

**Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain**

**Proteome Sciences plc  
("Proteome Sciences" or the "Company")**

**Interim results for the six months ended 30 June 2021**

Proteome Sciences announces its unaudited interim results for the six months ended 30 June 2021.

**Financial highlights:**

- Proteomics services revenues £0.68m (H1 2020: £0.60m)
- TMT® reagent sales and royalties £1.29m (H1 2020: £1.27m)
- Total revenues £1.97m (H1 2020: £1.90m)
- Gross profit £1.16m (H1 2020: £1.07m)
- Costs £2.23m (H1 2020: £2.22m)
- Loss before tax £0.41m (H1 2020: £0.48m)

Commenting on these results, Dr. Mariola Soehngen, Chief Executive Officer of Proteome Sciences, said:

"We are pleased to report the financial results for H1 2021. Having started the year with a strong order book we continued to generate both new and repeat customers during the first 6 months. As expected, the COVID-19 pandemic still affected many industries including ours in H1 2021 where a number of orders were not fully completed and reflected in revenue. With the good progress of international vaccination rates there is the prospect that the situation will further improve in H2 2021. We expect to show meaningful continued growth for the full year 2021 compared to 2020 both regarding our service business and TMT® revenues. We are particularly grateful to our employees who continued to keep the company fully operational despite these challenging times and under stringent home office regulations in Germany."

As in 2020, our service business started the year with a strong order book and large bank of samples, allowing us to be at near full capacity at the start of the year. We report another strong first half with revenues up 13% over the same period in 2020, building on the growth posted in previous years and revenue from key longer term projects begun in H1 will be recognised in the second half of the year. We have seen a continued high volume of client orders through this period and remain confident that full year service revenue will show strong continued growth over 2020.

Despite continued cancellation of all physical conferences and trade shows, we have continued to have an intensive programme of customer engagement and the number of quotes and orders for new business is running at over double the value of the same period in 2020.

The relatively flat level of TMT® revenues in the first half year in comparison to the previous period can be attributed to high restocking of our customers before the 2020 year-end, as well as some smaller COVID-related delays in academic research laboratories opening up and short-term supply-chain difficulties for general laboratory consumables delaying some research programmes. This was exacerbated by the strengthening value of sterling during the first six months. On a Euro basis excluding adverse GBP/Euro currency movements TMT® revenues show a positive increase of 8% for the first half of 2021 in comparison to the H1 2020. We expect full year TMT® revenues to show reasonable growth over last year as research activities pick up and supply chains return to normal."

**For further information:**

**Proteome Sciences plc**

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**About Proteome Sciences plc. ([www.proteomics.com](http://www.proteomics.com))**

Proteome Sciences plc is a specialist provider of contract proteomics services to enable drug discovery, development and biomarker identification, and employs proprietary workflows for the optimum analysis of tissues, cells and body fluids. SysQuant® and TMT®MS2 are unbiased methods for identifying and contextualising new targets and defining mechanisms of biological activity, while analysis using Super-Depletion and TMTcalibrator™ provides access to over 8,500 circulating plasma proteins for the discovery of disease-related biomarkers. Targeted assay development using mass spectrometry delivers high sensitivity, interference-free biomarker analyses in situations where standard ELISA assays are not available.

The Company has its headquarters in Addlestone, UK, with laboratory facilities in Frankfurt, Germany.

## **Chief Executive Officer's Report**

As previously outlined in our full year 2020 report we saw our business performance still influenced by the COVID-19 situation in the first half of 2021. The international vaccination processes were slower than expected and infection rates remained high for the majority of 2021 so far, with all its consequences like strict home office regulations, more down times in customer laboratories, delayed and reduced projects etc. Lifting COVID-19 restrictions might contribute to further infection waves with unclear impact on our business. As we have already undertaken substantial preparatory work for projects which will conclude and recognised as revenues within the second half of 2021, our expectations of exceeding the full year 2020 results remain strong. The same is true for our TMT® business where our customers should return to normal activity and business levels. We are preparing for this situation with an internal build-up of capacity (staff and additional mass spectrometry based instrumentation).

### Services

Recognised revenues from the proteomics services business increased 13% in the first half to £0.68m (2020: £0.60m) reflecting the strong order book and banked samples we had from 2020. We completed 19 projects during the period with another 17 initiated and running into H2. As a short to medium term indicator of future business, 61 quotes and pricing requests were issued compared with 40 during the equivalent period last year. In the H1 2021, we booked new orders worth over £1.06m, representing a 38% increase over H1 2020 (£0.77m) with a split between US (63%) and EU (37%) customers. We also maintained a strong level of repeat orders from existing customers, which accounted for 75% of the total by value, as we become established as preferred suppliers.

