

22 May 2018

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

OXFORD BIODYNAMICS PLC
("OBD" or the "Company" and, together with its subsidiaries, the "Group")
INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2018

Multiple new collaborations initiated and IP position strengthened internationally

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 interim results for the six-month period to 31 March 2018.

CORPORATE AND OPERATIONAL HIGHLIGHTS

- Immuno-oncology data presented at Foundation for National Institutes of Health (FNIH) Biomarker Consortium Cancer Steering Committee Annual Symposium.
- Rheumatoid arthritis collaboration with Pfizer and the University of Glasgow published.
- Partnership with Holos Life Sciences to investigate sports-related concussions with *EpiSwitch*[™].
- Grants of patents in the US and India covering Company's core technology.
- Planned expansion of UK-based laboratory facilities to support increased demand.
- Significant improvements in the efficiency and capacity of internal R&D processes and increased investment in automated robotic processes.
- Continued commercial and scientific progress leading to new biomarker projects.

FINANCIAL HIGHLIGHTS

- Revenue of £0.5m (H1 2017: £0.4m).
- Operating loss of £1.3m (H1 2017: £2.8m) and adjusted operating loss of £1.3m (H1 2017: £1.3m before one-off IPO costs).
- Cash of £9.6m as at 31 March 2018 (31 March 2017: £11.5m).
- Net assets of £10.8m as at 31 March 2018 (31 March 2017: £12.6m, 30 September 2017: £11.6m).

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

"We are pleased that our investment in business development activities and participation on advisory boards has driven an increase in collaborations in the period. Additionally, we have taken further steps to increase and expand our robust IP position. We were delighted to enter into our second collaboration with a major US biopharmaceutical company, in which we are developing predictive biomarkers for checkpoint inhibitor therapies. This was the fourth agreement we have entered into in the fast-moving field of immunotherapy.

We have presented data on our *EpiSwitch*[™] technology in a wide variety of indications: ALS, rheumatoid arthritis, breast, prostate and pancreatic cancers, and diabetes; demonstrating the versatility of the platform. We look forward to reporting progress on our ongoing and new biomarker projects and to continue to publish and present our proprietary biomarker research through prestigious journals and conferences."

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 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.

A copy of this announcement is available on the Company's website at 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

Introduction

The six-month period to 31 March 2018 has been one of continued progress and development for OBD as we pursue our strategic goal of making OBD's *EpiSwitch*[™] technology the leading industry standard for epigenetic biomarkers for the pharmaceutical and biotechnology industry. So far this financial year, we have focused on:

- Increasing the number of proprietary biomarker projects we have undertaken;
- Strengthening our team;
- Continuing to develop the Company's extensive intellectual property (IP) portfolio; and
- Carefully managing our resources.

At a fundamental level, we are increasingly confident that OBD's *EpiSwitch*[™] platform, based on a biomarker modality associated with 3D genome architecture and chromosome conformations, is able to identify and develop strong disseminating biomarkers and generate robust validated stratification signatures across a wide range of therapeutic areas. In the current period, we have presented data in fields as diverse as immuno-oncology (IO), amyotrophic lateral sclerosis (ALS), rheumatoid arthritis, breast, prostate and pancreatic cancers, diabetes, and several other areas.

Our findings in IO and neurodegenerative disease have generated particularly strong interest. As a result, we are planning a significant expansion to our Oxford, UK-based laboratory facility, in part to ready our *EpiSwitch*[™] platform facilities for what we anticipate will be increased demand for the utilisation of our platform.

Commercial and scientific progress

During the period, OBD has successfully pursued biomarker discovery projects across a wide range of indications, working with collaborators including a number of major biopharmaceutical companies, a significant US healthcare not-for-profit and academic experts.

