

11 December 2018

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

OXFORD BIODYNAMICS PLC
("OBD" or the "Company" or the "Group")

**FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2018
AND
NOTICE OF ANNUAL GENERAL MEETING**

A year of operational, scientific and commercial progress and a strengthened balance sheet

Oxford BioDynamics Plc (AIM: OBD), a biotechnology company focused on the discovery and development of epigenetic biomarkers based on regulatory genome architecture, for use within the pharmaceutical and biotechnology industry, today announces its audited results for the year ended 30 September 2018.

Corporate, operational and recent highlights

- Six revenue-generating research and development projects for commercial customers in diverse fields including immuno-oncology, fibrosis and thyroid cancer.
- Successful completion of Innovate UK grant-funded ALS project, followed by validation in peer-reviewed publication and expressions of commercial interest.
- Announcement of strategic partnership in China with GL Capital Group ("GL"), a leading Chinese Healthcare Investment Group, with GL investing £9.75m and becoming a holder of 5% of the Company.
- Significant progress in applying the *EpiSwitch™* platform to areas of human and equine fitness, and announcement of a collaboration in the area of sports-related concussion.
- Grant of core patents covering the *EpiSwitch™* platform technology in the US, Canada and India. Two new patents filed along with extensive exemplification on previously filed patents.

Financial highlights

- Revenue of £1.2m (FY17: £1.2m).
- Operating loss of £2.6m (FY17: £4.0m).
- Cash of £18.3m as at 30 September 2018 (FY17: £10.8m).

Post-period end

- Announcement of fifth immuno-oncology ("IO") collaboration, with a well-known US biopharmaceutical company.
- Announcement of collaboration with Casa Sollievo della Sofferenza, a key national biomedical and healthcare institution in Italy, to develop a panel of epigenetic biomarkers for the diagnosis of Autistic Spectrum Disorder.
- Exercise of option over 30% shareholding in commercial partner, Holos Life Sciences Pte Ltd ("Holos").
- Signing of two exclusive licence agreements with Holos, in the fields of human and equine performance and wellness.
- Filing of one further patent, covering the use of the *EpiSwitch™* platform in detecting disseminating biomarkers in the context of strength and endurance training for fitness and in professional sports.

Commenting on the results, Christian Hoyer Millar, Chief Executive Officer of Oxford BioDynamics, said:

"In 2018 we have continued to build on the strong foundations established in 2017 following our successful IPO. Investment in our commercial infrastructure has allowed us to further our customer and geographical reach, with our *EpiSwitch™* technology increasingly becoming the leading industry standard for identifying epigenetic biomarkers. We have signed multiple commercial development partnerships, in Europe, the US and China in new and challenging clinical indications. Our *EpiSwitch™* platform is fast becoming internationally recognised as an effective and novel platform to improve therapeutic options. We were delighted to sign a strategic partnership with GL earlier this year, not only strengthening our cash position but also further establishing our position in the rapidly growing Chinese market. We look forward to reporting progress on the multiple projects currently underway."

Hard copies of the Company's Annual Report and Accounts for the year ended 30 September 2018 and Notice of Annual General Meeting will be posted to shareholders in due course. Electronic copies of the Annual Report and Accounts (incorporating the Notice of Annual General Meeting) will be made available on its website at www.oxfordbiodynamics.com, within the Investor Relations section, at the same time.

Notice of Annual General Meeting

The Company's Annual General Meeting will be held at The Linbury Room, Worcester College, Oxford, OX1 2HB at 11.00 am on 14 March 2019.

The information included in this announcement is extracted from the Annual Report, which was approved by the Directors on 10 December 2018. Defined terms used in the announcement refer to terms as defined in the Annual Report unless the context otherwise requires. This announcement should be read in conjunction with, and is not a substitute for, the full Annual Report.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes for Editors

About Oxford BioDynamics Plc

Oxford BioDynamics Plc (AIM: OBD) ("Oxford BioDynamics") is a biotechnology company focused on the discovery and development of epigenetic biomarkers based on regulatory genome architecture for use within the pharmaceutical and biotechnology industry.