Overall, these metrics show the benefits of our focus on improving our sales cycle to speed up project execution and revenue generation. To this end, and to ensure 2021 services show year on year sales growth, we are expanding both laboratory personnel headcount and mass spectrometry capacity in our laboratories in Frankfurt, Germany. We expect both staff and equipment to be in place by mid H2.

We continue to be hampered by the shut-down of global travel, making it impossible to have face to face meetings with our clients and prospects. We continue to use a mixture of videoconferencing and presentations at virtual trade shows to broaden further our outreach and customer base. Whilst this still works, we hope that a relaxation of travel restrictions in the second half of 2021 to both European and US territories will enable a return to both physical client/prospect related meetings and exhibitions/conferences. Until that time we will continue with the more virtual formats we have been using for the past 16 months.

### TMT®

TMT® revenue of £1.29m was comparable to the same period last year (H1 2020: £1.27m), reflecting the effect of strong restocking of our customers before year end 2020 and consequently was already considered in 2020 revenues. We are encouraged that the first half sales are broadly consistent with the same period last year despite the COVID-19 pandemic and will further pick up in the second half with the COVID-19 situation further improving and business normalising.

We have completed synthesis of the final two TMTpro™ tags, taking the set to 18plex. We have launched extended services using the new 18plex reagents with a positive response from our customers who can now analyse 100 samples in only 6 experiments. We expect the introduction of the full 18plex set by Thermo Fisher Scientific will drive further revenue growth in the second half of the year.

As more CROs enter the proteomics space, we have joined with our exclusive licensee, Thermo Fisher Scientific, to provide a simple licensing process to allow the commercial use of TMT® and TMTpro™ in commercial research. We expect new licensees to be signed during the second half of this year and on an ongoing basis thereafter, with all licenses generating upfront and royalty revenues.

## Outlook

Our outlook for H2 2021 remains positive. After the restructuring of the company in recent years which was necessary to focus our business, we have now generated a sound basis for the further growth. We have identified promising growth areas and will use these to build additional revenue streams through new services and products. To support this, we are carefully increasing our capacity (staff and machines) to meet the increased customer need.

Our previously announced internal strategic evaluation continues to make good progress and we will update the market once it has been finalised.

Proteomics continues to be an attractive investment area, particularly in the US, and the industry is projected to grow with a CAGR of 14% (projection up to 2024, source: Markets and Markets).

Our TMT® based biomarker services support our customers to develop very targeted therapies for patients.

We are now exploring initiatives with potential to increase value and leverage our position as a global leader in a high-profile sector, with a focus on the US market.

**Dr. Mariola Soehngen**

Chief Executive Officer

28 July 2021

## **Finance Director's Report**

Revenues in the first half of 2021 were 4% higher at £1.97m compared to the equivalent period in 2020 (£1.90m), with stable TMT® and TMTpro™ sales accompanied by a strong increase of proteomic service sales by 13 %. To support our service revenue figures in the second half of 2021, we will increase our capacity with additional laboratory personnel. Growth in the H1 of 2021 continued to suffer from our ability to attend trade fairs and conferences due to the COVID-19 related restrictions.

Costs of sales and administrative expenses increased by 1% to £2.23m (£2.22m) in line with revenue growth. This was due to an increase in payroll costs as vacant positions were filled. This was offset by lower consultancy, patent and travel costs as budgeted and in comparison to previous years. The costs benefitted from a slight increase in stock value, due to the production of TMT® and TMTpro™ in combination with unchanged TMT® sales. Financing costs for the first half decreased to £0.14m in comparison with £0.17m in the previous year due to lower interest rates.

The loss before taxation of £0.41m is slightly below that for the first half of 2020 (£0.48m). As at 30 June 2021 the Group had cash resources of £2.14m (30 June 2020: £1.45m), which is similar to cash resources at the end of 2020 (£2.21m).

**Stefan Fuhrmann**  
Finance Director  
28 July 2021

**Consolidated income statement**  
**For the six months ended 30 June 2021**

	Note	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)
		£'000	£'000
<b>Continuing operations</b>			
<b>Revenue</b>			
Licences, sales & services		1,960	1,872
Grant services	9	9	27
		1,969	1,899
<b>Revenue- Total</b>			
Cost of sales		(811)	(833)
		1,158	1,066
Administrative expenses		(1,422)	(1,382)
<b>Operating loss</b>		(264)	(316)
Finance costs		(144)	(168)
<b>Loss before taxation</b>		(408)	(484)
Tax		(17)	(30)
<b>Loss for the period</b>		(425)	(514)
<b>Loss per share</b>			
Basic and diluted	2	(0.14p)	(0.17p)

**Consolidated statement of comprehensive income**  
**For the six months ended 30 June 2021**

	Six months ended 30 June 2021 (unaudited) £'000	Six months ended 30 June 2020 (unaudited) £'000
Loss for the period	<u>(425)</u>	<u>(514)</u>
<b>Other comprehensive income for the period</b>		
Exchange differences on translation of foreign operations	<u>15</u>	<u>42</u>
<b>Total comprehensive expense for the period</b>	<u>(410)</u>	<u>(472)</u>