In IO, in January 2018 we announced a second collaboration with a major US biopharmaceutical company to develop predictive biomarkers for IO therapies. This was the fourth agreement entered into by the Company for the discovery and development of biomarkers in this fast-developing field. Our aim is to develop biomarkers that can help to identify patients who are likely to respond to particular immune checkpoint therapies, not to respond (disease progressors), or develop debilitating side effects of the therapy (hyper progressors). Earlier, in November 2017, Dr Alexandre Akoulitchev, our Chief Scientific Officer, presented the results from OBD studies in IO biomarker development at the annual meeting of the Foundation for the National Institutes of Health (FNIH) Biomarker Consortium Cancer Steering Committee, held in Washington, DC. Three independent studies showed a robust and consistent profile of *EpiSwitch*[™] markers for response to immune checkpoint inhibitor therapies, including anti-PD-L1 therapy Keytruda (Pembrolizumab) and several other anti-PD-L1 assets in two disease indications. Blind validation of an independent cohort of base line patients treated with an anti-PD-L1 therapy showed that OBD's *EpiSwitch*[™] technology could predict response to treatment with 83% positive predictive value.

We presented data on the discovery of *EpiSwitch*[™] biomarkers for the diagnosis and prognosis (as 'fast' or 'slow progressing') of ALS at a number of scientific conferences during the period, including the 2017 Annual Northeast ALS Consortium (NEALS) Meeting in Florida, US in October 2017 and 6th World CNS Summit in Boston, MA in February 2018. Additional applications and examples of stratification using *EpiSwitch*[™] for an extended range of neurodegenerative indications, psychiatric disorders and related autoimmune and inflammatory conditions, including multiple sclerosis, lupus, treatment-resistant depression, autism and post-traumatic stress disorder were also presented and discussed at the Boston conference.

In December 2017, OBD's work in collaboration with Pfizer Inc. and the Institute of Infection, Immunity and Inflammation at the University of Glasgow was published in the Journal of Translational Medicine (Carini et al, 2018). Using *EpiSwitch*[™], the team were able to develop a 5-marker chromosome conformation signature (CCS) panel that could identify newly diagnosed rheumatoid arthritis patients as likely responders or non-responders to methotrexate, a commonly prescribed first-line drug treatment. Identification of non-responders currently takes around six months and that period of ultimately ineffective treatment in the early stages of the disease is thought to lead to substantial damage, which correlates with future disability and loss of function. Earlier identification of likely non-responders offers the potential for improved clinical outcomes for these patients.

In November 2017, we announced a collaboration with a major US biopharmaceutical company to support the development of novel therapeutic candidates and next-generation companion diagnostics to enable stratification of patient populations for clinical trials in the area of fibrosis.

In October 2017, OBD research successfully stratifying patients into different stages of type 2 diabetes was presented at the Diabetes Asia 2017 conference.

In January 2018 we announced a partnership with Holos Life Sciences to investigate the potential for *EpiSwitch*[™]-based biomarker development to provide new insights into, and help quantify the risk of prolonged effects of, sports-related concussions. Following an earlier agreement with EpiFit to investigate epigenetic changes under the impact of fitness training regimes using *EpiSwitch*[™] (announced in January 2017), this partnership is further evidence of a growing appreciation that the *EpiSwitch*[™] platform offers valuable access to actionable stratifications associated with a broad range of pathological and physiological conditions, within and outside of the clinical and therapeutic space.

Strengthening our team

The Group has continued to appoint staff members to our team during and shortly after the period, adding laboratory technicians in the UK and Malaysia and bioinformaticians in the UK. The US remains an area of management focus in this respect: we aim to recruit further suitably qualified individuals to specific roles in this key market.

IP portfolio development

OBD's IP portfolio comprises extensive patent and trademark protection as well as considerable technological and scientific know-how within the team. We have continued our strategy of obtaining claims which provide the best possible protection for the *EpiSwitch*[™] platform and the biomarkers that are derived from it. To this end, during the six months ended 31 March 2018, the Company announced the grants of patents covering its core technology in the US and India, and filed international patent applications for two further patent families.

As well as these additions to the patent protection enjoyed by the Company, during the period our Operations team have made significant improvements in the efficiency and capacity of internal R&D processes. We increasingly rely on automated robotic processes in our lab, leading to improved throughput, accuracy and reproducibility.

Resource management

During the period to 31 March 2018, we have continued careful management of the Group's cash resources, ending the period with a cash balance of £9.6m, representing a cash outflow before exchange rate movements of less than £1.1m since 30 September 2017. More details are provided in the following financial review.

