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

Preliminary results for the year ended 30 September 2023
and
Notice of Annual General Meeting

Oxford, UK – 17 January 2024 - Oxford BioDynamics Plc (AIM: OBD), a biotechnology company developing precision medicine tests based on the EpiSwitch® 3D genomics platform, today announces its final results for the year ended 30 September 2023.

Highlights

Corporate and operational highlights

- 516 EpiSwitch® CiRT tests processed in the year, ordered by 57 doctors (FY22: 79 tests, 7 doctors)
- Second FNIH PACT Award, investigating immuno-oncology-related Hyper Progressive Disease (HPD), worth $963,000 over one year (May 2023)
- US clinical laboratory established in Frederick, MD (from April 2023)
- Two successful fundraises: raising gross proceeds of £9.3m (October 2022) and £6.1m (August 2023)
- Successful launch of EpiSwitch® PSE Prostate Screening Test in the US and UK, ahead of schedule (September 2023)

Financial highlights

- Revenue of £0.5m (FY22: £0.2m)
- Other operating income of £0.8m (FY22: £0.4m)
- Operating loss of £10.2m (FY22: £8.6m); increase reflecting investment in team and infrastructure to support CiRT and PSE
- Cash and term deposits of £5.3m as at 30 September 2023 (FY22: £1.0m)

Post-year end highlights

- Unique CPT-PLA code assigned for PSE, available for use from 1 January 2024, enabling accurate reimbursement in the US from Medicare, Medicaid or private payors (October 2023)
- Agreement with leading UK health insurer, Bupa UK, to cover EpiSwitch CiRT (October 2023)
- Confidential discussions commenced with third parties regarding monetizing OBD's two most advanced pipeline assets: EpiSwitch® NST (No Stool Test) for colorectal/bowel cancer and EpiSwitch® SCB (Specific for Canine Blood) blood test for detection of multiple types of canine cancer
- Total PSE orders to date of 144, total CiRT orders to date of 770

Commenting on the results, Chief Executive Officer Jon Burrows said:
"This year we again made significant, rapid progress in the transformation of OBD that began with our expanded strategy in late 2020.

"We now have two precision medicine tests on the market, each with a unique CPT-PLA code in the US. We established and are now running PSE tests from our own CLIA-registered clinical operations

laboratory in Frederick, MD, with a UK lab scheduled to begin operation by the end of March 2024. We received a second prestigious PACT Award, a further sign of the growing recognition of the power of our EpiSwitch® technology to address seemingly intractable problems with non-invasive precision medicine testing.

"We have achieved all this thanks to the support of our investors, both longstanding and new to OBD, from whom we raised over £15 million during the year.

"This year, we are dedicated to growing sales of both EpiSwitch® CiRT and EpiSwitch® PSE across all our markets and channels and to pursuing opportunities to monetize assets from within our pipeline of deployable tests."

-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 27 March 2024 at 12.00 pm.

The information included in this announcement is extracted from the Annual Report, which was approved by the Directors on 16 January 2024. Defined terms used in the announcement refer to terms as defined in the Annual Report unless the context requires otherwise. 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.

Investor webinar

The Company's management team will conduct a live presentation via the Yellowstone Advisory webinar platform to investors, at 3pm GMT on Wednesday 17 January 2024.

The online presentation is open to both existing and potential shareholders. Questions will be addressed at the end of the presentation and may be submitted either before the presentation by emailing info@yellowstoneadvisory.com or during the presentation.

To register for the presentation, please visit:

https://us02web.zoom.us/webinar/register/7417006471039/WN_ZqpvQz8hQOKMufXOKPwH1A or alternatively via the Yellowstone events calendar at www.yellowstoneadvisory.com/events.

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Chief Executive Officer's review

Introduction

We had two main objectives during the year to September 2023: to continue to grow orders of our flagship EpiSwitch® CiRT (Checkpoint Inhibitor Response Test) and to accelerate the development and launch of our next test, the EpiSwitch® PSE Prostate Screening Test. We are pleased with the progress made in pursuit of both these objectives. CiRT orders grew consistently over the year and we launched PSE – "the 94% test" – in the US and UK ahead of schedule on 26 September 2023.