## Consolidated balance sheet

As at 30 June 2021

	30 June 2021 (unaudited) £'000	31 December 2020 (audited) £'000
<b>Non-current assets</b>		
Goodwill	4,218	4,218
Property, plant and equipment	53	58
Right-of-use asset	392	484
	<u>4,663</u>	<u>4,760</u>
<b>Current assets</b>		
Inventories	908	878
Trade and other receivables	683	788
Contract assets	296	457
Cash and cash equivalents	2,144	2,210
	<u>4,031</u>	<u>4,333</u>
<b>Total assets</b>	<u>8,694</u>	<u>9,093</u>
<b>Current liabilities</b>		
Trade and other payables	(668)	(768)
Contract liabilities	(141)	(153)
Borrowings	(10,684)	(10,547)
Lease Liabilities	(408)	(491)
	<u>(11,901)</u>	<u>(11,959)</u>
<b>Net current liabilities</b>	<u>(7,870)</u>	<u>(7,626)</u>
<b>Non-current liabilities</b>		
Pension Provisions	(487)	(492)
	<u>(487)</u>	<u>(492)</u>
<b>Total liabilities</b>	<u>(12,388)</u>	<u>(12,451)</u>
<b>Net liabilities</b>	<u>(3,694)</u>	<u>(3,358)</u>
<b>Equity</b>		
Share capital	2,952	2,952
Share premium account	51,466	51,466
Share-based payment reserve	3,698	3,623
Merger reserve	10,755	10,755
Translation reserve	(76)	(91)
Retained loss	(72,489)	(72,063)
<b>Total shareholders deficit</b>	<u>(3,694)</u>	<u>(3,358)</u>

**Consolidated cash flow statement**  
**For the six months to 30 June 2021**

	<b>Six months ended 30 June 2021 (unaudited) £'000</b>	<b>Six months ended 30 June 2020 (unaudited) £'000</b>
<b>Loss before tax</b>	(408)	(484)
Adjustments for:		
Net finance costs	144	168
Depreciation of property, plant and equipment and right of use assets	78	82
Share-based payment expense	75	5
Operating cash outflows before movements in working capital	(111)	(229)
Increase in inventories	(31)	(86)
Decrease in receivables	266	1,016
Decrease in payables	(120)	(36)
(Decrease)/increase in provisions	(5)	46
<b>Cash generated from / (used in) operations</b>	(1)	711
Tax (paid)	(17)	(30)
<b>Net cash (outflow) / inflow /from operating activities</b>	(18)	681
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(8)	(6)
<b>Net cash outflow from investing activities</b>	(8)	(6)
<b>Financing activities</b>		
Lease payments	(83)	(60)
<b>Net cash outflow from financing activities</b>	(83)	(60)
<b>Net (decrease) / increase / in cash and cash equivalents</b>	(109)	615
Cash and cash equivalents at beginning of period	2,210	799
Effect of foreign exchange rate changes	43	37
<b>Cash and cash equivalents at end of period</b>	2,144	1,451

## Notes

### For the six months to 30 June 2021

#### 1 Basis of preparation and accounting policies

These interim consolidated financial statements have been prepared using accounting policies based on International Accounting Standards and Interpretations in conformity with the requirements of the Companies Act 2006. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 December 2020 Annual Report. The financial information for the half years ended 30 June 2021 and 30 June 2020 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Proteome Sciences plc ('the Group') are prepared in accordance with International Accounting Standards and Interpretations in conformity with the requirements of the Companies Act 2006. The comparative financial information for the year ended 31 December 2020 included within this report does not constitute the full statutory Annual Report for that period. The statutory Annual Report and Financial Statements for 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 December 2020 was unqualified.

The directors have concluded that the Group has adequate resources to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly consolidated financial statements.

Proteome Sciences plc has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2020 annual financial statements.

There have been no new standards adopted since the presentation of the financial statements 2020.

The Board of Directors approved this interim report on 28 July 2021.

#### 2. Loss per share from continuing operations

	<b>Six months ended 30 June 2021 (unaudited)</b>	<b>Six months ended 30 June 2020 (unaudited)</b>
<b>Loss per share</b>		
Loss for the purpose of basic loss per share being net loss attributable to equity holders of the parent (£'000)	(431)	(514)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>295,182,056</u>	<u>295,182,056</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>295,182,056</u>	<u>295,182,056</u>

### **3. Cautionary statement**

This document contains certain forward-looking statements relating to Proteome Sciences plc ('the Group'). The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Group to differ materially from those contained in any forward-looking statement. These statements are made by the directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.