Summary and outlook

After six months of continued commercial and scientific progress, the Company is well-placed to continue to develop toward its strategic goal of making OBD's *EpiSwitch*[™] technology the leading industry standard for epigenetic biomarkers for the pharmaceutical and biotechnology industry. Over the coming months, we expect to focus on making progress in ongoing and new biomarker projects, both with commercial partners and in-house, further growing our team, publishing and presenting the results of our research through prestigious journals and conferences, strengthening our IP position and expanding our UK laboratory.

Christian Hoyer Millar

Chief Executive Officer

FINANCIAL REVIEW

Overview

As noted in the Chief Executive Officer's review, during the six months ended 31 March 2018, OBD continued to focus on multiple biomarker discovery projects and strengthening its intellectual property portfolio, as well as making limited focused additions to our staff team and asset base. Relative to the six-month period to 31 March 2017, revenue and other operating income were both increased and operating cash outflow was slightly lower.

Financial performance

Revenue for the six-month period to 31 March 2018 was £0.5m (H1 2017: £0.4m), reflecting revenue recognised in proportion to the stage of completion of the Group's biomarker research projects.

Operating expenses before share option charges and IPO costs were £1.8m (H1 2017: £1.6m). Of the £0.25m increase in operating costs, approximately £0.15m related to an increase in R&D costs, £0.05m to increased staff costs and £0.05m to increased depreciation. General and other admin costs were broadly level at £0.5m.

Other operating income for the six months to 31 March 2018 was £0.2m (H1 2017: £0.1m) and mainly comprised grant income from Innovate UK to support the Group's ALS biomarker research and development programme, the results of which are referred to in the CEO's review above.

The Group's operating loss (before one-off IPO-related costs) was broadly level at £1.3m (H1 2017: £1.3m). Operating loss was £1.3m (H1 2017: £2.8m, after restated IPO costs of £1.5m). Details of the impact of the restatement of the unaudited interim financial statements for the period ended 31 March 2017 are given in Note 3 to the interim financial statements. The restated comparative figures correctly account for various IPO-related costs and are consistent with the audited accounts for the year ended 30 September 2017. There was no impact on revenue, cash or net assets as a result of the restatement.

Finance income for the period of £41k related entirely to interest receivable (H1 2017: £65k included foreign exchange gains). Finance costs related to realised and unrealised exchange losses, driven primarily by the effect on US dollar-denominated cash and debtor balances of the appreciation of sterling relative to the dollar over the period.

The taxation credit of £0.2m in the six months to 31 March 2018 (H1 2017: £0.1m) represents tax relief on research and development expenditure during the period, the increase driven by higher qualifying R&D costs including staff costs for team members primarily engaged in R&D activity. 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 half year was £1.1m (H1 2017 (restated): £2.6m) and adjusted net loss before one-off IPO costs for the same period was £1.1m (H1 2017: £1.2m). Loss per share for the six months ended 31 March 2018 was 1.3 pence (H1 2017 (restated): 3.1 pence).

Financial position

The Group made additions to intangible and tangible fixed assets during the period, mainly relating to patents protecting the Group's technology and new lab equipment in Oxford, UK.

Cash and cash equivalents at 31 March 2018 were £9.6m (31 March 2017: £11.5m, 30 September 2017: £10.8m).

Trade and other payables at 31 March 2018 were £1.0m (31 March 2017: £0.7m); the noted increase is mainly as a result of the timing of relatively large supplier payments.

Cash flow

Net cash used in operating activities was slightly reduced at £1.0m (H1 2017: £1.1m). Net cash used in investing activities was £0.3m (H1 2017: £0.1m) and net cash generated by financing activities was £0.2m, arising from the exercise of share options and the exchange of warrants during the period (H1 2017: £5.4m, driven by the IPO in December 2016).

Overall net cash outflow for the six-month period ended 31 March 2018 was £1.2m (H1 2017: net cash inflow of £4.2m) including outflow due to exchange movements on non-GBP denominated cash and cash equivalents of £0.1m (H1 2017: inflow of £0.04m).

Summary

The Group's results for the six-month period to 31 March 2018 reflect our growing commercial success and increased research and development activity. The Group remains well funded to continue its near-term plans. The Board will continue to exercise careful cost control as we expand our UK laboratory and appoint to further key positions in our team over the second half of the financial year.

