Oxford Biodynamics Plc
("**OBD**" or the "**Company**" and, together with its subsidiaries, the "**Group**")

Preliminary results for the year ended 30 September 2022
and
Notice of Annual General Meeting

Oxford, UK – 24 January 2023 - Oxford BioDynamics Plc (AIM: OBD), a global biotechnology company advancing personalized healthcare by developing and commercializing precision medicine tests for life-changing diseases, today announces its final results for the year ended 30 September 2022.

Highlights

Corporate and operational highlights

- Launch of EpiSwitch® CiRT (Checkpoint inhibitor Response Test) in US (February 2022), and UK (June 2022)
- Granting of US CPT Code‡ for EpiSwitch® CiRT (July 2022)
- Highlighting of benefits of EpiSwitch® platform in podium presentation at European Society of Medical Oncology (ESMO) Congress (September 2022)
- Presentation of clinical utility data of EpiSwitch® CiRT at American Society of Clinical Oncology (ASCO) annual meeting (June 2022)
- Opening of US offices in Gaithersburg, MD (October 2021)
- Raising of £3.62m ($5m) by way of subscription (October 2021)

Financial highlights

- Revenue of £0.2m (FY21: £0.3m)
- Other operating income (grant funding) of £0.4m (FY21: £nil)
- Operating loss of £8.6m (FY21: £7.5m), reflecting increased staff, general and administration costs and depreciation.
- Cash and term deposits of £1.0m as at 30 September 2022 (FY21: £4.3m) prior to October 2022 fundraising.

Post-year end highlights

- Successful placing, open offer and subscription, raising gross proceeds of £9.3m, at a 33% premium to the then share price (October 2022)

Commenting on the results, Jon Burrows, Chief Executive Officer of Oxford BioDynamics, said:
"During 2022, we made substantial progress with the strategy we presented to shareholders in 2020 – pivoting our business to a more commercial footing, developing proprietary tests using our EpiSwitch platform.

"The highlight of the year was the launch of the EpiSwitch CiRT Checkpoint Inhibitor Response test, which from a simple blood draw provides physicians with a fast, accurate prediction of a patient's likelihood of responding to immune checkpoint inhibitor therapy. CiRT is already generating promising sales and reimbursements under our unique CPT Code in the US. The test has the potential to have a major impact in the field of liquid biopsy for precision medicine.

"We are increasingly encouraged by the positive response from oncologists, pharma and healthcare payors alike, and although early days, momentum seems to be building – particularly now CiRT has a unique reimbursement code. We're focused during this new financial year on the continued sales 'grind' to grow adoption of EpiSwitch® CiRT, and we have begun to expand our sales team to support that activity."

‡ A Current Procedural Terminology (CPT) code is used in the US to report medical and diagnostic services to entities such as health care professionals and payers.

-Ends-

Notice of Annual General Meeting

The Company's Annual General Meeting will be held at 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WB, UK on 30 March 2023 at 12.00 pm.

The information included in this announcement is extracted from the Annual Report, which was approved by the Directors on 23 January 2023. 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 which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR"). Upon the publication of this announcement, this inside information (as defined in UK MAR) is now considered to be in the public domain.

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Chief Executive Officer's review

Introduction

It has been another year of significant progress at OBD – the highlight being the launch of our EpiSwitch® CiRT (Checkpoint Inhibitor Response Test) in the US and UK markets.

Through the year, we pursued our expanded strategy, first announced in December 2020, which includes the development of proprietary laboratory tests and making the Group's EpiSwitch® 3D genomics technology and knowledgebase available to researchers worldwide, alongside the Group's ongoing work with pharma customers.

Most importantly, we launched the Group's flagship product, EpiSwitch® CiRT – the latest output from a continually maturing EpiSwitch® platform and OBD product development pipeline – both in the US and the UK. The launch represented a major milestone in the execution of OBD's strategy, and our major focus through 2023 will be on growing adoption of the CiRT test.

Big pharma biomarker development projects and initiatives to expand third party validation of our EpiSwitch® technology have continued apace. These have included clinical research involving a leading Pfizer cancer drug, and in amyotrophic lateral sclerosis (ALS or motor neurone disease) as part of the Phase IV REFINE-ALS clinical trial sponsored by Mitsubishi Tanabe Pharma America (MTPA) and assessed by Massachusetts General Hospital (MGH). These initiatives have added to the large body of evidence confirming both the significance of 3D genomics in personalized medicine and the robustness of OBD's reduced-to-practice core EpiSwitch® platform technology.

Financial performance during the year has been modest, reflecting our continued investment in the commercialization of our EpiSwitch® product line, which has the potential to be a truly disruptive technology within the industry. The Group's equity fundraisings in October 2021 and post-year end in October 2022, to support the launch and initial sales push of EpiSwitch® CiRT demonstrated the opportunity for growth that investors have recognized in our strategy. The fundraisings generated a combined total of c.£13m, with the most recent equity placing, open offer and subscription completed at a 33% premium to the then share price.

Comments made in last year's annual report bear repeating: we strongly believe 3D genomics will play a crucial role in the personalized medicine revolution and OBD is now even more strongly placed to benefit from the growth that we anticipate in this market over the coming years. The OBD team has achieved an enormous amount over the year, building on the pivoting of the Group to a more commercial footing that began in the prior year. Our focus for the new financial year is on growing the adoption of EpiSwitch® CiRT: increasing the number of healthcare professionals, payors and other partners who use and benefit from the test.

EpiSwitch® CiRT (Checkpoint Inhibitor Response Test)

EpiSwitch® CiRT is OBD's flagship product, a first-of-its-kind predictive test of a patient's likely response to an important class of cancer medicines, immune checkpoint inhibitors (ICIs), which work with a patient's immune system to find and fight cancer.

The marketplace

Some patients treated with ICIs see striking results but, depending on cancer indication, over two-thirds of patients do not benefit from the treatment and a significant subset of these will suffer potentially life-threatening side effects from these drugs. It is estimated that each year over $10 billion is spent on ineffective ICI therapy in the US alone. As well as the obvious potential clinical benefit to patients of more appropriate courses of treatment, smart testing offers significant opportunities for financial efficiencies for patients and healthcare payors alike. CiRT can also contribute to pharma

companies' drug development programs, helping to stratify or analyse patients in more targeted clinical trials.

There is no other reliable predictive test of a patient's likely response to ICIs and other commonly used testing modalities typically require invasive tissue or tumor biopsy. In contrast, from a simple liquid biopsy (a few ml of blood), EpiSwitch® CiRT provides an unequivocal, binary result to assist oncologists in their decision making as to the best treatment plan for their patient.

EpiSwitch® CiRT

EpiSwitch® CiRT was launched in the US in February 2022, with availability to private physicians in the UK in June 2022. The test was launched as a lab-developed test (LDT), allowing physicians to access the test as quickly as possible. OBD's LDTs are offered through its CAP-CLIA[†]-accredited partner laboratory at NEXT Molecular Analytics (VA, US). There are no barriers for oncologists to immediately begin using CiRT for patient management strategies: the test requires only a simple blood draw and physicians can order it like any other routine lab test. Once the lab receives the blood, results are returned in a secure report, typically in 3-4 days.

The test has demonstrated validated, best-in-class performance, with high sensitivity (93%), specificity (82%), accuracy (85%), NPV (97%) and PPV (64%). An indication of the importance of this predictive test was the assignment of a unique CPT[‡] code for the test only four months after its launch. The CPT code is unique to OBD as manufacturer, the CiRT test itself and the Group's partner lab and is a critical step in gaining straightforward payment for the test from healthcare payors, allowing requests for reimbursement from US insurers, whether private, Medicare or Medicaid. The first reimbursements from US payors under the unique CPT code have now been received, for amounts in the range anticipated by the Group.

