

30 January 2018

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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

**FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2017  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

*Continued scientific progress and growing commercial momentum following successful IPO*

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 2017.

**CORPORATE AND OPERATIONAL HIGHLIGHTS**

- Successful Initial Public Offering ("IPO") and placing on AIM raising gross proceeds of £20.0m, including gross growth capital of £7.1m.

**Commercial collaborations and development agreements**

- Development agreement entered into with two of the top 10 global pharmaceutical companies collaborating to develop an anti PD-L1 therapy.
- Collaboration with five other consortium members in the BIO-FLARE study, using *EpiSwitch*<sup>™</sup> to help identify factors that trigger disease relapses in rheumatoid arthritis.
- Innovative pilot biomarker discovery project initiated to analyse the effects of fitness regimes using the *EpiSwitch*<sup>™</sup> platform.
- Exclusive Asia licence signed for *EpiSwitch*<sup>™</sup> to supply its proprietary products and reagents for the potential use in a non-invasive blood test to assist in the diagnosis of breast cancer.
- Expansion of OBD's Amyotrophic Lateral Sclerosis ("ALS") biomarker programme in South East Asia, supported by Innovate UK.

**Industry recognition and Intellectual Property**

- Peer reviewed paper of OBD's collaborative work with the Cancer Science Institute of Singapore published in the journal *Nature (Scientific Reports)*.
- *EpiSwitch*<sup>™</sup> data presented at several prestigious conferences including the American Society of Hematology (San Diego), 2<sup>nd</sup> Biomarker Conference (San Diego), 12<sup>th</sup> Annual Biomarker Congress (Manchester) and The Lancet Neurology Conference (London).
- Two new patents filed covering the use of the *EpiSwitch*<sup>™</sup> technology, adding to the Company's established patent family.

**Personnel**

- David Williams and Stephen Diggle joined the Board in October 2016 as Non-Executive Chairman and Non-Executive Director respectively; Paul Stockdale was appointed as Chief Financial Officer in September 2017, succeeding Katie Long.
- Dr Claudio Carini appointed as an adviser to the Company, and as a member of the Company's Scientific Advisory Panel.
- OBD and Dr Claudio Carini joined the Foundation for the National Institutes of Health Biomarkers Consortium Steering Committees.

**FINANCIAL HIGHLIGHTS**

- Revenue of £1.2m (FY16: £1.1m).
- Operating loss of £4.0m (FY16: £2.3m) and adjusted operating loss of £2.5m (FY16: £1.9m) before IPO costs of £1.5m (FY16: £0.4m).
- Cash of £10.8m as at 30 September 2017 (FY16: £7.3m).
- Net assets of £11.6m (FY16: £7.7m).

**POST-PERIOD END**

- Two collaborations with a major US biopharmaceutical company to identify new targets and biomarkers relating to fibrotic mechanisms and predictive biomarkers for immuno-oncology therapeutics.

- Grant of a key patent covering the *EpiSwitch™* platform technology in the US, and two further patents filed shortly after the year-end.
- Second fitness-related collaboration, to develop non-invasive epigenetic biomarkers associated with sports-related concussions.
- *EpiSwitch™* data presented the Annual Northeast ALS Consortium Conference (Clear Beach, Florida), the NIH Biomarker Consortium Cancer Steering Committee Annual Symposium (Washington, DC) and the Diabetes Asia 2017 Conference (Kuala Lumpur).

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

“The year to 30 September 2017 was a pivotal one for Oxford BioDynamics. Our successful IPO on AIM has provided additional resources to further invest in scientific and commercial progress. We are pleased to have broadened our reach into the US and Asia, and to have entered into multiple agreements, including with five of the top 30 global pharmaceutical and biotech companies. The grant of a US patent covering the *EpiSwitch™* platform adds further strength to our global intellectual property position. We have seen significant progress toward our strategic aim: making OBD’s *EpiSwitch™* technology the leading industry standard for epigenetic biomarkers for the pharmaceutical and biotechnology industry.”

Hard copies of the Company’s Annual Report and Accounts for the year ended 30 September 2017, Notice of Annual General Meeting and Form of Proxy 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](http://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 Fitzhugh Auditorium, Cohen Quadrangle, Exeter College, Oxford OX1 2HE at 11.00 am on Thursday 15 March 2018.

