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4 August 2022

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

Interim results for the six months ended 30 June 2022

Proteome Sciences announces its unaudited interim results for the six months ended 30 June 2022.

Financial highlights:

- Proteomics services revenues £0.85m (H1 2021: £0.68m)
- TMT[®] reagent sales and royalties £2.39m (H1 2021: £1.29m)
- Total revenues £3.24m (H1 2021: £1.97m)
- Gross profit £1.80m (H1 2021: £1.16m)
- Costs £2.98m (H1 2021: £2.23m)
- Profit before tax £0.07m (H1 2021: loss before tax of £0.41m)
- Adjusted EBITDA** £0.64m (H1 2021: loss of £0.11m)

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

“We have seen further positive momentum in sales of our services and TMT[®] reagents during the first half of 2022 as we continue to implement our strategy of organic growth.

TMT[®] sales were £1.45m in H1 2022 vs £0.67m in H1 2021, an increase of 116%. Royalties increased from £0.61m to £0.94m (54%).

Our revenues from TMT[®] and TMTpro[™] reagents remain the most significant source of income and are close to double the same period last year as the research world globally starts to re-engage fully after the COVID pandemic. Whilst we expect the rate of growth to slow marginally in the second half, we expect a substantial improvement for the full year.

The market response to TMTpro[™] 18plex reagents has been very positive as new automation platforms enabling higher throughput labelling have been introduced to the market. We still see challenges from label-free methods and continue to look to further extend the value of TMT[™] reagents across newly emerging sectors such as single cell and low content proteomics, as well as leveraging our chemical expertise in the tagging space to other opportunities.

Our service business started 2022 with a strong order book and large bank of samples, allowing us to be at near full capacity since the start of the year. We report another strong first half with revenues up 25% over the same period in 2021, building on the growth posted in previous years. 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 continued growth over 2021.

During this period we have also been working on the introduction of Single Cell Proteomics (SCP) as a new service, which will be known as SysQuant[®] SCP, and evaluating new classes of reagents for mass spectrometry. To this end we have added the cellenONE platform in July 2022 which enables us to scale up

the SysQuant® SCP service as we grow the market. Our demonstrated expertise in TMT® reagents and services clearly differentiates us from other players in the delivery of this complex SysQuant® SCP service. Further investments in our resources i.e. staff and instruments have been necessary to maintain the high level of operational and scientific support our customers receive.

Conferences and trade shows have restarted in a new combination of both physical and virtual attendance. We have an intensive programme of customer engagement largely centred around these events. In early Q2 we launched a new corporate image largely based on our new web site appearance.”

**Adjusted EBITDA (a non-GAAP company specific measure which is considered to be a key performance indicator of the Group’s financial performance).

For further information:

Proteome Sciences plc

Dr Mariola Soehngen, Chief Executive Officer

Tel: +44 (0)20 7043 2116

Dr Ian Pike, Chief Scientific Officer

Richard Dennis, Chief Commercial Officer

Allenby Capital Limited (AIM Nominated Adviser & Broker)

John Depasquale / Jeremy Porter (Corporate Finance)

Tel: +44 (0) 20 3328 5656

Tony Quirke (Sales)

About Proteome Sciences plc. (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 Cobham, UK, with laboratory facilities in Frankfurt, Germany.

Chief Executive Officer's Report

Services

Recognised revenues from the proteomics services business increased 25% in the first half to £0.85m (2021: £0.68m) reflecting the strong order book and banked samples we carried forward from 2021. We invoiced our first project that involved data generated from the Meso Scale Discovery platform that we acquired last year.

In H1 2022, we booked new orders worth over £1.21m, representing a 14% increase over H1 2021 (£1.06m) with a split between US (64%) and European (36%) customers. We also maintained a strong level of repeat orders from existing customers, which accounted for 45% of the total by value, as we become established as preferred suppliers.

Revenue prospects for H2 look strong as we continue to have a healthy order book and pipeline of projects to deliver by the year end.

As we moved into 2022 global travel has resumed, making it possible again to have face to face meetings with our clients and prospects. We continue to use a mixture of videoconferencing and presentations and attend (both in person and virtually) trade shows to broaden further our outreach and customer base. We use these outreach opportunities to maintain contact with our current customers, establish new accounts and look for new business opportunities in markets that we plan to enter in the coming months, for example single cell proteomics.