The Company's award-winning, proprietary technology platform, *EpiSwitch*[™], aims to accelerate the drug discovery and development process, improve the success rate of therapeutic product development and take advantage of the increasing importance of personalised medicine.

In particular, *EpiSwitch*[™] can reduce time to market, failure rates and the costs at every stage of drug discovery. Additionally, the technology provides significant insights into disease mechanisms for drug discovery and product re-positioning programmes, and enables the personalisation of therapeutics for patients in the context of challenging pricing environments where improved clinical outcomes are critical.

Oxford BioDynamics is headquartered in the UK, and listed on the London Stock Exchange's AIM under the ticker "OBD". For more information please visit www.oxfordbiodynamics.com.

This announcement includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "will", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, readers are cautioned not to rely on any forward-looking statement.

CHIEF EXECUTIVE OFFICER'S REVIEW

Chief Executive Officer's review

Introduction

It is with great pleasure that we report on another transformative year for Oxford BioDynamics. During the year to 30 September 2018 we completed multiple projects for commercial partners in diverse fields and published and presented the results of our work to growing recognition and interest from industry leaders. Improvements in the efficiency and capability of our processes, investment to increase our UK laboratory capacity and expansion of our international commercial infrastructure has allowed us to address growing interest in our *EpiSwitch*[™] platform. We also announced our strategic partnership with GL Capital Group ("GL") in China, and significantly strengthened our balance sheet. We have again made solid progress toward our strategic goal: making OBD's *EpiSwitch*[™] technology the leading industry standard for epigenetic biomarkers for the pharmaceutical and biotechnology industry.

International commercial progress

During the year, the Company announced or completed biomarker discovery projects for several customers, including four of the top 30 global pharmaceutical and biotech companies by revenue¹. These projects focused on immuno-oncology ("IO"), lung fibrosis, rheumatoid arthritis, and a number of non-clinical applications. Overall, the Company had an increased level of activity on revenue-generating and grant-funded research and development projects during this year compared to last. After the year end, in November 2018, the Company entered into its fifth IO collaboration since 2016, with a major US biopharmaceutical company, and announced a collaboration agreement with Casa Sollievo della Sofferenza, an important Italian research and biomedical institution, to identify *EpiSwitch*[™] biomarkers for the blood-based diagnosis of Autism Spectrum Disorder (ASD).

The Company made further progress in protecting and expanding its intellectual property, announcing the grant of key patents covering *EpiSwitch*[™] technology in the US, Canada and India during the year. OBD now has a total of eleven patent families, including two that were filed during the year, and one that was filed shortly after the year end.

Increased range of clinical and non-clinical applications for *EpiSwitch*[™]

This year OBD has shown the applicability of the *EpiSwitch*[™] platform in a number of new clinical and non-clinical fields. For the first time, the Company reported compelling results in two neurodegenerative diseases. In amyotrophic lateral sclerosis ("ALS", also known as motor neurone disease or Lou Gehrig's disease), the Company successfully concluded its *Innovate UK*-funded collaboration with the University of Oxford, and the Neurology Clinical Research Institute, Massachusetts General Hospital, Harvard Medical School and reported the discovery of a distinct chromosome conformation signature ("CCS") biomarker that was diagnostic for ALS, demonstrating a highly promising, potential new approach to the diagnosis of this disease. Post-year end, the results of OBD's proprietary research in Huntington's disease ("HD") were presented. In this project, OBD's scientists analysed small volume blood samples from a number of healthy controls and HD patients, and observed discrete and measurable epigenetic changes in a HD-relevant gene locus which could differentiate HD patients from unaffected individuals and importantly, could also differentiate between pre-symptomatic and symptomatic HD patients.