Initial sales development activity focused on early adopter oncologists in one geographic area (FL, US) and the test has seen steady growth there since its launch. To date, over 150 tests have been ordered by 16 doctors. Post-year end, in November and December 2022, we successively recorded highest monthly sales to date, a combination of repeat orders from established users of the test and newly-ordering oncologists. In December 2022, the first test order from outside the US was received. These are encouraging results early in the life cycle of a new high complexity molecular test.

Our intention in this early phase of commercialization, as well as growing adoption of the test, has been to learn from oncologists how they are beginning to use the test and how they see it benefiting their patients. Our interactions with ordering physicians are absolutely invaluable in helping to train our growing sales team and to refine our explanatory collateral. At a general level, the test is intended to help physicians decide whether to begin or continue treatment with an ICI; it has been helpful and instructive to learn in more detail about how oncologists have used the test in specific patient case studies.

From these discussions, we can see the potential for EpiSwitch® CiRT to transform the clinical decision-making process in respect of ICIs in several ways.

Firstly, in treatment planning, if the CiRT test indicates a high likelihood of response, a doctor may recommend ICI therapy with confidence for their patient, building on the understanding that the molecular immune profile is associated with clinical benefit from ICIs, regardless of the results of other testing modalities, such as their PD-L1 status. Even if the patient does not initially respond to therapy, they will likely benefit later from continuing therapy for longer, acknowledging a slow immune response.

On the other hand, a low-likelihood result is a strong indication that the patient will not respond to ICI treatment. In this case, a doctor may limit the ICI therapy to a shorter duration before re-imaging and/or evaluating other options.

As many as 40 percent of those treated with ICIs will face a cascade of treatment-related toxicity, called an immune-related adverse event (irAE), a significant side-effect that can occur at any time when the immune system is re-engaged. As a result, often, the treatment must be stopped, and without adequate tests, such as EpiSwitch® CiRT, it is very difficult for doctors to know whether to recommend resuming therapy. Interestingly, emerging evidence suggests that patients with strong irAEs may have better chances of achieving a durable response to ICIs if they are reset by continuing their treatment course.

CiRT is initially being used as a complementary test, giving doctors additional guidance to make a balanced therapy recommendation. However, as adoption grows, we are confident that it could significantly impact how immunotherapy is administered.

FY2023 focus
OBD's focus in 2023 is firmly on EpiSwitch® CiRT. Activities will include further building an already-expanded sales team into new US geographies, adding to the clinical operations and customer support team, engaging directly with an OBD-convened group of key opinion leaders from healthcare payors – collectively covering a total of over 100 million US lives – and developing and refining our evidence base of clinical usage and utility, and health economics and outcomes research (HEOR). This activity can easily be encapsulated in a single sentence, yet it will reflect many thousands of hours' work by the OBD team throughout 2023.

Work with pharma and independent validation of the Group's EpiSwitch® technology
The Group continued its work on a number of pre-existing agreements with pharma and academic partners during the year, including on the Mitsubishi Tanabe Pharma America (MTPA)-sponsored REFINE-ALS clinical trial.

Our teams had a number of positive interactions with pharma partners over the course of the year, including at the prestigious American Society of Clinical Oncologists (ASCO) and the European Society for Medical Oncology (ESMO) meetings. These engagements, most of which remain 'live' as at the date of this report, have presented useful opportunities to explain, often to scientific experts new to the field of 3D genomics, the enormous potential of working with OBD's EpiSwitch® platform.

We remain confident that we will see commercial agreements with industry players in due course – cautiousness in adoption is not unusual for a truly disruptive technology such as EpiSwitch®.

Peer group events and publications
OBD team members have long been at the forefront of publishing and presenting on the Group's research and achievements in the field of 3D genomics. This was augmented this year by a number of high-profile presentations and publications in which third parties positively referenced the performance of EpiSwitch® biomarkers developed or used in the Group's work with pharma partners.

- *EpiSwitch® in oncology*

In September 2022, in a plenary talk at the European Society for Medical Oncology (ESMO) 2022 Congress entitled "Genomic biomarkers in peripheral blood from patients enrolled in the JAVELIN Bladder 100 trial of avelumab first-line (1L) maintenance in advanced urothelial carcinoma (aUC)", renowned oncology expert Prof Thomas Powles (Director, Barts Cancer Centre) drew attention to the performance of OBD's EpiSwitch® biomarkers in an important clinical trial of avelumab, a leading ICI.

In the presentation, co-authored with Pfizer, Prof Powles highlighted the benefits to clinical practice of including EpiSwitch® blood testing when predicting treatment response to avelumab.

Prof Powles said: "*We looked at EpiSwitch markers in the blood of almost 500 patients from the JAVELIN 100 clinical study. Exploratory work with EpiSwitch testing could pick out patients who would respond to checkpoint inhibitors that conventional tumor mutational burden (TMB) testing did not identify. What is exciting is that the EpiSwitch platform enables us to do this from blood, rather than traditional methods which require an invasive tissue biopsy from the tumor.*"

The ESMO session's co-chair, Dr Rana McKay (UC San Diego Health), later reiterated the findings that the EpiSwitch® platform successfully captures key host factors in the blood that are associated with better or worse outcomes, which tissue-based methods cannot see. The work was authored with collaborators from Pfizer and five global medical centers: Dana-Farber Cancer Institute (MA, US), Barts Cancer Institute (UK), Fred Hutchinson Cancer Center (WA, USA), Princess Margaret Cancer Center (Canada) and Meyer Cancer Center (NY, USA).

Post-year end, in December 2022, Steven Mamus MD, Medical Director of Oncology/Hematology, Cancer Center of Sarasota (FL, US), an early adopter of the Group's EpiSwitch® CiRT, presented to the Precision Medicine Leaders Summit Liquid Biopsy Virtual Summit on "Navigating the Toughest Challenges of Immunotherapy with the EpiSwitch® CiRT". Giving real-world patient case studies, Dr. Mamus outlined how he is now routinely using EpiSwitch® CiRT in his practice to aid in his decision-making as to optimal treatment courses for his patients.

- *EpiSwitch® in ALS (motor neurone disease)*

In December 2022, Dr. James Berry, Director of Massachusetts General Hospital (MGH) Neurological Clinical Research Institute, shared an interim analysis from the MTPA-sponsored REFINE-ALS clinical trial that included an initial assessment of the EpiSwitch® assay used in the trial.

OBD announced its involvement in the REFINE-ALS trial in May 2019 and, as announced in June 2022, the Group was able to restart its work on the study during the year after recruitment to had been impacted by a number of factors, including the COVID-19 pandemic.

The initial assessment shared by Dr. Berry showed that the EpiSwitch® assay used in the trial was better than other biomarker modalities at stratifying patients, at baseline, into those with fast or slow progressing ALS.

The ability to stratify patients is vitally important because fast progressors have on average overall survival of less than 15 months and current diagnosis of ALS can take on average 12 months from the onset of symptoms because there are no definitive, clinically validated measures available. This delay can have a significant impact on the timely treatment of patients, especially those with fast-progressing disease, while also limiting the recruitment of early-stage patients to clinical trials. Early stratification could therefore offer significant benefits to those with this devastating disease. These initial results also highlight the potential utility of EpiSwitch® biomarkers for pharma companies developing drugs for ALS and for physicians running clinical trials in leading ALS clinical testing centres around the world, such as at MGH.

As noted above, these examples of validation by respected experts add to the existing, growing corpus of data that speaks to the relevance of 3D genomics to personalized medicine and the maturity and high performance of the EpiSwitch® platform in particular. The Group's own scientists have continued to publish the results of our work through the year[1,2].