The information included in this announcement is extracted from the Annual Report, which was approved by the Directors on 29 January 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 revenue-generating biotechnology company focused on the discovery and development of epigenetic biomarkers for use within the pharmaceutical and biotechnology industry.

The Company's award-winning, proprietary technology platform, *EpiSwitch*<sup>™</sup>, 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*<sup>™</sup> 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](http://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**

The year ended 30 September 2017 was a pivotal one for Oxford BioDynamics, with continued scientific progress, growing commercial momentum and the successful completion of its Initial Public Offering ("IPO") and listing on the London Stock Exchange's AIM Market ("AIM"). We have seen significant progress toward our strategic goal: making OBD's *EpiSwitch*<sup>™</sup> technology the leading industry standard for epigenetic biomarkers for the pharmaceutical and biotechnology industry.

#### **IPO**

The Company listed on AIM in December 2016, successfully raising £20.0m of gross proceeds, from both existing investors and a number of well known and highly regarded UK-based institutional investors. Of the £20.0m raised, £12.9m was provided to selling shareholders, and £7.1m was allocated to growth capital to enable the Company to accelerate its growth strategy. The Board is focused on three main areas: increasing the number of proprietary biomarker projects undertaken; ongoing development of OBD's increasingly recognised and important IP portfolio; and establishing US representation to increase the Group's commercial reach within the US.

#### **Commercial progress**

During the year, OBD entered into or completed biomarker discovery contracts with several customers, including five of the top 30 global pharmaceutical and biotech companies by revenue (source: Pharm Exec's Top 50 Companies, 2017), in diverse fields including cancer, neurodegenerative diseases, immunotherapy, rheumatoid arthritis, lung fibrosis and breast cancer, as well as non-clinical applications such as fitness training prognostics. In Asia, the Group entered into a licensing agreement for the use of products and reagents provided through the *EpiSwitch*<sup>™</sup> platform for a potential blood test to diagnose breast cancer. Post the period end, in January 2018; the Company signed a second collaboration with a major US biopharmaceutical company to extend its development of predictive biomarkers for immune-oncology ("IO") therapies, representing OBD's fourth IO collaboration since 2016.

The Company made further excellent progress with its intellectual property portfolio. Most importantly, post-year end in October 2017, the Company announced the grant of a key patent covering its proprietary *EpiSwitch*<sup>™</sup> technology in the US. Several of OBD's ten further patent families advanced during the period: two patents were filed during the period, two more were filed shortly after the year end, and the *EpiSwitch*<sup>™</sup> trademark was granted in the US.

#### **Scientific progress**

The Company has continued to develop its proprietary *EpiSwitch*<sup>™</sup> technology, adding more advanced, higher capacity technology to its ISO-certified laboratory in Oxford.

In the wider scientific community, we continue to see increasingly broad acceptance of the critical importance of 3-dimensional chromatin conformations in integrating external environmental stimuli and cellular responses, to produce the phenotypic effects seen in both healthy and diseased states. During the year, multiple research studies and reviews were published in the leading peer reviewed journals, including *Science* and *Nature*, providing further evidence of the importance of the links between changes in chromatin structure and cellular function. Among US pharma and biotech R&D groups the awareness of the importance of genomic architecture, related biomarkers and their value has significantly increased.

OBD has continued to collaborate with respected academic institutions and other partners and to present its work at several high-profile conferences, including at the National Institutes for Health Foundation Biomarker Consortium Cancer Steering Committee Annual Symposium and the American Society of Hematology Annual Meeting.

#### **Summary and outlook**

The year to 30 September 2017 saw significant development by the Group: scientifically, commercially and financially. Over the next year, we will continue to develop our proprietary *EpiSwitch*<sup>™</sup> technology, with plans for increased efficiency and capacity at our Oxford laboratory. We expect to continue to make commercial progress: we are seeing a growing acceptance of the importance of epigenetic biomarkers and the quality of results we can provide through *EpiSwitch*<sup>™</sup>, and we are actively involved in contractual negotiations with a number of significant pharmaceutical and biotech companies as well as Governmental organisations. A particular focus for the next year will be continued expansion of our US representation, enlargement of our operating capacity in the UK and continued build up of our intellectual property position. With significant cash resources raised through the IPO, the Group remains well positioned to execute these strategic aims.