Paul Stockdale

Chief Financial Officer

Consolidated income statement

	Note	Six month period ended 31 March		Year ended 30 September
		2018	2017	2017
		(unaudited) £000	(unaudited, restated) £000	(audited) £000
Continuing operations				
Revenue	4,5	473	384	1,183
Research & development costs (excluding staff costs)		(316)	(160)	(407)
Staff costs		(876)	(813)	(1,551)
General & other admin costs		(485)	(497)	(1,350)
Share option charges	10	(121)	(230)	(398)
Depreciation and amortisation	7,8	(157)	(113)	(242)
Other operating income		197	118	252
Operating loss before IPO costs		<u>(1,285)</u>	<u>(1,311)</u>	<u>(2,513)</u>
Initial public offering costs		-	(1,490)	(1,490)
Operating loss		<u>(1,285)</u>	<u>(2,801)</u>	<u>(4,003)</u>
Finance income		41	65	88
Finance costs		(112)	-	(117)
Loss before tax		<u>(1,356)</u>	<u>(2,736)</u>	<u>(4,032)</u>
Income tax		225	95	228
Loss for the period from continuing operations		<u>(1,131)</u>	<u>(2,641)</u>	<u>(3,804)</u>
Loss attributable to:				
Owners of the Company		(1,131)	(2,641)	(3,804)
Non-controlling interest		-	-	-
		<u>(1,131)</u>	<u>(2,641)</u>	<u>(3,804)</u>
Earnings per share				
From continuing operations				
Basic and diluted (pence per share)	6	<u>(1.3)</u>	<u>(3.1)</u>	<u>(4.5)</u>

Consolidated statement of comprehensive income

	Six month period ended 31 March	Year ended 30 September
	2018	2017
	(unaudited)	(unaudited, restated)
	£000	£000
		2017
		(audited)
		£000
Loss for the period	(1,131)	(2,641)
Exchange differences on translation of foreign operations that may be reclassified to the income statement	(27)	16
Total comprehensive income for the period	(1,158)	(2,625)
Total comprehensive income attributable to:		
Owners of the Company	(1,157)	(2,625)
Non-controlling interest	(1)	-
	(1,158)	(2,625)
	(3,802)	(3,802)

Consolidated statement of financial position

		31 March 2018 (unaudited) £000	31 March 2017 (unaudited, restated) £000	30 September 2017 (audited) £000
Assets	Note			
Non-current assets				
Intangible fixed assets	7	297	-	11
Property, plant and equipment	8	746	657	754
Deferred tax asset		-	-	-
Total non-current assets		<u>1,043</u>	<u>657</u>	<u>765</u>
Current assets				
Inventories		156	130	90
Trade and other receivables		1,003	1,058	1,029
Cash and cash equivalents		9,636	11,520	10,795
Total current assets		<u>10,795</u>	<u>12,708</u>	<u>11,914</u>
Total assets		<u>11,838</u>	<u>13,365</u>	<u>12,679</u>
Equity and liabilities				
Capital and reserves				
Share capital	9	875	861	861
Share premium		6,761	6,533	6,533
Translation reserve		166	206	192
Share option reserve		2,847	3,003	2,928
Warrant reserve		-	678	678
Retained earnings		133	1,304	384
Equity attributable to owners of the Company		<u>10,782</u>	<u>12,585</u>	<u>11,576</u>
Non-controlling interest		<u>18</u>	<u>19</u>	<u>19</u>
Total equity		<u>10,800</u>	<u>12,604</u>	<u>11,595</u>
Current liabilities				
Trade and other payables		974	710	1,027
Current tax liabilities		-	-	-
Total current liabilities		<u>974</u>	<u>710</u>	<u>1,027</u>
Non-current liabilities				
Provisions		64	51	57
Deferred tax		-	-	-
Total non-current liabilities		<u>64</u>	<u>51</u>	<u>57</u>
Total liabilities		<u>1,038</u>	<u>761</u>	<u>1,084</u>
Total equity and liabilities		<u>11,838</u>	<u>13,365</u>	<u>12,679</u>