PACT and other grant-funded research

- *PACT (oncology)*

The Group announced in August 2021 that it had been awarded a two-year, $910,000 FNIH Partnership for Accelerating Cancer Therapies (PACT) grant to use the EpiSwitch® platform for accurate prediction of a patient's response to ICIs from a routine blood sample.

PACT is a precompetitive collaboration between the prestigious National Institutes of Health (NIH), National Cancer Institute (NCI), US Food and Drug Administration (FDA), and 12 leading pharmaceutical companies, which seeks to provide a systematic approach to cancer biomarker investigation in clinical trials by supporting the development of standardized assays.

Work to date has been progressing well and is ahead of schedule. After presentation of the latest results from OBD to the PACT Executive Committee, the Group has been invited to submit an application for funding for a follow-on study to investigate the phenomenon of so-called 'hyperprogression' observed in some patients whose disease rapidly progresses following treatment with ICIs.

OBD's involvement in PACT has helpfully brought the Group and its EpiSwitch® technology to the attention of the key US institutions and major pharma companies in the partnership.

- *HIPPOCRATES (Psoriatic Arthritis)*

As previously announced, OBD is one of 26 participants in the EU-funded HIPPOCRATES consortium (Health initiatives in psoriasis and psoriatic arthritis consortium European states) which as a whole was awarded a total of €21 million over five years in July 2021.

The purpose of the HIPPOCRATES consortium is to promote early identification and improving outcomes in psoriatic arthritis (PsA). Psoriasis is an autoimmune disease that primarily affects the skin. However, 20-30 % of people with psoriasis develop a condition called psoriatic arthritis, which results in pain, joint stiffness and fatigue and can dramatically impact the quality of life of those affected. PsA is very hard to diagnose, and it is not possible to predict which psoriasis patients will go on to develop PsA.

The HIPPOCRATES project aims to deliver knowledge and tools that will make it easier to identify psoriasis patients who are at greatest risk of developing PsA and to diagnose them faster. In addition, the consortium aims to make it easier to predict how fast a patient's condition is likely to worsen and which treatments are most likely to be effective for them.

The Group's contribution to the project includes developing predictive and theranostic biomarkers for PsA using the EpiSwitch® platform. This work began following the receipt of patient samples after the year end.

Development pipeline

OBD has previously highlighted its extensive pipeline of deployable molecular tests, in several disease areas, indicating that the most likely prospects for subsequent product development are in prostate and colorectal cancer screening, and canine lymphoma. This remains the case and we have been proceeding with internal and collaborative R&D work in these areas.

In prostate cancer, for example, OBD is involved in a Prostate Cancer Research-funded project to develop a test to aid detection of prostate cancer in black men, who suffer both increased prevalence of, and mortality from, this disease compared to other groups.

This work, carried out in conjunction with University of East Anglia (UEA) and Imperial College NHS Healthcare Trust builds on OBD's successful participation in the PROSTAGRAM trial. A forthcoming paper jointly written by OBD with Department of Surgery and Cancer, Imperial College, London; School of Medicine, University of East Anglia, Norwich; and King's Clinical Trials Unit, King's College London, entitled "Circulating chromosome conformation signatures significantly enhance PSA positive predicting value and overall accuracy for prostate cancer detection" sets out the exciting results of OBD's participation in the PROSTAGRAM trial.

While prostate cancer has a high lifetime prevalence (1 in 6 men), there is no generally accepted screening programme. The widely-used prostate-specific antigen (PSA) test does not have sufficient accuracy, resulting in numerous unnecessary biopsies and false reassurances. EpiSwitch® results from the PROSTAGRAM trial demonstrate that combining a standard PSA readout with non-invasive EpiSwitch biomarkers in a Prostate Screening EpiSwitch (or "PSE") test results in significantly enhanced positive predictive value (PPV) and overall accuracy for prostate cancer detection, compared to the current PSA test.

The Group will continue to prepare for the development and launch of subsequent commercial products. Whilst we will be ready to respond quickly to opportunities for commercialization in these areas, our plan is for the primary application of the Group's existing resources through 2023 to be in support of our flagship EpiSwitch® CiRT product.

Intellectual property, including new visual identity

As we have pursued our expanded strategy over the last 2 years, OBD's marketing and educational collateral has been transformed by our marketing and social media teams. Initially, their focus has been on producing content to support the Group's proprietary products, with dedicated websites, informational collateral, requisition forms, etc. created for EpiSwitch® CiRT (mycirt.com) and EpiSwitch® CST (covidseveritytest.com). Alongside this, the team has invested in well-received content to explain 3D genomics and the Group's technology to a broad audience of stakeholders, disseminated on the Group's social media accounts and at industry conferences.

The next stage in this work, culminating shortly before the release of this report, has been to bring OBD's visual identity up to date with a fresh logo and website that better reflects the Group's position as a commercially-focused business. The new design provides a modern, clean look consistent with this identity and offers a brand ecosystem within which the Group's existing and future products can comfortably sit. It is our expectation that patients, physicians, customers, investors and other stakeholders will appreciate this clearer, more professional presentation.

As awareness of OBD, our tests and EpiSwitch® platform grows, our corporate and product branding will become increasingly important, alongside the Group's existing patents, registered trademarks and proprietary know-how. The Group's portfolio of broad, early patents extends to 18 international families of patents covering a variety of claims relating to the Group's technology and its pipeline of proprietary tests. Within these 18 families, a total of 17 individual patents were granted during the year.

Strategic focus for FY2023

For the current financial year, our efforts and resources are concentrated on continuing to grow adoption of EpiSwitch® CiRT, by deploying expanded sales teams in new US geographies and engaging directly with healthcare payors: creating a clinical revenue engine to drive the Group's future commercial success.

We are also focused on serving pharma customers in biomarker discovery and clinical development – our engagement with existing and potential pharma customers continues apace, notwithstanding the delays experienced during the last year in getting new projects 'over the line'; expanding access to the EpiSwitch® technology and knowledgebase through the Explorer Array Kit; and our work with prestigious bodies such as PACT.

We are applying our current resources, including the funds recently raised, to pursuing these goals. As the team continues its hard work in these areas, we look forward to reporting yet more commercial and scientific progress at OBD.

Dr Jon Burrows
Chief Executive Officer
Oxford BioDynamics Plc
23 January 2023

† CAP-CLIA regulated laboratories are accredited by the College of American Pathologists as being compliant with the Clinical Laboratory Improvement Amendments, 1988 (42 CFR, Part 493).

‡ A Current Procedural Terminology (CPT) code is used in the US to report medical and diagnostic services to entities such as health care professionals and payers.

[1] "Development and validation of blood-based predictive biomarkers for response to PD-(L)-1 checkpoint inhibitors: evidence of a universal systemic core of 3D immunogenetic profiling across multiple oncological indications" Hunter, E., et. al., medRxiv 2021.12.21.21268094; doi: https://doi.org/10.1101/2021.12.21.21268094

[2] "Development and validation of blood-based predictive biomarkers for response to PD-(L)-1 checkpoint inhibitors: evidence of a universal systemic core of 3D immunogenetic profiling across multiple oncological indications" Akoulitchev, A., et. al., Journal of Clinical Oncology 2022 40:16_suppl, e14525-e14525, June 2, 2022

Business performance and position: financial review

Overview

The year ended 30 September 2022 saw modest revenue and anticipated increases in most costs as the Group continued with the execution of its expanded strategy. Cash resources were strengthened during and after the year in two fundraisings that generated a combined total of approximately £13m from issues of new equity.

In the table below, we provide summary explanations of what comprises the main elements of the Group's financial performance for the year and its position at the year end, together with the main drivers of movements compared to the prior year.