**Christian Hoyer Millar**  
*Chief Executive Officer*

## **FINANCIAL REVIEW**

### **Overview**

During the year ended 30 September 2017, the Company continued to focus on developing contracts with global pharmaceutical and biotechnology companies, investing in proprietary R&D projects, and strengthening its intellectual property portfolio.

The Company successfully completed its IPO and listing on AIM on 6 December 2016. The Company issued 4.5m new shares at a placing price of 158p, raising gross proceeds of £7.1m, with the intention of using the funds principally to expand proprietary biomarker programme activity, enhance the Company's intellectual property portfolio, and establish representation in the US, all of which have progressed during the year.

### **Financial performance**

Revenue in the year ended 30 September 2017 was £1.18m (2016: £1.09m), comprising services fees received for commercial biomarker projects with pharmaceutical and biotechnology companies, services fees generated from collaborations with research institutions, and services and licence fees from agreements for the use of biomarkers in clinical diagnostics in Asia.

Operating expenses (excluding share option charges and IPO costs) were £3.55m in the year ended 30 September 2017 (2016: £2.73m). Of the £0.82m increase in operating costs, £0.41m was attributable to staff costs, £0.45m to general and other admin, and approximately £0.08m to increased depreciation, offset by a reduction in non-staff R&D costs of £0.11m.

Other operating income in the year of £0.25m (2016: £0.16m) mainly comprised grant income from Innovate UK, supporting the Group's ALS biomarker research and development programme.

Operating loss for the Group before IPO-related costs of £1.49m (2016: £0.45m) was £2.51m (2016: £1.88m).

Financial income of £0.09m related mainly to interest receivable (2016: £0.25m comprised mainly foreign exchange gains). Finance costs of £0.12m related primarily to foreign exchange losses.

The taxation credit of £0.23m in the year (2016: £0.34m) represents tax relief on research and development expenditure during the period, net of total adjustments in respect of the last two years' claims of approximately £0.1m. 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 £3.80m (2016: £1.73m). Loss per share was 4.5 pence (2016: 2.1 pence) and adjusted loss per share was 2.7 pence (2016: 1.6 pence) excluding one-off IPO costs of £1.49m (2016: £0.45m).

### **Financial position**

Cash and cash equivalents at 30 September 2017 totalled £10.80m (2016: £7.28m), reflecting the net cash proceeds of £5.40m raised from the IPO and placing in December 2016.

Total assets at 30 September 2017 were £12.68m (2016: £9.02m), reflecting the increased cash balance, investment in tangible and intangible fixed assets and less significant movements in working capital.

Total liabilities decreased slightly to £1.09m at 30 September 2017 (2016: £1.28m) reflecting reductions in accruals for IPO-related costs at the end of September 2016.

### **Cash flow**

Net cash used in operating activities for the year ended 30 September 2017 was £1.53m (2016: £1.35m). Net cash used in investing activities was £0.32m (2016: £0.16m) and net cash generated by financing activities was £5.40m (2016: net cash used of £0.08m). Overall there was a net cash increase for the year ended 30 September 2017 of £3.51m (2016: net cash outflow of £1.16m) including exchange movements on non-GBP denominated cash and cash equivalents of £0.04m (2016: £0.42m).

### **Paul Stockdale**

*Chief Financial Officer*

**CONSOLIDATED INCOME STATEMENT  
YEAR ENDED 30 SEPTEMBER 2017**

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
<b>Continuing operations</b>	<b>Note</b>		
Revenue	3	1,183	1,091
Research & development costs (excluding staff costs)		(407)	(516)
Staff costs		(1,551)	(1,146)
General & other admin costs		(1,350)	(903)
Share option charges		(398)	(402)
Depreciation		(242)	(166)
Other operating income		252	161
<b>Operating loss before IPO costs</b>		<b>(2,513)</b>	<b>(1,881)</b>
Initial public offering costs		(1,490)	(447)
<b>Operating loss</b>		<b>(4,003)</b>	<b>(2,328)</b>
Finance income		88	254
Finance costs		(117)	-
<b>Loss before tax</b>		<b>(4,032)</b>	<b>(2,074)</b>
Income tax		228	344
<b>Loss for the year from continuing operations</b>	5	<b>(3,804)</b>	<b>(1,730)</b>
<b>Loss attributable to:</b>			
Owners of the Company		(3,804)	(1,730)
Non-controlling interest		-	-
		<b>(3,804)</b>	<b>(1,730)</b>
<b>Earnings per share</b>			
From continuing operations			
Basic and diluted (pence per share)	6	(4.5)	(2.1)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 30 SEPTEMBER 2017**