The Company also made progress in the application of *EpiSwitch*[™] to two non-clinical fields in contracts with our Singapore-based partner Holos Life Sciences Pte Ltd ("Holos", formerly named EpiFit Pte Ltd). The first results of the EpiFit project (which was announced in January 2017) were shared with Holos at the end of the year. This project involved the identification of biomarkers indicative of an individual's suitability to aerobic or anaerobic training. The Company also worked with Holos on a similar project seeking to discover equivalent biomarkers to those identified in the EpiFit project, but in thoroughbred horses. These non-clinical (and non-human) applications of *EpiSwitch*[™] are potentially valuable opportunities, in markets in which the Group has limited experience. To that end, after the year end, the Group has exercised a pre-existing option to acquire, for a nominal amount, a 30% shareholding in Holos, and also participated in an interim fundraising by Holos, investing US\$540,000 in that entity. Holos has also exercised options to enter into exclusive licensing agreements with the Group in both human and equine fitness, in both cases after the year end. These licences offer the Group a combination of upfront and milestone fees and sales-based royalties. In January 2018 the Company also announced a collaboration with Holos to develop non-invasive epigenetic biomarkers associated with sports-related concussions, and research on this project will begin as samples become available during 2019.

Scientific and technical validation

The latest results of OBD's biomarker development and validation activity have been published in peer-reviewed publications such as the *Journal of Translational Medicine* (validation of predictive biomarkers for treatment in Rheumatoid Arthritis, co-authored with Pfizer), The Lancet's *EBioMedicine* (non-invasive diagnostic for ALS, co-authored with Massachusetts General Hospital, Department of Neurology, and Nuffield Department of Clinical Neurosciences, John Radcliffe Hospital, Oxford), and, after year end, *Faculty of 1000 Research* (evidence for the first prognostic biomarkers for progression of Huntington's disease) and *Surgery* (evidence that an *EpiSwitch*[™] assay shows high sensitivity in detecting thyroid cancer). OBD has also contributed a chapter to a forthcoming book, "Handbook of Biomarkers and Personalized Medicine", to be published soon.

OBD team members have presented results in talks at a number of prestigious conferences including the Foundation of NIH Cancer Biomarkers Steering Committee Annual Symposium (Washington DC), the American Society of Hematology (ASH) Summit on Emerging Immunotherapies for Hematologic Diseases (Washington DC), Molecular Medicine Tri-Conference on Immuno-oncology Biomarkers and Companion Diagnostics (San Francisco, CA), 28th International Symposium on ALS/MND (Boston, MA), 6th World CNS Summit

(Boston, MA), 2017 Annual Northeast ALS Consortium (NEALS) Meeting (Clearwater, FL), Diabetes Asia 2017 (Kuala Lumpur, Malaysia), and the Cantor Fitzgerald Global Healthcare Conference (New York, NY).

Strategic partnership with GL Capital Group

In August 2018, the Group announced its strategic partnership with GL, a Greater China healthcare-focused investment management group with over \$1 billion of assets under management. GL will apply its extensive industry network and local knowledge to identify, screen and recommend suitable business partners in China. The Chinese healthcare market is growing rapidly and represents an excellent opportunity for the Group to deploy its *EpiSwitch™* technology with new business partners. As I remarked at the time: “We are delighted to announce this agreement with GL Capital Group, which builds on our strategy to increase our global reach. We identified Asia as a core focus for international expansion and this co-operation agreement will allow us to address the many opportunities that we see in this region. We have been impressed by the depth of scientific and commercial understanding GL have shown in our interactions to date, and we are convinced that they are the right strategic partner as we begin to engage with the important Chinese market.”

Strengthened balance sheet

This year the Company has raised over £10 million from share issues, most of which came from the subscription in August 2018 by GL Capital Group for 4,688,000 new shares (representing approximately 5% of the Company) at 208p per share, raising £9.75 million. The increased cash balance greatly strengthened the Group’s balance sheet whilst minimising dilution for existing shareholders, at a time of some uncertainty in the capital markets. Throughout the year, the Group has exercised close control on spending: net cash outflow on operating activities was below £2 million, and with £18.3 million in cash at 30 September 2018, the Board is satisfied that the Group is well resourced to make continued progress over the short-to-medium term.

Increased capacity and efficiency to meet demand

The year ended 30 September 2018 was a busy one for OBD’s laboratories. As well as increased levels of activity on revenue-generating and in-house projects, the Company’s scientists made significant improvements to the capacity and efficiency of processes, including through more use of robotics and increases in data analysis capability. The Company expanded its facilities in Oxford, UK, to add laboratory, office and meeting space, this work being completed shortly after the year end. Also, the Group’s reference laboratory in Penang, Malaysia obtained the ISO 13485 certification (which is also held by the UK lab).