More detailed information is provided in the financial information and notes on the following pages, which are extracted from the Company's annual report and accounts.

Note 2 includes a description of the Board's assessment and conclusion that it is appropriate to adopt the going concern assumption in preparing the accounts, but that, as at the previous two year ends, a number of factors exist that, taken together, present a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Financial performance					
Element	**Comprising:**	**2022** **£m**	**2021** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
Revenue	Revenue from pre-existing contracts with pharma customers	0.15	0.34	0.19 decrease	Revenue on existing contracts is driven by timing of receipt of samples from customers.
Cost of sales	Amounts payable to the Group's partner lab and other costs relating to proprietary tests processed in the period	(0.04)	-	0.04 increase	These costs relate to EpiSwitch® CiRT tests ordered and processed between the test's launch in February 2022 and the year end.
R&D expenditure (excluding staff costs)	Lab consumables, equipment maintenance etc.	(0.53)	(0.90)	0.37 decrease	There was increased internal R&D activity in the prior year, including on the development of proprietary tests.
Staff costs	Staff and directors' remuneration and benefits	(4.48)	(3.77)	0.71 increase	Full year impact of FY21 recruits and FY22 in-year recruitment (average FTEs increased by 13%), plus inflationary pay increases.
General and other admin costs	Other costs including marketing, legal and other professional services	(2.45)	(1.85)	0.60 increase	Increases of c£0.3m in premises-related costs, reflecting a full year of occupancy in new UK HQ and US offices, c£0.2m in travel-related expenses for sales teams and post-pandemic business development, and c£0.1m in website

Financial performance					
Element	**Comprising:**	**2022** **£m**	**2021** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
					development and other IT services.
Share option charges	Non-cash charge spreading fair value of options over their vesting period	(0.39)	(0.25)	0.14 increase	Reflects higher fair value of options granted during the period, which had market value (rather than above market value) exercise prices.
Depreciation and amortization	Depreciation and amortization of intangible assets, property plant and equipment and right-of-use assets.	(1.21)	(1.09)	0.12 increase	Increase relates to depreciation on right-of-use assets. Property, plant and equipment depreciation and patent amortization were slightly lower than the prior year.
Other operating income	Income associated with grants	0.35	0.00	0.35 increase	Income arises from the PACT grant awarded in August 2021, recognised over the term of the grant.
Operating loss		(8.60)	(7.51)	1.09 increase	As noted above.
Fair value gain on financial liabilities designated as FVTPL	Non-cash movement in fair value of liability recognised in connection with warrants issued in November 2021	1.10	-	1.10 increase	The fair value of the warrant liability decreased over the period, generating this gain, mainly because of the fall in the Company's share price.
Finance income	Interest income and foreign exchange gains	0.13	0.03	0.10 increase	Increase relates to gains from US exchange rate movement, with a reduction in interest receivable from lower cash and term deposit balances during the year.
Finance costs	Calculated lease interest, foreign exchange losses	(0.20)	(0.15)	0.05 increase	Full year of lease interest costs on UK property and additional lease interest costs on new US property.
Tax	UK R&D tax credits offset by current and deferred taxes in subsidiaries	0.86	0.95	0.09 decrease	Decrease primarily driven by higher current tax charges in subsidiary entities, offset by higher R&D tax credits because of increased R&D-related staff costs.

		2022	**2021**		
Loss per share	Loss for the year divided by weighted average number of shares in issue	(6.7)p	(7.2)p	0.5p decrease	Driven by the higher average number of shares in issue during FY22.

Cash flow					
Element	**Comprising:**	**2022** **£m**	**2021** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
Net cash used in operating activities	Operating loss, adjusted for non-cash items and movements in working capital.	(5.18)	(5.92)	0.74 decrease	Similar loss before tax, c.£0.4m increase in tax credits received (driven by increased R&D costs in FY21 compared to FY20) and adjustments for movements in working capital and non-cash items were c.£0.3m higher than in the prior year.
Net cash generated by investing activities	Expenditure on fixed assets, offset by interest income and maturing term deposits.	1.25	2.83	1.58 decrease	Receipts from maturing term deposits were c.£1.1m lower. c.£0.5m increase in net expenditure on property, plant and equipment and intangible assets (spend on PPE in the prior year was largely covered by a lease incentive received).
Net cash generated by / (used in) financing activities	Proceeds from equity issues offset by lease payments.	2.56	(0.80)	3.36 increase	c.£3.6m receipts from issue of equity, offset by c.£0.1m increase in lease payments (mainly for the Group's new US office) and c.£0.1m payments to acquire minority shareholding in subsidiary entity.
Financial position					
Cash and term deposits	Cash and term deposits	1.00	4.34	3.34 decrease	The overall reduction in cash and term deposits approximates to the operating cash outflow of c.£5.2m, plus capital expenditure of c.£0.9m, offset by the net inflow from financing activities of c.£2.6m and foreign exchange gains of c.£0.2m.
Total assets	"Right-of-use" assets associated with the Group's leased properties, tangible and intangible fixed assets, inventories, debtors and prepayments and cash and term deposits.	11.34	15.38	4.04 decrease	Overall decrease principally due to the reduction in cash and term deposits.
Total liabilities	Trade creditors, accruals, contract liabilities, lease liabilities, provisions and warrant liability.	8.76	8.69	0.07 increase	Increases in trade creditors, accruals and newly-recognised warrant liability, offset by expected reductions in lease liabilities.

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
		£000	£000
Continuing operations	**Note**		
Revenue	3	154	341
Cost of sales		(38)	-
Gross profit		**116**	**341**
Research & development costs (excluding staff costs)		(526)	(898)
Staff costs		(4,483)	(3,768)
General & other admin costs		(2,452)	(1,850)
Share option charges		(394)	(251)
Depreciation and amortization		(1,213)	(1,088)
Other operating income		351	2
Operating loss		**(8,601)**	**(7,512)**
Fair value gain on financial liabilities designated as FVTPL	11	1,095	-
Finance income		134	31
Finance costs		(195)	(148)
Loss before tax		(7,567)	(7,629)
Income tax		857	947
Loss for the year from continuing operations	5	(6,710)	(6,682)
Loss attributable to:			
Owners of the Company		(6,710)	(6,682)
Non-controlling interest		-	-
		(6,710)	(6,682)
Earnings / (loss) per share			
From continuing operations			
Basic and diluted (pence per share)	6	(6.7)	(7.2)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Loss for the year	5	(6,710)	(6,682)
Exchange differences on translation of foreign operations that may be reclassified to the income statement		(40)	(35)
Total comprehensive income for the year		(6,750)	(6,717)
Total comprehensive income attributable to:			
Owners of the Company		(6,750)	(6,716)
Non-controlling interest		-	(1)
		(6,750)	(6,717)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Intangible fixed assets	7	1,601	1,152
Property, plant and equipment	8	2,582	2,828
Right-of-use assets	9	4,396	4,718
Deferred tax asset		-	-
Total non-current assets		8,579	8,698
Current assets			
Inventories		337	392
Trade and other receivables		1,429	1,951
Fixed-term deposits		25	2,163
Cash and cash equivalents		974	2,175
Total current assets		2,765	6,681
Total assets		11,344	15,379
Equity and liabilities			
Capital and reserves			
Share capital	10	1,004	926
Share premium		19,020	16,740
Translation reserves		119	159
Share option reserve		3,154	3,022
Retained earnings		(20,709)	(14,171)
Equity attributable to owners of the Company		2,588	6,676
Non-controlling interest		-	17
Total equity		2,588	6,693
Current liabilities			
Trade and other payables		2,000	1,661
Warrant liability	11	114	-
Lease liabilities	12	736	634
Provisions		-	-
Current tax liabilities		61	-
Total current liabilities		2,911	2,295
Non-current liabilities			
Lease liabilities	12	5,400	5,953
Provisions		424	408
Deferred tax		21	30
Total non-current liabilities		5,845	6,391
Total liabilities		8,756	8,686
Total equity and liabilities		11,344	15,379