Consolidated statement of changes in equity

	Share capital	Share premium	Translation reserve	Share option reserve	Warrant reserve	Retained earnings	Attributable to shareholders	Non-controlling interest	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 October 2016	816	-	190	2,773	-	3,945	7,724	19	7,743
Loss for the period as originally reported	-	-	-	-	-	(1,681)	(1,681)	-	(1,681)
Restatement:	-	-	-	-	-	(960)	(960)	-	(960)
Loss for the period (restated)	-	-	-	-	-	(2,641)	(2,641)	-	(2,641)
Other comprehensive income for the period	-	-	16	-	-	-	16	-	16
Total comprehensive income for the period	-	-	16	-	-	(2,641)	(2,625)	-	(2,625)
Transactions with owners recorded in equity									
New issue of shares as originally reported	45	6,251	-	-	-	-	6,296	-	6,296
Restatement:									
IPO costs	-	523	-	-	-	-	523	-	523
Issue of warrants	-	(241)	-	-	678	-	437	-	437
New issue of shares and warrants (restated)	45	6,533	-	-	678	-	7,256	-	7,256
Share option credit	-	-	-	230	-	-	230	-	230
At 31 March 2017 as originally reported	861	6,251	206	3,003	-	2,264	12,585	19	12,604
At 31 March 2017 (restated)	861	6,533	206	3,003	678	1,304	12,585	19	12,604
At 1 April 2017	861	6,533	206	3,003	678	1,304	12,585	19	12,604
Loss for the period	-	-	-	-	-	(1,163)	(1,163)	-	(1,163)
Other comprehensive income for the period	-	-	(14)	-	-	-	(14)	-	(14)
Total comprehensive income for the period	-	-	(14)	-	-	(1,163)	(1,177)	-	(1,177)
Transactions with owners recorded in equity									
Share option credit	-	-	-	168	-	-	168	-	168
Lapse of vested share options	-	-	-	(243)	-	243	-	-	-
At 30 September 2017	861	6,533	192	2,928	678	384	11,576	19	11,595
At 1 October 2017	861	6,533	192	2,928	678	384	11,576	19	11,595
Loss for the period	-	-	-	-	-	(1,131)	(1,131)	-	(1,131)
Other comprehensive income for the period	-	-	(26)	-	-	-	(26)	(1)	(27)
Total comprehensive income for the period	-	-	(26)	-	-	(1,131)	(1,157)	(1)	(1,158)
Transactions with owners recorded in equity									
Exercise of share options	7	228	-	(198)	-	198	235	-	235
Exchange of warrants	7	-	-	-	(678)	678	7	-	7
Share option credit	-	-	-	121	-	-	121	-	121
Lapse of vested share options	-	-	-	(4)	-	4	-	-	-
At 31 March 2018	875	6,761	166	2,847	-	133	10,782	18	10,800

Consolidated statement of cash flows

	Note	Six month period ended 31 March		Year ended 30 September
		2018	2017	2017
		(unaudited) £000	(unaudited, restated) £000	(audited) £000
Loss for the financial period		(1,131)	(2,641)	(3,804)
Adjustments to reconcile loss for the period to net cash flows:				
R&D tax credit		(225)	(95)	(228)
Net interest		(41)	(43)	(87)
(Profit) on disposal of property, plant and equipment		(3)	-	-
Amortisation of intangible fixed assets	7	1	-	-
Depreciation of property, plant and equipment	8	156	113	242
IPO costs		-	1,490	1,490
Movement in provisions		7	7	13
Share based payments charge	10	121	230	398
Working capital adjustments:				
Decrease/(increase) in trade and other receivables		4	(16)	147
Decrease in other financial instruments		-	-	-
(Increase)/decrease in inventories		(66)	(24)	16
(Decrease)/increase in trade and other payables		(111)	(56)	243
Operating cash flows before interest and tax paid		(1,288)	(1,036)	(1,570)
R&D tax credits received		261	-	-
Cash used in operations		(1,027)	(1,036)	(1,570)
Net foreign exchange movements		71	(18)	44
Net cash used in operating activities		(956)	(1,054)	(1,526)
Investing activities				
Interest received		28	61	105
Purchases of fixed assets		(382)	(204)	(425)
Proceeds from disposal of tangible assets		12	-	-
Net cash used in investing activities		(342)	(143)	(320)
Financing activities				
Interest paid		-	-	-
Issue of equity shares		242	7,107	7,107
Share issue costs		-	(288)	(288)
IPO costs		-	(1,419)	(1,419)
Equity dividends paid		-	-	-
Net cash generated by financing activities		242	5,400	5,400
Net (decrease)/increase in cash and cash equivalents		(1,056)	4,203	3,554
Foreign exchange movement on cash and cash equivalents		(103)	38	(38)
Cash and cash equivalents at beginning of year		10,795	7,279	7,279
Cash and cash equivalents at end of period		9,636	11,520	10,795