Summary and outlook

The year to 30 September 2018 has been one of both consolidation and planning for further growth. The Company has strengthened its balance sheet, broadened its intellectual property portfolio, improved internal processes and expanded its research facilities. The results of OBD’s research projects have been exceptional and crucially show real potential to improve outcomes for patients in an increasingly wide range of indications. Last year, we reported a growing acceptance in industry of the importance of epigenetic biomarkers and the high quality of results we can provide with *EpiSwitch™*, and this trend has continued this year. As the Group moves into 2019, the focus is on the expansion of its commercial and business development capacity (including in the US and China), and continued progress in the wide range of research projects already underway.

Christian Hoyer Millar

Chief Executive Officer

FINANCIAL REVIEW

Overview

During the year ended 30 September 2018, the Company continued to focus on developing contracts with global pharmaceutical and biotechnology companies and other commercial partners, investing in internal proprietary R&D projects, and strengthening its intellectual property portfolio. In August 2018, the Company also entered into a strategic partnership in China with GL Capital Group, raising approximately £9.75 million from the issue of 4,688,000 new ordinary shares to GL.

Financial performance

Revenue in the year ended 30 September 2018 was £1.19m (2017: £1.18m), comprising services fees received for commercial biomarker projects with pharmaceutical, biotechnology and other commercial companies, and services fees generated from collaborations with research institutions. In the prior year, revenue also included services and licence fees from agreements for the use of biomarkers in clinical diagnostics in Asia.

Operating expenses (excluding share option charges and, in the prior year, IPO costs) were £3.80m in the year ended 30 September 2018 (2017: £3.55m). Of the £0.25m increase in these operating expenses, £0.29m resulted from increased research and development activity, £0.14m was attributable to staff costs, in addition there was a £0.27m reduction in general and other admin costs, and approximately £0.09m in increased depreciation. This measure of operating expenses is quoted because it provides a better indicator of the costs of the Group’s continuing operations. IPO costs in the prior year were one-off in nature and share option charges are non-cash expenses that do not necessarily correlate with the Group’s underlying cost base. Both share option charges and IPO-related costs are shown in the consolidated income statement.

Other operating income in the year of £0.20m (2017: £0.25m) mainly comprised grant income from Innovate UK, supporting the Group’s ALS biomarker research and development programme.

Operating loss for the Group was £2.60m (2017: £4.00m, including IPO-related costs of £1.49m).

Financial income of £0.18m related to interest receivable and foreign exchange gains (2017: £0.09m comprised mainly interest receivable). Finance costs of £0.12m in the prior year related primarily to foreign exchange losses.

The taxation credit of £0.47m in the year (2017: £0.23m) represents tax relief on research and development expenditure during the period. The Group has not recognised any deferred tax assets in respect of trading losses arising in the current or prior financial periods.

Net loss for the year was £1.95m (2017: £3.80m). Loss per share was 2.2 pence (2017: 4.5 pence) and adjusted loss per share was 2.2 pence (2017: 2.7 pence, excluding one-off IPO costs of £1.49m).

Financial position

Cash and cash equivalents at 30 September 2018 totalled £18.3m (2017: £10.8m), reflecting the net cash proceeds of £10.0m raised from share issues during the year.

Total assets at 30 September 2018 were £20.94m (2017: £12.68m), reflecting the increased cash balance, investment in tangible and intangible fixed assets and modest increases in total debtors and inventory.

Total liabilities again decreased slightly to £0.89m at 30 September 2018 (2017: £1.09m) driven mainly by lower deferred income balances than in the prior year.

Cash flow

The Group has continued to exercise close control over cash expenditure during the year. Net cash used in operating activities for the year ended 30 September 2018 was £1.94m (2017: £1.53m). Net cash used in investing activities was £0.68m (2017: £0.32m) mainly reflecting increased expenditure on intangible fixed assets, and net cash generated by financing activities was £10.0m (2017: £5.4m). Overall there was a net cash increase for the year ended 30 September 2018 of £7.48m (2017: £3.51m) including exchange gains on opening non-GBP denominated cash and cash equivalents of £0.07m (2017: loss of £0.04m).