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 SEPTEMBER 2022

	Share capital £000	Share premium £000	Translation reserve £000	Share option reserve £000	Retained earnings £000	Attributable to shareholders £000	Non-controlling interest £000	Total £000
At 1 October 2021	926	16,740	159	3,022	(14,171)	6,676	17	6,693
Loss for the year	-	-	-	-	(6,710)	(6,710)	-	(6,710)
Other comprehensive income for the period	-	-	(40)	-	-	(40)	-	(40)
Total comprehensive income for the period	-	-	(40)	-	(6,710)	(6,750)	-	(6,750)
Subscription for new shares	78	3,545	-	-	-	3,623	-	3,623
Issue of warrants to subscribe for new shares	-	(1,209)	-	-	-	(1,209)	-	(1,209)
Transaction costs for new shares	-	(56)	-	-	-	(56)	-	(56)
Share option credit	-	-	-	394	-	394	-	394
Lapse of vested share options	-	-	-	(262)	262	-	-	-
Buy-back and cancellation of minority interest shares	-	-	-	-	(90)	(90)	(17)	(107)
At 30 September 2022	1,004	19,020	119	3,154	(20,709)	2,588	-	2,588

YEAR ENDED 30 SEPTEMBER 2021

	Share capital £000	Share premium £000	Translation reserve £000	Share option reserve £000	Retained earnings £000	Attributable to shareholders £000	Non-controlling interest £000	Total £000
At 1 October 2020	926	16,740	193	3,018	(7,736)	13,141	18	13,159
Loss for the year	-	-	-	-	(6,682)	(6,682)	-	(6,682)
Other comprehensive income for the period	-	-	(34)	-	-	(34)	(1)	(35)
Total comprehensive income for the period	-	-	(34)	-	(6,682)	(6,716)	(1)	(6,717)
Share option credit	-	-	-	251	-	251	-	251
Lapse of vested share options	-	-	-	(247)	247	-	-	-
At 30 September 2021	926	16,740	159	3,022	(14,171)	6,676	17	6,693

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Loss before tax for the financial year	5	(7,567)	(7,629)
Adjustments to reconcile loss for the year to net operating cash flows:			
Net interest		184	83
Loss on disposal of property, plant and equipment		1	-
Depreciation of property, plant and equipment		539	571
Depreciation of right-of-use assets		574	404
Amortization of intangible assets		100	113
Net foreign exchange movements		(278)	10
Movement in provisions		16	(99)
Share based payments charge		394	251
Fair value gain on financial liabilities		(1,095)	-
Working capital adjustments:			
Decrease / (increase) in trade and other receivables		469	(560)
Decrease / (increase) in inventories		55	(69)
Increase in trade and other payables		475	416
Operating cash flows before interest and tax paid		(6,133)	(6,509)
R&D tax credits received		969	608
Tax paid		(13)	(17)
Net cash used in operating activities		(5,177)	(5,918)
Investing activities			
Interest received		14	56
Lease incentive received		-	2,636
Purchases of property, plant and equipment		(363)	(2,693)
Purchases of intangible assets		(538)	(396)
Decrease in term deposits		2,138	3,224
Net cash generated by investing activities		1,251	2,827
Financing activities			
Interest paid		(195)	(114)
Repayment of lease liabilities		(703)	(690)
Acquisition of minority interest shares in subsidiary entity		(107)	-
Issue of equity shares and warrants		3,623	-
Transaction costs relating to issue of equity shares		(56)	-
Net cash generated by / (used in) financing activities		2,562	(804)
Net decrease in cash and cash equivalents		(1,364)	(3,895)
Foreign exchange movement on cash and cash equivalents		163	(49)
Cash and cash equivalents at beginning of year		2,175	6,119
Cash and cash equivalents at end of year		974	2,175

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 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WB. The registered company number is 06227084 (England & Wales).

The Group is primarily engaged in the commercialization of proprietary molecular diagnostics products and biomarker research and development.

2. Basis of the announcement

Basis of preparation

The final results for the year ended 30 September 2022 were approved by the Board of Directors on 23 January 2023. 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 2022 and the year ended 30 September 2021.

This announcement is prepared on the same basis as set out in the audited statutory accounts for the year ended 30 September 2022. The accounts for the years ended 30 September 2022 and 30 September 2021, upon which the auditors issued unqualified opinions, also had no statement under section 498(2) or (3) of the Companies Act 2006. The auditors' report includes reference to the material uncertainty relating to going concern. See below for more details of the going concern assessment performed by the Board of Directors.

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 in conformity with the Companies Act 2006 (IFRS), this announcement does not in itself contain sufficient information to comply with IFRS.

Reporting currency

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

Going concern

In assessing the appropriateness of adopting the going concern assumption, the Group and Parent Company has prepared a detailed budget ("the budget") for the year ending 30 September 2023 and a further forecast ("the forecast") for the year ending 30 September 2024. The budget and forecast include:

- estimates of likely revenue arising from EpiSwitch® CiRT and the Group's other proprietary products (based on the Group's own assessments of market opportunities);
- anticipated revenues from contracts with pharmaceutical partners;
- operating costs reflecting the current cost base, with some increased spend to accelerate the commercialization of the EpiSwitch® product line, focusing in the period under review on EpiSwitch® CiRT; and
- capital expenditure, primarily to maintain and extend the Group's patent estate.

Combined revenue and other operating income during the year ended 30 September 2022 was slightly increased compared to the previous year, but was significantly exceeded by the Group's operating costs. The Group was able to maintain its cash reserves during and after the year, including through the raising of £3.6m ($5m) by way of a subscription for new ordinary shares in October 2021 and, post-year end, £9.3m through a placing, subscription and open offer in October 2022. The Group also sought to continue to control costs and cash outflow, including by delaying planned recruitment to certain positions whilst still supporting product and sales development and business development activity with pharma.

The budget and forecast include estimates of product and contract revenue (based on orders of EpiSwitch® CiRT to September 2022 and the Board's assessment of ongoing engagements with pharma partners) that are significantly higher than was the case in the year ended 30 September 2022. Further, the forecast includes estimates of increases in product revenue beyond September 2023 and these increases would be necessary to allow the Group and Parent Company to continue expand its staff team and to continue to develop and launch successive products, without receiving further funding from investors. The actions the Board will take in respect of the period covered by the forecast will depend on progress made during, and cash in hand at the end of, the year ending 30 September 2023.

The Board considers that the budget and forecast represent a reasonable best estimate of the Group's performance over the period to 30 September 2024. In the scenario modelled in the budget and forecast, the Directors are satisfied that the

Group and Parent Company would be able to continue as a going concern, although this would require delaying some discretionary payments in early 2024 by a short period.