Notes

1. General information

The interim financial information was authorised for issue by the Board of Directors on 21 May 2018. The information for the period ended 31 March 2018 has not been audited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and should therefore be read in conjunction with the audited financial statements of the Company and its subsidiaries as at and for the year ended 30 September 2017, which were prepared in accordance with EU Adopted International Financial Reporting Standards and have been delivered to the Registrar of Companies. The Report of the Auditor on the financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. This interim information does not comply with IAS 34 Interim Financial Reporting, as is permissible under the rules of AIM.

2. Basis of accounting

Basis of preparation

These interim consolidated financial statements have been prepared under the historical cost convention and in accordance with the recognition and measurement principles of European Union Adopted International Financial Reporting Standards (IFRSs).

The accounting policies adopted in the preparation of the half-year consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2017.

The restatement of prior period interim information is explained in Note 3 below.

There have been no significant changes to critical accounting judgements or accounting estimates of amounts reported in prior financial periods.

Reporting currency

The consolidated financial statements are presented in pounds sterling (GBP), which is also the Company's functional currency.

3. Restatement of comparative figures

Comparative figures relating to the six-month period ended 31 March 2017 have been restated in line with the audited accounts for the year ended 30 September 2017. Restatements relating to the treatment of 1) IPO and share issue costs originally charged directly to equity and 2) warrants originally unrecognised, led to an increase in the prior interim period loss, when compared to that originally reported on 13 June 2017, of £960,000, with associated restatements to the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cashflows, as shown below, with the exception of the consolidated statement of changes in equity, for which the impact of restatement is shown on the statement itself. There was no restatement of revenue, cash and cash equivalents or other assets and liabilities.

3. Restatement of comparative figures (cont.)

Impact on consolidated income statement:

	6 months ended 31 March 2017 (as originally reported)	Restatement	6 months ended 31 March 2017 (restated)
	£'000	£'000	£'000
IPO costs:	(529)	(960)	(1,490)
Operating loss	(1,841)	(960)	(2,801)
Loss before tax	(1,776)	(960)	(2,736)
Loss for the period	(1,681)	(960)	(2,641)
Earnings per share (pence per share)	(2.0)	(1.1)	(3.1)

Impact on consolidated statement of financial position:

	31 March 2017 (as originally reported)	Restatement	31 March 2017 (restated)
	£'000	£'000	£'000
Share premium	6,251	282	6,533
Warrant reserve	-	678	678
Retained earnings	2,264	(960)	1,304
Total Equity	12,604	-	12,604

Impact on consolidated statement of cash flows:

	6 months ended 31 March 2017 (as originally reported)	Restatement	6 months ended 31 March 2017 (restated)
	£'000	£'000	£'000
Loss for the period	(1,681)	(960)	(2,641)
IPO costs	529	960	1,490
Net cash used in operating activities	(1,054)	-	(1,054)
Net increase in cash and cash equivalents	4,203	-	4,203

4. Revenue

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

	Six month period ended 31 March	Year ended 30 September
	2018	2017
	£000	£000
Continuing operations		
USA	162	130
Rest of World	311	254
Consolidated revenue	473	1,183

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

5. 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:

	31 March 2018 £000	31 March 2017 £000	30 September 2017 £000
Non-current assets			
UK	941	563	662
Malaysia	102	94	103
Total non-current assets	1,043	657	765

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:

	Six month period ended 31 March 2018 £000	2017 £000	Year ended 30 September 2017 £000
Revenue from individual customers each representing more than 10% of revenue for the period:	447	321	893

6. Earnings per share

From continuing operations

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

	Six month period ended 31 March 2018 £000	2017 £000	Year ended 30 September 2017 £000
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(1,132)	(2,641)	(3,804)
Earnings for the purposes of diluted earnings per share	(1,132)	(2,641)	(3,804)
	No	No	No
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	86,918,039	84,590,580	85,272,526
	Pence	Pence	Pence
Earnings per share			
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	(1.3)	(3.1)	(4.5)