Paul Stockdale

Chief Financial Officer

**CONSOLIDATED INCOME STATEMENT
YEAR ENDED 30 SEPTEMBER 2018**

		2018	2017
		£000	£000
Continuing operations	Note		
Revenue	3	1,186	1,183
Research & development costs (excluding staff costs)		(693)	(407)
Staff costs		(1,689)	(1,551)
General & other admin costs		(1,083)	(1,350)
Share option charges		(195)	(398)
Depreciation		(331)	(242)
Other operating income		203	252
Operating loss before IPO costs		(2,602)	(2,513)
Initial public offering costs		-	(1,490)
Operating loss		(2,602)	(4,003)
Finance income		179	88
Finance costs		-	(117)
Loss before tax		(2,423)	(4,032)
Income tax		470	228
Loss for the year from continuing operations	5	(1,953)	(3,804)
Loss attributable to:			
Owners of the Company		(1,953)	(3,804)
Non-controlling interest		-	-
		(1,953)	(3,804)
Earnings per share			
From continuing operations			
Basic and diluted (pence per share)	6	(2.2)	(4.5)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2018**

		2018	2017
		£000	£000
	Note		
Loss for the year	5	(1,953)	(3,804)
Exchange differences on translation of foreign operations that may be reclassified to the income statement		(15)	2
Total comprehensive income for the year		<u>(1,968)</u>	<u>(3,802)</u>
Total comprehensive income attributable to:			
Owners of the Company		(1,968)	(3,802)
Non-controlling interest		-	-
		<u>(1,968)</u>	<u>(3,802)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018**

		2018	2017
		£000	£000
Assets	Note		
Non-current assets			
Intangible fixed assets		348	11
Property, plant and equipment		971	754
Deferred tax asset		-	-
Total non-current assets		<u>1,319</u>	<u>765</u>
Current assets			
Inventories		146	90
Trade and other receivables		1,198	1,029
Cash and cash equivalents		18,278	10,795
Total current assets		<u>19,622</u>	<u>11,914</u>
Total assets		<u><u>20,941</u></u>	<u><u>12,679</u></u>
Equity and liabilities			
Capital and reserves			
Share capital	7	925	861
Share premium		16,696	6,533
Translation reserves		177	192
Share option reserve		2,704	2,928
Warrant reserve		-	678
Retained earnings		(472)	384
Equity attributable to owners of the Company		<u>20,030</u>	<u>11,576</u>
Non-controlling interest		<u>19</u>	<u>19</u>
Total equity		<u><u>20,049</u></u>	<u><u>11,595</u></u>
Current liabilities			
Trade and other payables		822	1,027
Current tax liabilities		-	-
Total current liabilities		<u>822</u>	<u>1,027</u>
Non-current liabilities			
Provisions		70	57
Deferred tax		-	-
Total non-current liabilities		<u>70</u>	<u>57</u>
Total liabilities		<u>892</u>	<u>1,084</u>
Total equity and liabilities		<u><u>20,941</u></u>	<u><u>12,679</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2018

	Share capital £000	Share premium £000	Translation reserve £000	Share option reserve £000	Warrant reserve £000	Retained earnings £000	Attributable to shareholders £000	Non-controlling interest £000	Total £000
At 1 October 2017	861	6,533	192	2,928	678	384	11,576	19	11,595
Loss for the year	-	-	-	-	-	(1,953)	(1,953)	-	(1,953)
Other comprehensive income for the period	-	-	(15)	-	-	-	(15)	-	(15)
Total comprehensive income for the period	-	-	(15)	-	-	(1,953)	(1,968)	-	(1,968)
Issue of shares	64	10,170	-	-	-	-	10,234	-	10,234
Share issue costs	-	(7)	-	-	-	-	(7)	-	(7)
Issue of warrants	-	-	-	-	(678)	678	-	-	-
Share option credit	-	-	-	195	-	-	195	-	195
Exercise of share options	-	-	-	(382)	-	382	-	-	-
Lapse of vested share options	-	-	-	(37)	-	37	-	-	-
At 30 September 2018	<u>925</u>	<u>16,696</u>	<u>177</u>	<u>2,704</u>	<u>-</u>	<u>(472)</u>	<u>20,030</u>	<u>19</u>	<u>20,049</u>