However, in preparing the budget and forecast, the Directors also note the existence of a number of factors that increase the difficulty inherent in predicting the Group's performance, including its cash generation. These include:

- a continued lack of sufficient historical information from which to reliably predict sales volume growth, long-term prices and timing of receipts from customers (including US payors) in respect of the Group's proprietary products (EpiSwitch® CiRT, and to a lesser extent the EpiSwitch® Explorer Array Kit). Initial uptake of EpiSwitch® CiRT by early adopter oncologists has been encouraging and the Group is seeing continued growth in adoption by additional physicians as new sales staff have begun to support EpiSwitch CiRT in successive geographic areas, but there is no guarantee that the Group will be able to generate the level of growth in test sales included in the budget and forecast.
- the Group remains actively engaged in a number of business development interactions with several pharma partners up to the time of publication of this report, but there is no guarantee that the Group will be able to agree sufficient cash-generating projects to cover its costs. Also, the timing of projects for such customers can be impacted by delays in contracting and thereafter in receipt of blood or other patient samples on which to work, which in turn can lead to delays in receipt of cash payments.
- cash and fixed term deposits in the forecast through Q4 2023 and 2024 are anticipated to be at relatively low balances compared to the Group's ongoing operating cost base. Given the uncertainties above it is possible that the Group may hold low levels of cash in excess of its immediate requirements, depending on the timing of receipts from product sales and revenue-generating projects.
- at the levels of revenue and costs – including those arising from modest expansion of the Group's staff team – and working capital assumptions that are reflected in the budget and forecast, the Group would need to delay some planned discretionary spending in early 2024 in order to preserve cash resources.

In addition to the budget and forecast, the Directors considered a reasonably possible scenario in which both product and contract revenues were reduced compared to the budget and forecast (the "downside scenario"). The Directors further considered a number of remedial actions within the Board's control that could be taken to preserve cash resources, including delaying discretionary spending, delaying the forecast launch date (and associated supporting expenses) of the Group's next proprietary product and reducing expenditure on laboratory equipment to a level that would maintain but not increase the Group's laboratory equipment asset base (together, the "remedial actions"). In the downside scenario, after taking the remedial actions, the Group and Company would need to raise some additional funds by the second quarter of 2024 in order to continue as a going concern.

The Group successfully raised £3.6m in equity funding from investors during the period and a further £9.3m, at a premium of 33% to the Company's then share price, post-year end in October 2022. However, as at the date of publication of this report, there is no guarantee that it will be able to access further cash resources from investors. This issue may be compounded if the Company's share price were to fall from its current level.

The Directors do not believe that any of the factors above is unusual or unexpected for the Group at this point in the execution of its strategy. However, shareholders should be aware that there is uncertainty around its ability to generate sufficient revenues and the timing of receipts from customers, as well as the ability of the Group to raise sufficient finance to meet its expected costs. These conditions present a material uncertainty which may cast significant doubt on the Group and Parent Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Identification of the Group's cash-generating unit

In carrying out the impairment review of patent assets set out in more detail below, Management exercised judgement in determining that the Group currently has one cash-generating unit (CGU). Guidance states that CGUs are "the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows for other assets or groups of assets".

The Group's strategy was expanded in December 2020, to include the development and commercialization of proprietary tests. As at 30 September 2022, there were two lab developed test products that had been launched, namely the EpiSwitch® CST (COVID severity) and EpiSwitch® CiRT (checkpoint inhibitor response) tests. Revenue from products and customer contracts is reported separately to Directors in the Group's internal management accounts. However, it is not currently possible to assign separate groups of OBD assets to particular cashflows. With very limited exceptions, people, premises, equipment and patents are generally applied to both product and customer contract revenue streams. This position may

change as i) dedicated product sales and marketing teams are developed, ii) dedicated product development support lines are established in the Group's laboratories.

At present, Management continues to conclude that the Group has one CGU, relating to all commercial exploitation of its EpiSwitch® technology. If this judgement were to be incorrect and the Group determined to contain more than one separately identifiable CGU, as part of the impairment review of the Group's patent assets conducted at the year end, it would have been necessary to estimate the recoverable value of each CGU separately and to allocate patents to those CGUs.

Impairment review
Intangible assets are reviewed for indicators of impairment at the end of each reporting period. An impairment review of patent assets was conducted as at the year end, principally because the reduction in the Company's share price and market value over the year to 30 September 2022 was considered to be an indicator of potential impairment. In addition, an impairment review is required for any assets not yet being amortized.

As noted above, Management identified that at the current stage in the Group's development, it includes a single CGU, to which all patent assets are allocated. Management consider that the recoverable amount of the Group's single CGU is based on its fair value less cost of disposal (FVLCOD), and that this value is attributable to its intellectual property, including patents and know-how, and its other assets, including property plant and equipment. The most reliable available estimate for the fair value of the Group's CGU as a whole is the enterprise value of the Group, which is in turn the market value of the Company on a cash- and debt-free basis. As at 30 September 2022, this equated to approximately £16.7m. Estimates of the likely cost of disposal (COD) of a business vary considerably: Management considered a round sum estimate of £2m, representing a COD of approximately 12% of the enterprise value, which is within the range of estimates of disposal costs reviewed by Management. The FVLCOD of the Company as at 30 September 2022 was therefore estimated to be £14.7m. Management then compared the FVLCOD of the Company to the gross value of the Group's assets excluding patents (£7m as at 30 September 2022). The excess of the Company's FVLCOD over its gross assets excluding patents was therefore approximately £7.7m, compared to a carrying value of patent assets of £1.523m. Management further reviewed each of the Company's patent families for other indicators of impairment, principally obsolescence, and determined that no such indicators existed at the year end. Management therefore concluded that no impairment of the Company's capitalized patents existed at the year end.

Management considers that a reduction in the Company's estimated FVLCOD to an amount comparable to the carrying value of its non-patent assets would lead to a reduction in the recoverable amount of its patent assets, potentially to nil. Management will continue to assess, at the end of each reporting period and more frequently if necessary, whether there are indicators that any of the Group's assets may be impaired.

Critical accounting judgement in respect of Warrants
On 25 October 2021, the Company raised £3.62m, by way of a Subscription for 7,791,803 newly-issued ordinary shares of 1p each at a price of 46.5p per share, from Armistice Capital Master Fund Ltd ("Armistice Capital"). Subsequently, on 11 November 2021, the issue to Armistice Capital of 7,791,803 warrants to subscribe for new ordinary shares (the "Warrants") was approved by a general meeting of the Company's shareholders. The Warrants were issued pursuant to the terms of a Warrant Instrument dated 11 November 2021 and the Securities Purchase Agreement signed on the Subscription, dated 25 October 2021.
The Directors must exercise judgement in determining the appropriate accounting treatment for the Warrants. The Directors considered the following relevant accounting standards and how these should be applied in the case of the Warrants:

- IAS 32 Financial Instruments: Presentation deals with the presentation and classification of financial instruments as financial liabilities or equity, and sets out requirements regarding the offset of financial assets and financial liabilities in the statement of financial position;
- IFRS 9 Financial Instruments: Recognition and Measurement contains the key guidance regarding the recognition and measurement of financial instruments other than equity; and
- IFRS 13 Fair Value Measurement defines fair value and includes requirements on disclosures regarding assets and liabilities measured at fair value

The determination of the classification of the Warrants as equity or liability requires an assessment of each of the terms and conditions of the Warrant Instrument against the requirements of IAS 32.

The Warrants have an exercise price of 58.125p and may be exercised for a period beginning one year and ending five years following the date of issuance by the Warrant Holder exchanging 58.125p per new ordinary share in the Company. This 'fixed for fixed' test would tend to suggest that the Warrants should be classified as equity instruments.

In certain circumstances, the Warrants may be exercised by way of a 'cashless exercise' whereby holders are entitled to receive a number of warrant shares equal to [(A-B) x 7,7941,803]/(A), where A is the value of the Company's ordinary shares at the time, and B is the warrant exercise price of 58.125p. Also, anti-dilution provisions are in place such that if there is an

adjustment for any dividends paid or changes to ordinary share capital at any time whilst the warrant is outstanding, the number of shares issued on exercise of the warrant is adjusted to take into account the proportionate change with a limitation on fractional shares. Neither the allowance for cashless exercise nor the anti-dilution provisions require classification as a liability under IAS 32.

