of FY2024/25, the possibility also remains for collection of its first modest passive income contributions during the period.

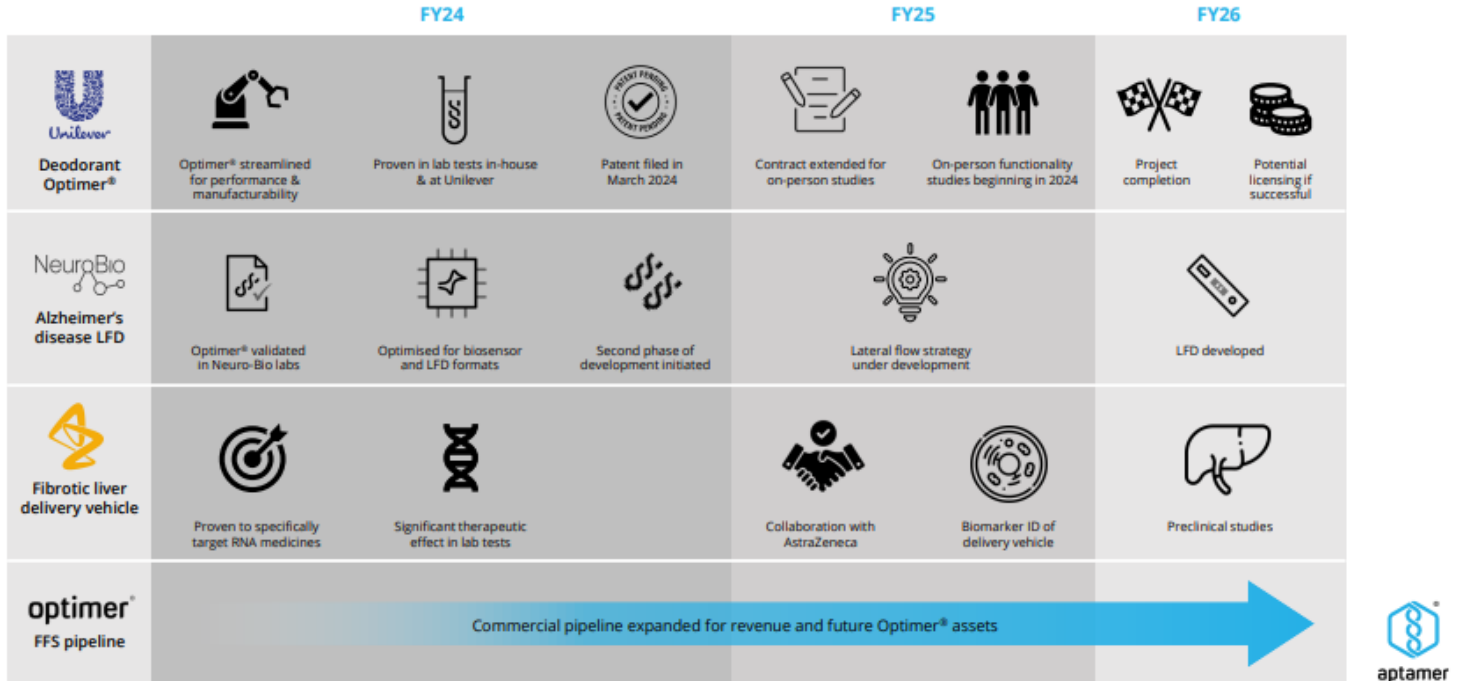
Agreement with genetic medicines customer extended

On 14 December 2023, Aptamer signed a material agreement with an unnamed international genetic medicines company. Research undertaken in drug delivery supports the need for new modalities within this space, which includes gene therapy, personalised medicine, and the rapidly emerging new specialty, predictive medicine. Targeting oligonucleotide therapeutics beyond hepatocytes remains a challenge across the industry, yet the properties of Optimers make them particularly suitable for developing precision-guided therapies, potentially representing a significant next stage in the evolution of targeted drug delivery. Under the terms of the agreement, Aptamer utilised its proprietary platform to discover Optimer binders capable of enabling the targeting of genetic medicines to specific cell types. Significantly in this respect, the smaller size of Optimers allows for improved tissue penetration, therein permitting effective targeting cell types that have been difficult to achieve with other technologies. While the ability to control Optimer conjugation to therapeutic payloads allows for greater precision in both development and dosing.