TMT®

Revenues from sales of TMT® and TMTpro™ reagents and royalties were £2.39m (2021: £1.29m) driven by significant increases in global research and development activities as we begin to live with COVID. The launch of TMTpro™ 18plex reagents and new formulations through our Licensee Thermo Scientific have been very well received in the market and we expect strong sales to continue through the rest of the year, although growth rates are expected to slow in the fourth quarter. We have ample stocks of all reagents to meet demand over the next 18 – 24 months and will be making a new batch of TMTpro™ during the second half of this year, ensuring supplies beyond 36 months.

Historically, many groups have held back from using isobaric tagging due to perceived challenges of sample preparation. Whilst these concerns are not well founded, the recent introduction of automated sample preparation systems from Preomics, Thermo Scientific and Cellenion are supporting greater uptake of TMT® and particularly TMTpro™. We expect this trend will continue as users start to see the benefits of high precision in biomarker discovery experiments, compared with label free methods.

The strong response to 18plex TMTpro™ has been accompanied with market demand for even higher plexing rates and we have initiated research into new tag designs that will potentially address this demand, in the longer term. Our TMTpro™ reagents are covered by patents in Europe, the USA and other major territories until the mid-2030's and we remain active alongside our licensee Thermo Scientific in protecting our markets as we also look to generate new intellectual property.

Outlook

Revenue for the H2 looks strong as we continue to have a healthy order book for our services backed up by a pipeline of projects for delivery in the next period together with the introduction of a new SysQuant® SCP service. We expect strong sales of TMTpro™ 18plex reagents in the coming months fuelled by the introduction of various automation systems with perhaps a reduction in the rate of growth in Q4 2022 as we continue to develop new reagents for multiplexed mass spectrometry.

We remain confident that full year revenues from our services and TMT® will continue to show good growth over 2021.

Dr. Mariola Soehngen

Chief Executive Officer

4 August 2022

Finance Director's Report

Revenues in the first half of 2022 were 64% higher at £3.24m compared to the equivalent period in 2021 (£1.97m), TMT[®] and TMTpro[™] sales increased to £1.45m (30 June 2021: £0.67m). Proteomics service sales increased to £0.85m (30 June 2021: £0.68m). We expect high demand for the service business extending into the H2 half of 2022.

Costs of sales and administrative expenses increased by 33% to £2.98m (30 June 2021: £2.23m). This was as a result of investment in instruments and increased orders resulting in additional personnel and material costs. So far very prominent cost drivers like electricity costs remained largely stable but we expect price increases in the upcoming 6 months in line with almost all our material costs. Financing costs for the first half increased to £0.19m in comparison with £0.14m in the previous period due to increases of interest rates by the Bank of England.

The profit before taxation amounted to £0.07m (30 June 2021: a loss of £0.41m), which represents a significant positive increase by almost £0.50m. Similarly EBITDA increased to £0.53m (2021: loss £0.18m) and adjusted EBITDA** increased to £0.64m (2021: loss £0.11m). This is primarily attributable to increased sales and royalties of TMT[®] and TMTpro[™] reagents, which we anticipate remaining at a high level for the rest of the year. As at 30 June 2022 the Group had cash resources of £3.20m (30 June 2021: £2.14m).

	Six months ended 30 June 2022 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Continuing operations		
Revenue	3,243	1,969
Gross Profit	1,802	1,158
Administrative Expenses *	(1,535)	(1,422)
Operating Profit	267	(264)
Depreciation	259	78
EBITDA	526	(186)
Non-cash item: share based payment expenses	118	75
Adjusted EBITDA **	644	(111)

* Administrative expenses include depreciation

**Adjusted EBITDA (a non-GAAP company specific measure which is considered to be a key performance indicator of the Group's financial performance).