However, on the completion of certain "Fundamental Transactions" defined in the Warrant Instrument, the holder of the Warrants may be entitled to "Alternative Consideration" other than shares, such as cash or property. Examples of Fundamental Transactions include: business combinations or mergers; the Company effecting any reclassification, reorganization or recapitalization of Ordinary shares; or any transactions in which the Company disposes of substantially all of its assets. Some events defined as Fundamental Transactions are outside of the control of the Company and could give rise to a contractual obligation on the Company or its successors to deliver cash or another financial asset to the holder of the Warrants. If the Warrant Holder were to choose one of these forms of Alternative Consideration, the settlement of the Warrant may not be for a fixed number of shares at a fixed price. The Directors have therefore concluded that in the case of a Fundamental Transaction, the strict requirements of IAS 32.22 would not be met and the Warrants should therefore correctly be classified within liabilities in the financial statements.

The Directors also exercised judgement in their determination that:

- the Warrants should be classed as linked to the issue of the Subscription Shares, and therefore that the consideration received on the issue of the Subscription Shares is considered as consideration for both the Subscription Shares and the Warrants; and
- the most appropriate approach to allocating the consideration between the Subscription Shares and the Warrants is the "residual value method".

3. Revenue

All revenue is derived from the Group's principal activities, namely sales of proprietary products and biomarker research and development. Analysis of the Group's revenue by principal activities, geography and pattern of revenue recognition is as follows:

	2022	2021
	£000	£000
Continuing operations:		
Sales of proprietary products		
USA	-	-
Rest of World	-	-
	-	-
Biomarker research and development		
USA	107	341
Rest of World	47	-
	154	341
Consolidated revenue	154	341

	2022	2021
	£000	£000
Continuing operations:		
Revenue recognized at a point in time	-	-
Revenue recognized over time	154	341
	154	341

4. Business segments

Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive Officer (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 costs incurred to support the Group's main activities. The Group is currently determined to have one reportable segment under IFRS 8, that

of sales of proprietary products and biomarker research and development. This assessment will be kept under review as the Group's activity expands.

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

	2022	2021
	£000	£000
Staff costs		
UK	2,572	2,516
USA	1,815	1,162
Rest of World	96	90
Total staff costs	4,483	3,768
Research & development costs		
UK	523	891
USA	-	-
Rest of World	4	7
Total research & development costs	527	898
General & other admin costs		
UK	1,898	1,430
USA	479	393
Rest of World	75	27
Total general & other admin costs	2,452	1,850
Non-current assets		
UK	7,954	8,301
USA	564	318
Malaysia	61	79
Total non-current assets	8,579	8,698

Information about major customers

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

	2022	2021
	£000	£000
Revenue from individual customers each representing more than 10% of revenue for the period:	152	327
	Number	Number
Number of individual customers each representing more than 10% of revenue for the period:	2	1

5. Loss for the year

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

	2022	2021
	£000	£000
Net foreign exchange (gains) / losses	(123)	34
Research and development costs (excluding staff costs)	526	898
Amortization of intangible assets	100	113
Depreciation of property, plant and equipment	539	571
Depreciation of right-of-use assets	574	404
Staff costs	4,483	3,768
Share-based payments charged to profit and loss	394	251
Fair value gain on financial liabilities designated as FVTPL	(1,095)	-

6. Earnings per share

From continuing operations

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

	2022 £000	2021 £000
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(6,710)	(6,682)
Earnings for the purposes of diluted earnings per share	(6,710)	(6,682)

	2022 No	2021 No
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	99,702,257	92,559,771

	Pence	Pence
Earnings per share		
Basic and diluted earnings per share	(6.7)	(7.2)

*****Ordinary shares that may be issued on the exercise of options are not treated as dilutive as the entity is loss-making.

Two transactions occurred post year-end that would have significantly changed the number of ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period. These were as follows:

- On 28 October 2022, the Company issued 17,223,750 new ordinary shares
- On 31 October 2022, the Company issued 29,137,056 new ordinary shares

7. Intangible fixed assets

Group	Website development costs £000	Software development costs £000	Patents £000	Total £000
Cost				
At 1 October 2021	62	57	1,208	1,327
Additions	-	72	466	538
Exchange differences	-	15	-	15
At 30 September 2022	62	144	1,674	1,880
Accumulated amortization				
At 1 October 2021	54	36	85	175
Charge for the year	8	25	67	100
Exchange differences	-	4	-	4
At 30 September 2022	62	65	152	279
Carrying amount				
At 30 September 2022	-	79	1,522	1,601

Group	Website development costs £000	Software development costs £000	Patents £000	Total £000
Cost				
At 1 October 2020	62	40	829	931
Additions	-	17	379	396
At 30 September 2021	62	57	1,208	1,327
Accumulated amortization				
At 1 October 2020	33	23	6	62
Charge for the year	21	13	79	113
At 30 September 2021	54	36	85	175
Carrying amount				
At 30 September 2021	8	21	1,123	1,152

As at 30 September 2022, in the Group and Company, a total of £263,000 (2021: £187,000) of patent assets were not yet being amortized because their useful life was determined not to have begun.

The Group and Company hold no intangible assets that are determined to have indefinite useful life.

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 2021	2,001	160	106	2,140	4,407
Additions	38	24	65	102	229
Disposals	-	(7)	-	(9)	(16)
Exchange differences	2	5	1	85	93
At 30 September 2022	2,041	182	172	2,318	4,713
Accumulated depreciation					
At 1 October 2021	26	102	12	1,439	1,579
Charge for the year	204	42	31	262	539
Eliminated on disposals	-	(7)	-	(8)	(15)
Exchange differences	1	2	1	24	28
At 30 September 2022	231	139	44	1,717	2,131
Carrying amount					
At 30 September 2022	1,810	43	128	601	2,582

	Leasehold improvements £000	Office equipment £000	Fixtures and fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2020	576	133	62	1,620	2,391
Additions	1,987	37	90	591	2,705
Disposals	(562)	(10)	(46)	(68)	(686)
Exchange differences	-	-	-	(3)	(3)
At 30 September 2021	2,001	160	106	2,140	4,407
Accumulated depreciation					
At 1 October 2020	237	72	37	1,345	1,691
Charge for the year	351	40	21	159	571
Eliminated on disposals	(562)	(10)	(46)	(68)	(686)
Exchange differences	-	-	-	3	3
At 30 September 2021	26	102	12	1,439	1,579
Carrying amount					
At 30 September 2021	1,975	58	94	701	2,828

9. Right-of-use assets

Group	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2021	4,968	18	4,986
Additions	226	-	226
Derecognition	(9)	-	(9)
Exchange differences	39	-	39
At 30 September 2022	5,224	18	5,242
Accumulated depreciation			
At 1 October 2021	263	5	268
Charge for the year	568	6	574
Eliminated on derecognition	(9)	-	(9)
Exchange Differences	13	-	13
At 30 September 2022	835	11	846
Carrying amount			
At 30 September 2022	4,389	7	4,396

Group	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2020	734	-	734
Additions	4,968	18	4,986
Modification	(344)	-	(344)
Derecognition	(390)	-	(390)
At 30 September 2021	4,968	18	4,986
Accumulated depreciation			
At 1 October 2020	254	-	254
Charge for the year	399	5	404
Eliminated on derecognition	(390)	-	(390)
At 30 September 2021	263	5	268
Carrying amount			
At 30 September 2021	4,705	13	4,718

10. Share capital of the company

	2022 Number	2022 £	2021 Number	2021 £
Authorized shares				
Ordinary shares of £0.01 each – allotted and fully paid	100,351,574	1,003,516	92,559,771	925,598
Total	100,351,574	1,003,516	92,559,771	925,598

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

On 25 October 2021, the Company issued 7,791,803 new ordinary shares of 1p each. No shares were issued on the exercise of share options or warrants during the year (2021: nil).