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
	<b>Note</b>		
<b>Loss for the year</b>	5	(3,804)	(1,730)
Exchange differences on translation of foreign operations that may be reclassified to the income statement		2	29
<b>Total comprehensive income for the year</b>		<u>(3,802)</u>	<u>(1,701)</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(3,802)	(1,706)
Non-controlling interest		-	5
		<u>(3,802)</u>	<u>(1,701)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017**

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
<b>Assets</b>	<b>Note</b>		
<b>Non-current assets</b>			
Intangible fixed assets		11	-
Property, plant and equipment		754	671
Deferred tax asset		-	-
<b>Total non-current assets</b>		<u>765</u>	<u>671</u>
<b>Current assets</b>			
Inventories		90	105
Trade and other receivables		1,029	965
Cash and cash equivalents		10,795	7,279
<b>Total current assets</b>		<u>11,914</u>	<u>8,349</u>
<b>Total assets</b>		<u><u>12,679</u></u>	<u><u>9,020</u></u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	7	861	816
Share premium		6,533	-
Translation reserves		192	190
Share option reserve		2,928	2,773
Warrant reserve		678	-
Retained earnings		384	3,945
<b>Equity attributable to owners of the Company</b>		<u>11,576</u>	<u>7,724</u>
<b>Non-controlling interest</b>		<u>19</u>	<u>19</u>
<b>Total equity</b>		<u><u>11,595</u></u>	<u><u>7,743</u></u>
<b>Current liabilities</b>			
Trade and other payables		1,027	1,233
Current tax liabilities		-	-
<b>Total current liabilities</b>		<u>1,027</u>	<u>1,233</u>
<b>Non-current liabilities</b>			
Provisions		57	44
Deferred tax		-	-
<b>Total non-current liabilities</b>		<u>57</u>	<u>44</u>
<b>Total liabilities</b>		<u>1,084</u>	<u>1,277</u>
<b>Total equity and liabilities</b>		<u><u>12,679</u></u>	<u><u>9,020</u></u>



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2017

	Share capital £000	Share premium £000	Transla- tion reserve £000	Share option reserve £000	Warrant reserve £000	Retained earnings £000	Attribu- table to share- holders £000	Non-con- trolling interest £000	Total £000
<b>At 1 October 2016</b>	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
<b>Total comprehensive income for the period</b>	-	-	2	-	-	(3,804)	(3,802)	-	(3,802)
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	-	-	-
<b>At 30 September 2017</b>	<b>861</b>	<b>6,533</b>	<b>192</b>	<b>2,928</b>	<b>678</b>	<b>384</b>	<b>11,576</b>	<b>19</b>	<b>11,595</b>