Year ended 30 September 2017

	Share capital £000	Share premium £000	Translation reserve £000	Share option reserve £000	Warrant reserve £000	Retained earnings £000	Attributable to shareholders £000	Non-controlling interest £000	Total £000
At 1 October 2016	816	-	190	2,773	-	3,945	7,724	19	7,743
Loss for the year	-	-	-	-	-	(3,804)	(3,804)	-	(3,804)
Other comprehensive income for the period	-	-	2	-	-	-	2	-	2
Total comprehensive income for the period	-	-	2	-	-	(3,804)	(3,802)	-	(3,802)
Transactions with owners of the Company:									
Issue of shares	45	7,062	-	-	-	-	7,107	-	7,107
Share issue costs	-	(288)	-	-	-	-	(288)	-	(288)
Issue of warrants	-	(241)	-	-	678	-	437	-	437
Share option credit	-	-	-	398	-	-	398	-	398
Lapse of vested share options	-	-	-	(243)	-	243	-	-	-
At 30 September 2017	<u>861</u>	<u>6,533</u>	<u>192</u>	<u>2,928</u>	<u>678</u>	<u>384</u>	<u>11,576</u>	<u>19</u>	<u>11,595</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

		2018	2017
		£000	£000
	Note		
Loss before tax for the financial year	5	(2,423)	(4,032)
Adjustments to reconcile loss for the year to net operating cash flows:			
Net interest		(86)	(87)
(Profit) on disposal of property, plant and equipment		(3)	-
Depreciation of property, plant and equipment		330	242
Amortisation of intangible assets		1	-
IPO costs		-	1,490
Movement in provisions		13	13
Share based payments charge		195	398
Working capital adjustments:			
(Increase)/decrease in trade and other receivables		(100)	147
Decrease in other financial instruments		-	-
(Increase)/decrease in inventories		(56)	16
Increase /(decrease) in trade and other payables		(316)	243
Operating cash flows before interest and tax paid		(2,445)	(1,570)
R&D tax credits received		592	-
Cash used in operations		(1,853)	(1,570)
Net foreign exchange movements		(89)	44
Net cash used in operating activities		(1,942)	(1,526)
Investing activities			
Interest received		86	105
Purchases of property, plant and equipment		(439)	(425)
Purchases of intangible assets		(337)	-
Proceeds from disposal of tangible assets		12	-
Net cash used in investing activities		(678)	(320)
Financing activities			
Interest paid		-	-
Issue of equity shares		10,043	7,107
Share issue costs		(7)	(288)
IPO costs		-	(1,419)
Equity dividends paid		-	-
Net cash generated by / (used in) financing activities		10,036	5,400
Net increase/(decrease) in cash and cash equivalents		7,416	3,554
Foreign exchange movement on cash and cash equivalents		67	(38)
Cash and cash equivalents at beginning of year		10,795	7,279
Cash and cash equivalents at end of year		18,278	10,795

NOTES TO THE FINANCIAL INFORMATION

1. Corporate information

Oxford Biodynamics plc is a public limited company incorporated United Kingdom, whose shares were admitted to trading on the AIM market of the London Stock Exchange on 6 December 2016. The Company is domiciled in the United Kingdom and its registered office is 26 Beaumont Street, Oxford OX1 2NP. The registered company number is 06227084 (England & Wales).

The Group is primarily engaged in biomarker research and development.

2. Basis of the announcement

Basis of preparation

The final results for the year ended 30 September 2018 were approved by the Board of Directors on 10 December 2018. The final results do not constitute full accounts within the meaning of section 434 of the Companies Act 2006 but are derived from audited accounts for the year ended 30 September 2018 and the year ended 30 September 2017.

This announcement is prepared on the same basis as set out in the audited statutory accounts for the year ended 30 September 2018. The accounts for the years ended 30 September 2018 and 30 September 2017, upon which the auditors issued unqualified opinions, also had no statement under section 498(2) or (3) of the Companies Act 2006.