11. Warrants

The number of shares reserved for issue under warrant options as at 30 September 2022 amounted to 7,791,803 (30 September 2021: nil). Warrants over 7,791,803 ordinary shares (the "Warrants") were issued during the period, on 11 November 2021.

The Warrants have an exercise price of 58.125p and may be exercised for a period beginning one year and ending five years following the date of issuance.

In certain circumstances, the Warrants may be exercised by way of a 'cashless exercise' whereby holders are entitled to receive a number of warrant shares equal to [(A-B) x 7,791,803]/(A), where A is the value of the Company's ordinary shares at the time, and B is the warrant exercise price of 58.125p. Also, anti-dilution provisions are in place such that if there is an adjustment for any dividends paid or changes to ordinary share capital at any time whilst the warrant is outstanding, the number of shares issued on exercise of the warrant is adjusted to take into account the proportionate change with a limitation on fractional shares.

On award and at each subsequent reporting date, the fair value of the Warrants has been estimated using the Black-Scholes option pricing model. Volatility has been estimated by reference to historical share price data over a period commensurate with the expected term of the options awarded. The assumptions used in arriving at the fair value for the Warrants during the period were as follows:

	30 September 2022	11 November 2021 (Award date)	30 September 2021
Share price at date of award / value date (p)	11.5	45	n/a
Exercise price (p)	58.125	58.125	n/a
Expected volatility	59.86%	48.07%	n/a
Dividend yield	0%	0%	n/a
Expected life of option	4.11 years	5 years	n/a
Risk free interest rate	4.40%	0.705%	n/a
Fair value per Warrant (p)	1p	15.5p	n/a
Warrant liability	£114,000	£1,209,000	-

Warrant liability - Group and Company	**Total £000**
At 1 October 2021	-
Issue of warrants	1,209
Fair value gain on financial liability designated as FVTPL	(1,095)
At 30 September 2022	114

There were no warrants in issue at 1 October 2020 or 30 September 2021.

12. Lease liabilities

Group	2022	2021
Maturity analysis:	**£000**	**£000**
Year 1	910	824
Year 2	908	819
Year 3	820	817
Year 4	813	813
Year 5+	3,470	4,282
	6,921	7,555
Less: future interest charges	(785)	(968)
	6,136	6,587
Analysed as:		
Current	736	634
Non-current	5,400	5,953
	6,136	6,587

Company	2022	2021
Maturity analysis:	**£000**	**£000**
Year 1	819	820
Year 2	818	819
Year 3	813	817
Year 4	812	813
Year 5+	3,469	4,282
	6,731	7,551
Less: future interest charges	(779)	(968)
	5,952	6,583
Analysed as:		
Current	649	630
Non-current	5,303	5,953
	5,952	6,583

13. 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 date of the grant. 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 only exception to this pattern is 84,000 options which were granted in the year ended 30 September 2016 which vested immediately upon grant.

The options outstanding as at 30 September 2022 have exercise prices in the range of £0.17 to £2.10.

	Number of options	2022 Weighted average exercise price £	Number of Options	2021 Weighted average exercise price £
Outstanding at start of period	8,526,484	0.76	7,846,519	0.72
Granted during the period	1,556,757	0.28	1,632,798	1.00
Forfeited during the period	(635,583)	(0.93)	(952,833)	(0.84)
Exercised during the period	-	-	-	-
Outstanding at end of period	9,447,658	0.67	8,526,484	0.76
Exercisable at end of period	6,622,162	0.68	5,881,421	0.63
Weighted average remaining contractual life (in years) of options outstanding at the period end		5.36		4.39

	2022 £000	2021 £000
Expense arising from share-based payment transactions	394	251

The fair value of share options has been estimated using the Black-Scholes option pricing model. Volatility has been estimated by reference to historical share price data over a period commensurate with the expected term of the options awarded. The assumptions for the options granted during the current and prior periods were as follows:

	2022 £000	2021 £000
Share price at date of grant	£0.17 to £0.40	£0.74
Exercise price	£0.17 to £0.40	£1.00
Expected volatility	52% to 54%	52%
Dividend yield	0%	0%
Expected life of option	8.6 to 8.7 years	8.4 years
Risk free interest rate	0.73% to 1.87%	0.86%

14. Events after the balance sheet date

On 7 October 2022, the Company announced that it had raised approximately £9.1m by way of a placing and subscription of a total of 45,278,000 newly-issued ordinary shares of 1 pence each from institutional and other investors, at a price of 20 pence per share. In addition, the Company also proposed an open offer to qualifying existing shareholders to subscribe for a maximum of 14,721,991 newly-issued ordinary shares of 1 pence each at the same price of 20 pence per share. On 25 October 2022, the Company announced that it had received valid acceptances from qualifying shareholders in respect of 1,082,806 open offer shares, raising gross proceeds of approximately £216,000.

On 16 November 2022, the Company's Australian subsidiary, Oxford BioDynamics Australia Pty Ltd, was deregistered at the Group's request by the Australian Securities and Investments Commission.

Notes for Editors

About Oxford BioDynamics Plc

Oxford BioDynamics Plc (AIM: OBD) is a global biotechnology company, advancing personalized healthcare by developing and commercializing precision medicine tests for life-changing diseases.

Its flagship product is EpiSwitch® CiRT (Checkpoint Inhibitor Response Test) for cancer, a predictive immune response profile for immuno-oncology (IO) checkpoint inhibitor treatments, launched in February 2022.

In March 2021, the Company launched its first commercial prognostic test, EpiSwitch® CST (Covid Severity Test) and the first commercially available microarray kit for high-resolution 3D genome profiling and biomarker discovery, EpiSwitch® Explorer Array Kit.

The Company has developed a proprietary 3D genomic biomarker platform, EpiSwitch®, which can build molecular diagnostic classifiers for prediction of response to therapy, patient prognosis, disease diagnosis and subtyping, and residual disease monitoring in a wide range of indications.

Oxford BioDynamics has participated in more than 40 partnerships with big pharma and leading institutions including Pfizer, EMD Serono, Genentech, Roche, Biogen, Mayo Clinic, Massachusetts General Hospital and Mitsubishi Tanabe Pharma.

The Company has created a valuable technology portfolio, including biomarker arrays, molecular diagnostic tests, bioinformatic tools for 3D genomics and an expertly curated 3D genome knowledgebase comprising hundreds of millions of data points from over 10,000 samples in more than 30 human diseases.

OBD is headquartered in Oxford, UK and is listed on AIM of the London Stock Exchange. It also has a commercial office in Gaithersburg, MD, USA and a reference laboratory in Penang, Malaysia.

For more information, please visit the Company's website, www.oxfordbiodynamics.com, or follow on Twitter or LinkedIn.

About EpiSwitch®

The 3D configuration of the genome plays a crucial role in gene regulation. By mapping this architecture and identifying abnormal configurations, EpiSwitch® can be used to diagnose patients or determine how individuals might respond to a disease or treatment.

Built on over 10 years of research, EpiSwitch® is Oxford Biodynamics' award-winning, proprietary platform that enables screening, evaluation, validation and monitoring of 3D genomic biomarkers. The technology is fully developed, based on testing of over 10,000 samples in 30 disease areas, and reduced to practice.

In addition to stratifying patients with respect to anticipated clinical outcome, EpiSwitch® data offer insights into systems biology and the physiological manifestation of disease that are beyond the scope of other molecular modalities. The technology has performed well in academic medical research settings and has been validated through its integration in biomarker discovery and clinical development with big pharma.