Stefan Fuhrmann

Finance Director

4 August 2022

Consolidated income statement
For the six months ended 30 June 2022

	Note	Six months ended 30 June 2022 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Continuing operations			
Revenue			
Licences, sales & services		3,243	1,969
Cost of sales		(1,441)	(811)
Gross profit		1,802	1,158
Administrative expenses		(1,535)	(1,422)
Operating profit / loss		267	(264)
Finance costs		(192)	(144)
Profit / loss before taxation		75	(408)
Tax		(12)	(17)
Profit / loss for the period		63	(425)
Profit / loss per share	2		
Basic		0.02p	(0.14p)
Diluted		0.02p	(0.14p)

Consolidated statement of comprehensive income
For the six months ended 30 June 2022

	Six months ended 30 June 2022 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Profit/(loss) for the period	63	(425)
Other comprehensive income for the period		
Exchange differences on translation of foreign operations	50	15
Total comprehensive Income/(expense) for the period	113	(410)

Consolidated balance sheet
As at 30 June 2022

	30 June 2022 (unaudited) £'000	31 December 2021 (audited) £'000
Non-current assets		
Goodwill	4,218	4,218
Property, plant and equipment	261	219
Right-of-use asset	834	1,050
	<hr/> 5,313	<hr/> 5,487
Current assets		
Inventories	1,038	1,088
Trade and other receivables	864	604
Contract assets	552	479
Cash and cash equivalents	3,199	2,387
	<hr/> 5,653	<hr/> 4,558
Total assets	<hr/> 10,966	<hr/> 10,045
Current liabilities		
Trade and other payables	(626)	(599)
Contract liabilities	(676)	(35)
Borrowings	(10,997)	(10,825)
Lease Liabilities	(206)	(260)
	<hr/> (12,505)	<hr/> (11,719)
Net current liabilities	<hr/> (6,852)	<hr/> (7,161)
Non-current liabilities		
Lease liabilities	(479)	(602)
Pension Provisions	(526)	(499)
Total non-current liabilities	<hr/> (1,005)	<hr/> (1,101)
Total liabilities	<hr/> (13,510)	<hr/> (12,820)
Net liabilities	<hr/> (2,544)	<hr/> (2,775)
Equity		
Share capital	2,952	2,952
Share premium account	51,466	51,466
Share-based payment reserve	4,311	4,193
Merger reserve	10,755	10,755
Translation and others reserve	(78)	(128)
Retained loss	(71,950)	(72,013)
Total shareholders deficit	<hr/> (2,544)	<hr/> (2,775)

Consolidated cash flow statement
For the six months to 30 June 2022

	Six months ended 30 June 2022 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Profit after tax	63	(425)
Adjustments for:		
Net finance costs	192	144
Depreciation of property, plant and equipment and right of use assets	259	78
Tax charge /(credit)	12	17
Share-based payment expense	118	75
Operating cash outflows before movements in working capital	644	(111)
Decrease/(increase) in inventories	50	(31)
(Increase)/decrease in receivables	(333)	266
Increase/(decrease in payables	668	(120)
(Decrease)/increase in provisions	27	(5)
Cash generated from / (used in) operations	1,056	(1)
Tax paid	(12)	(17)
Net cash Inflow/(outflow from operating activities)	1,044	(18)
Cash flows from investing activities		
Purchases of property, plant and equipment	(84)	(8)
Net cash outflow from investing activities	(84)	(8)
Financing activities		
Lease payments	(198)	(83)
Net cash outflow from financing activities	(198)	(83)
Net Increase/(decrease) in cash and cash equivalents	762	(109)
Cash and cash equivalents at beginning of period	2,387	2,210
Effect of foreign exchange rate changes	50	43
Cash and cash equivalents at end of period	3,199	2,144

Notes

For the six months to 30 June 2022

1 Basis of preparation and accounting policies

These interim consolidated financial statements have been prepared using accounting policies based on UK adopted 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 2021 Annual Report. The financial information for the half years ended 30 June 2022 and 30 June 2021 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 UK adopted International Accounting Standards and Interpretations in conformity with the requirements of the Companies Act 2006. The comparative financial information included within this report does not constitute the full statutory Annual Report for that period. The statutory Annual Report and Financial Statements for 2021 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 2021 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 2021 annual financial statements.

There have been no new standards adopted since the presentation of the financial statements for 2021.

The Board of Directors approved this interim report on 4 August 2022.

2. Profit/(loss) per share from continuing operations

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)
Profit/(loss) per share		
Profit/loss for the purpose of basic profit/loss per share being net profit/loss attributable to equity holders of the parent (£'000)	63	(425)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	295,182,056	295,182,056
Weighted average number of ordinary shares for the purpose of diluted loss per share	306,020,097	295,182,056

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.