Over the ensuing ten or so months, Aptamer successfully developed Optimer delivery vehicles followed by shipping of test material to the customer during October 2024. The performance of these delivery vehicles has since been validated by the customer, indicating that the Optimer delivery vehicles can specifically target the required cell type. It was also able to demonstrate Optimer binding to the target cells from a panel of different animal species; this pan-species specificity is highly desirable to facilitate progression through preclinical development, with such testing generally being required prior to application in humans. Due to the targeting specificity, multiple species binding, and reproducibility of the results, on 7 November 2024 the customer committed to progressing to the final commercial development stage for the therapeutic delivery vehicle. This clearly advances potential for the drug's use as part of a precision therapy which would, in turn, generate downstream licensing revenues to Aptamer.

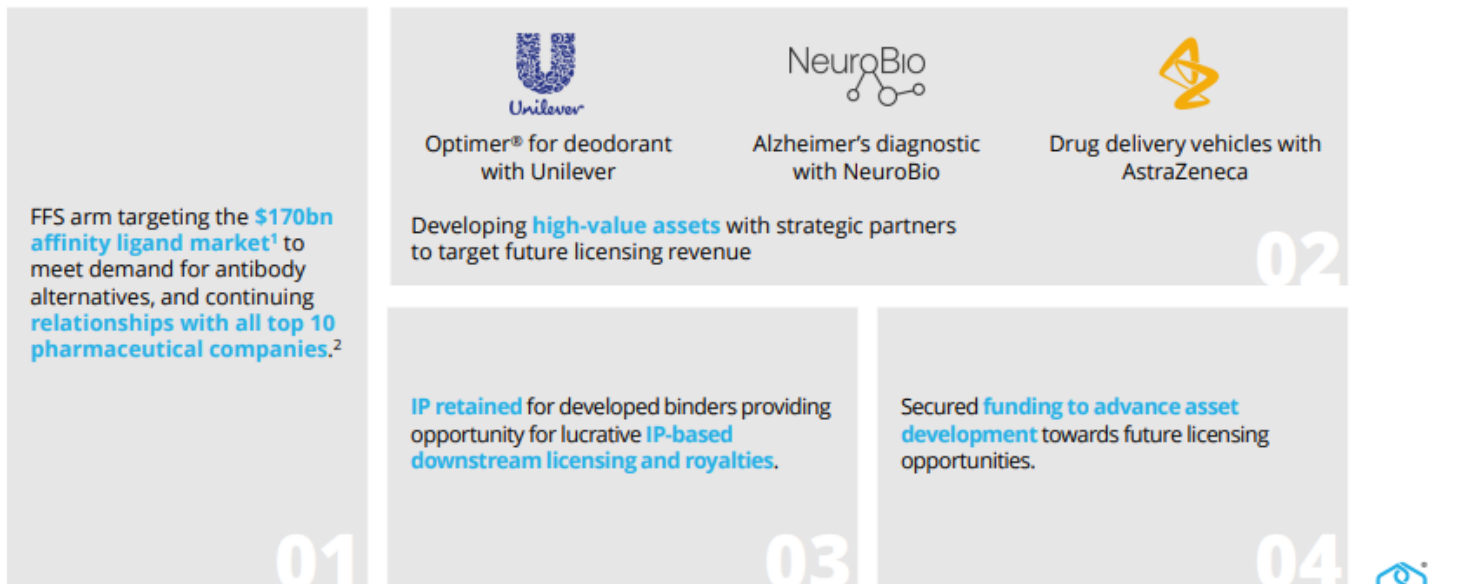
This news represents the Group's second drug delivery asset with licensing potential, alongside its liver fibrosis targeting Optimer. The latter's collaboration with AstraZeneca has already demonstrated selective cell targeting and now aims to move to preclinical studies. These studies will be pivotal in proving the effectiveness of the technology in delivering functional genetic medicines and opportunity to enable new approaches in precision drug delivery across this developing field. Further updates on this project might be seen during 2H FY2024/25.

Aptamer Group - Development Partnerships and Expanding FFS Pipeline Delivering Growth



Source: Aptamer, [FY 2023/24 Results Investor Presentation 22 October 2024](#)

Aptamer Group – Investment Case



¹ Azoth Analytics. Global Affinity Ligands Market (2023 Edition). Report number:1229133
² Top 20 pharma companies 2023 by revenue

Source: Aptamer, [FY 2023/24 Results Investor Presentation 22 October 2024](#)

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