Year ended 30 September 2016

	Share capital £000	Share premium £000	Transla- tion reserve £000	Share option reserve £000	Warrant reserve £000	Retained earnings £000	Attribu- table to share- holders £000	Non-con- trolling interest £000	Total £000
<b>At 1 October 2015</b>	2	15,709	166	2,371	-	(9,220)	9,028	14	9,042
Loss for the year	-	-	-	-	-	(1,730)	(1,730)	-	(1,730)
Other comprehensive income for the period	-	-	24	-	-	-	24	5	29
<b>Total comprehensive income for the period</b>	-	-	24	-	-	(1,730)	(1,706)	5	(1,701)
<b>Transactions with owners of the Company:</b>									
Bonus issue of shares	814	(814)	-	-	-	-	-	-	-
Capitalisation of share Premium	-	(14,895)	-	-	-	14,895	-	-	-
Share option credit	-	-	-	402	-	-	402	-	402
<b>At 30 September 2016</b>	<b>816</b>	<b>-</b>	<b>190</b>	<b>2,773</b>	<b>-</b>	<b>3,945</b>	<b>7,724</b>	<b>19</b>	<b>7,743</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
	<b>Note</b>		
Loss for the financial year	5	(3,804)	(1,730)
<b>Adjustments to reconcile loss for the year to net operating cash flows:</b>			
R&D tax credit		(228)	(344)
Net interest		(87)	(71)
(Profit) on disposal of property, plant and equipment		-	-
Depreciation of property, plant and equipment		242	166
IPO costs		1,490	447
Movement in provisions		13	44
Share based payments charge		398	402
Working capital adjustments:			
Decrease/(increase) in trade and other receivables		147	(214)
Decrease in other financial instruments		-	-
Decrease/(increase) in inventories		16	(43)
Increase in trade and other payables		243	69
<b>Operating cash flows before interest and tax paid</b>		<b>(1,570)</b>	<b>(1,274)</b>
R&D tax credits received		-	347
<b>Cash used in operations</b>		<b>(1,570)</b>	<b>(927)</b>
Net foreign exchange movements		44	(421)
<b>Net cash used in operating activities</b>		<b>(1,526)</b>	<b>(1,348)</b>
<b>Investing activities</b>			
Interest received		105	53
Purchases of property, plant and equipment		(425)	(208)
Proceeds from disposal of tangible assets		-	-
<b>Net cash used in investing activities</b>		<b>(320)</b>	<b>(155)</b>
<b>Financing activities</b>			
Interest paid		-	-
Issue of equity shares		7,107	-
Share issue costs		(288)	-
IPO costs		(1,419)	(81)
Equity dividends paid		-	-
<b>Net cash generated by/(used in) financing activities</b>		<b>5,400</b>	<b>(81)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,554</b>	<b>(1,584)</b>
Foreign exchange movement on cash and cash equivalents		(38)	428
<b>Cash and cash equivalents at beginning of year</b>		<b>7,279</b>	<b>8,435</b>
<b>Cash and cash equivalents at end of year</b>		<b>10,795</b>	<b>7,279</b>

## 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 2017 were approved by the Board of Directors on 29 January 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 2017 and the year ended 30 September 2016.

This announcement is prepared on the same basis as set out in the audited statutory accounts for the year ended 30 September 2017. The accounts for the years ended 30 September 2017 and 30 September 2016, 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:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Continuing operations</b>		
USA	310	795
Rest of World	873	296
Consolidated revenue	<u>1,183</u>	<u>1,091</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:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Non-current assets</b>		
UK	662	576
Malaysia	103	95
	<u>765</u>	<u>671</u>
Total non-current assets	<u><u>765</u></u>	<u><u>671</u></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:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Revenue from individual customers each representing more than 10% of revenue for the period:	893	1,019
	<u><u>893</u></u>	<u><u>1,019</u></u>

#### 5. Loss for the year

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Net foreign exchange losses/(gains)	116	(183)
Research and development costs (excluding staff costs)	407	516
Government grants	(193)	(141)
Depreciation and impairment of property, plant and equipment	242	166
(Profit) on disposal of property, plant and equipment	-	-
Operating lease rental expense	110	108
Staff costs	1,551	1,146
Initial public offering costs	1,490	447
Share based payments charge to profit and loss	398	402
	<u><u>398</u></u>	<u><u>402</u></u>

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:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(3,804)	(1,730)
Earnings for the purposes of diluted earnings per share	(3,804)	(1,730)
	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	85,272,526	81,600,000
	<b>Pence</b>	<b>Pence</b>
<b>Earnings per share</b>		
Basic and diluted earnings per share	(4.5)	(2.1)

## 7. Share capital of the Company

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
<b>Authorised shares</b>				
Ordinary shares of £0.01 each (2015: £0.0001 each)	86,098,228	860,982	81,600,000	816,000

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

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

On 4 December 2017 689,441 warrants held by Wentworth Limited were exercised in exchange for the issue of 689,441 ordinary shares of 1 pence each. The warrant exchange was effected at the nominal price of 1 pence per Ordinary Share and, in accordance with the terms of the warrant instrument, Wentworth simultaneously waived its subscription rights to the balance of 1,032,523 warrant shares previously held.

On 13 December 2017, the exercise period for options over a total of 4,038,004 ordinary shares was extended from 31 December 2017 to 31 December 2022.

On 20 December 2017 a total of 692,304 options were exercised at an exercise price of 34p per share.