While the financial information included in this results announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards, as adopted by the European Union (EU) (IFRS), this announcement does not in itself contain sufficient information to comply with IFRS.

Reporting currency

The consolidated financial information of Oxford Biodynamics plc ("the Group") is presented in pounds Sterling (£), which is also the Company's functional currency.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and consolidated financial statements. More details are provided in the annual report.

3. Revenue

An analysis of the Group's revenue is as follows:

	2018	2017
	£000	£000
Continuing operations		
USA	405	310
Rest of World	781	873
Consolidated revenue	<u>1,186</u>	<u>1,183</u>

All revenue is derived from the Group's principal activity, biomarker research and development.

4. Business segments

Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive (who has been determined to be the Group's Chief Operating Decision Maker) for the purposes of resource allocation and assessment of segment performance is focused on the sole service which Oxford BioDynamics sells. The Group's sole reportable segment under IFRS 8 is therefore that of biomarker research and development.

The Group's non-current assets, analysed by Geographical location were as follows:

	2018	2017
	£000	£000
Non-current assets		
UK	1,203	662
Malaysia	116	103
	<hr/>	<hr/>
Total non-current assets	<u>1,319</u>	<u>765</u>

Information about major customers

The Group's revenues for the periods covered by this report are derived from a small number of customers, many of which represent more than 10% of the revenue for the period. These are summarised below:

	2018	2017
	£000	£000
Revenue from individual customers each representing more than 10% of revenue for the period:	1,097	893
	<hr/>	<hr/>

5. Loss for the year

Loss for the year has been arrived at after charging/(crediting):

	2018	2017
	£000	£000
Net foreign exchange (gains)/losses	(93)	116
Research and development costs (excluding staff costs)	693	407
Government grants	(184)	(193)
Depreciation and impairment of property, plant and equipment	330	242
(Profit) on disposal of property, plant and equipment	(3)	-
Operating lease rental expense	123	110
Staff costs	1,689	1,551
Initial public offering costs	-	1,490
Share based payments charge to profit and loss	195	398
	<hr/>	<hr/>

Research and development costs consist of inventories recognised as an expense and other costs of materials and services.

6. Earnings per share

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

	2018	2017
	£000	£000
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(1,953)	(3,804)
Earnings for the purposes of diluted earnings per share	(1,953)	(3,804)

	2018	2017
	No	No
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	87,728,207	85,272,526

	Pence	Pence
Earnings per share		
Basic and diluted earnings per share	(2.2)	(4.5)

*Potential ordinary shares are not treated as dilutive as the entity is loss making.

7. Share capital of the Company

	2018	2018	2017	2017
	Number	£	Number	£
Authorised shares				
Ordinary shares of £0.01 each – allotted and fully paid	92,261,906	922,619	86,098,228	860,982
Ordinary shares of £0.01 each – allotted and unpaid ¹	244,232	2,442	-	-
Total	92,506,138	925,061	86,098,228	860,982

¹ Shares unpaid at the year-end were allotted on the exercise of options. These shares were subject to a 'sale to cover' the required exercise price, contracted pre-year end but settled after the year end.

The Company has one class of ordinary shares which carry no right to fixed income.

On 4 December 2017, the Company issued 689,441 ordinary shares of £0.01 at nominal value on the exchange of warrants held by Wentworth Limited, and on 22 August 2018, issued 4,688,000 ordinary shares of £0.01 to GL Capital Group for a price of 208p per share.

During the year, the Company also issued 1,030,469 shares on the exercise of options by current and former employees and advisors.

The Company has a number of shares reserved for issue under an equity-settled share option scheme; further details are included in the Annual Report.

8. Events after the balance sheet date

After the year end, the Company exercised its pre-existing option to acquire, for a nominal amount, a 30% shareholding in Holos Life Sciences Pte Ltd ("Holos"), a Singapore-based company. Subsequently, the Company also participated in an interim fundraising by Holos, investing US\$540,000 in that entity. Accordingly, Holos will be classed as an associate of the Group with effect from the date of the exercise of the option, on 5 October 2018.