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

7. Intangible fixed assets

Group	Patents and trademarks £000	Website development costs £000	Software licences £000	Total £000
Cost				
At 1 October 2017	-	11	-	11
Additions	241	14	32	287
Disposals	-	-	-	-
At 31 March 2018	241	25	32	298
Amortisation				
At 1 October 2017	-	-	-	-
Charge for the period	1	-	-	1
At 31 March 2018	1	-	-	1
Carrying amount				
At 31 March 2018	240	25	32	297
At 30 September 2017	-	11	-	11

8. Property, plant and equipment

Group	Leasehold improvements £000	Office equipment £000	Fixtures and fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2017	269	38	37	1,331	1,675
Additions	2	1	-	150	153
Disposals	-	-	-	(21)	(21)
Exchange differences	1	-	1	4	6
At 31 March 2018	272	39	38	1,464	1,813
Accumulated depreciation					
At 1 October 2017	69	23	21	808	921
Charge for the period	14	5	1	136	156
Eliminated on disposals	-	-	-	(12)	(12)
Exchange differences	(1)	1	(1)	3	2
At 31 March 2018	82	29	21	935	1,067
Carrying amount					
At 31 March 2018	190	10	17	529	746
At 30 September 2017	200	15	16	523	754

9. Share capital of the Company

	31 March 2018		31 March 2017		30 September 2017	
	Number	£	Number	£	Number	£
Authorised shares						
Ordinary shares of £0.01 each	87,479,973	874,997	86,098,228	860,982	86,098,228	860,982

The Company's shares were admitted to trading on the AIM market of the London Stock Exchange on 6 December 2016. The Company issued 4.5m new shares at a placing price of 158p, raising gross proceeds of £7.1m (before expenses).

The Company has a number of shares reserved for issue under an equity-settled share option scheme: further details of this are disclosed in Note 10.

10. Share-based payments

Equity-settled share option scheme

In November 2016, the Company established an Enterprise Management Incentive (“EMI”) share option scheme, under which options have been granted to certain employees, and a non-employee option scheme with similar terms, except that options granted under it do not have EMI status. EMI and non-EMI share options were also previously granted under a share option scheme established in October 2008 (“the 2008 Scheme”). The Company does not intend to grant any further options under the 2008 Scheme. All of the schemes are equity-settled share-based payment arrangements, whereby the individuals are granted share options of the Company’s equity instruments, namely ordinary shares of 1 pence each.

The schemes include non-market-based vesting conditions only, whereby the share options may be exercised from the date of vesting until the 10th anniversary of the grant date. In most cases options vest under the following pattern: one-third of options granted vest on the first anniversary of the grant date; one-third on the second anniversary and one-third on the third anniversary.

The options outstanding as at 31 March 2018 have exercise prices in the range of £0.34 to £1.70.

Options outstanding	Six month period ended 31 March		Year ended 30 September
	2018	2017	2017
	unaudited	unaudited	audited
	Number	Number	Number
Outstanding at start of period	7,801,716	7,636,716	7,636,716
Granted during the period	160,000	465,000	575,000
Forfeited during the period	(151,667)	(280,000)	(410,000)
Exercised during the period	(692,304)	-	-
Outstanding at end of period	7,117,745	7,821,716	7,801,716
Weighted average remaining contractual life (in years) of options outstanding at the period end ¹	4.81	3.60	2.93
Options exercisable			
	Number of options	Weighted average exercise price £	Latest exercise price £
At 31 March 2018	6,321,040	0.49	1.58
At 31 March 2017	6,758,916	0.43	1.58
At 30 September 2017	6,813,516	0.45	1.58
Share option expense			
	Six month period ended 31 March	Year ended 30 September	
	2018	2017	2017
	£000	£000	£000
Expense arising from share-based payment transactions	121	230	398

¹ As announced on 13 December 2017, the exercise period of a total of 4,058,004 non-EMI options was extended, such that the expiry date of the options concerned, which were all exercisable at each of the dates reported above, is now 31 December 2022, rather than 31 December 2017.