Alongside this work, we received a second FNIH PACT Award to fund work on immuno-oncology (IO)-related hyper progressive disease, announced compelling results using OBD's EpiSwitch platform in the diagnosis and stratification of amyotrophic lateral sclerosis (ALS, or motor neurone disease) and completed two successful fundraises, raising a total of £15.4m (before costs) in the year.

The last year has been a successful one for the Company on several fronts. CiRT is becoming established in the US market and PSE is also now launched after we expedited its final development in response to unprecedented interest. OBD's EpiSwitch technology, through which all of our commercial products are developed, is increasingly recognised as able to address the clinical challenges of personalized medicine, cancer treatment, and immune health.

Our financial results reflect the Company's ongoing commercial development. Revenues of £0.51m (2022: £0.15m) included the first significant amounts from the Group's proprietary tests as we began to receive reimbursements from US payors for EpiSwitch CiRT, alongside revenues from projects for pharma and other customers. Other operating income, from our two PACT Awards and our involvement in the EU-funded HIPPOCRATES Consortium also increased, to £0.83m (2022: £0.35m). Our investment in supporting CiRT and bringing PSE to market led to cost increases, the largest of which were in staff and general and administrative costs. Overall, the operating loss for the year was 18% higher than last year, at £10.17m (2022: £8.60m). More detail is provided in the financial review that follows.

We begin 2024 with continued focus on our products – seeking to continue to increase adoption of both PSE and CiRT – and on our promising product pipeline and R&D work. We have already commenced discussions with third parties, to explore the potential monetization of the two most advanced assets in our pipeline (EpiSwitch® NST for colorectal/bowel cancer and EpiSwitch® SCB for canine cancer), which we believe could lead to significant non-dilutive funding for the Company.

EpiSwitch® CiRT (Checkpoint Inhibitor Response Test)

Launched in February 2022, EpiSwitch® CiRT is OBD's flagship product, a first-of-its-kind predictive test of a patient's likely response to immune checkpoint inhibitors (ICIs), which work to stimulate a patient's immune system to find and fight cancer. 516 CiRT tests were ordered in the year to 30 September 2023, by a total of 57 doctors (FY22: 79 tests, ordered by 7 doctors). Up to the date of this report, a total of 770 CiRT tests have now been ordered.

Building on early progress in a single territory in the prior year, we expanded our sales and market access team to two more territories to introduce the test to more doctors. A unique CPT-PLA code, allowing reimbursement for CiRT tests from US insurers, has been available throughout the period. We have achieved strong reimbursements from US payors under the unique code, against a list price of $4,950. As previously outlined, the Group has worked with its partner laboratory, NEXT Molecular Diagnostics, to manage the claim reimbursement process. The extensive experience and specialist knowledge of members of both the OBD and NEXT teams continues to be invaluable in optimising claims reimbursement for the test. With NEXT, we have maintained an excellent level of service, with

an average turn-around time for CiRT (measured from sample receipt to provision of a final test report) for the period of just over four days.

Over the year, OBD's US sales and market access professionals have spent time learning from oncologists how the test has aided them in determining treatment pathways for their patients. Later in the year, we began a series of peer group advisory sessions, at which doctors who routinely order CiRT tests shared their experience of the test with colleagues. We expect to continue with this peer-to-peer approach to growing demand for CiRT through the current financial year, as part of the comprehensive strategy for the test outlined below.

After particularly strong growth into June 2023, we expected and saw lower orders through the summer months. Post-year end, in the final quarter of the calendar year, orders per day have remained at similar levels to the summer: this reflected a combination of continued growth in some territories but at the same time, the impact of an unexpected staff leave of absence that affected orders in our prime territory and the operation of some of our recently introduced clinical advisory boards. It is positive to note that we had continued orders from a core group of oncologists in this territory, but this has demonstrated the current extent of our reliance on what is still a relatively small team.

In the meantime, to enhance the leadership of the CiRT sales team, we brought Ryan Mathis, MD onboard at the beginning of December 2023. Dr Mathis is a physician who, along with clinical expertise, has an impressive background in business development and running sales teams for innovative healthcare products. He also brings an added level of gravitas to our peer-to-peer approach with doctors. To date, CiRT has been sold primarily to innovator and early adopter oncologists, who are specialists in providing expert care to cancer patients. Ryan has started to analyze our progress and success in selling bottom-up into this segment of oncologists, to understand how these doctors are applying CiRT with respect to the algorithms they have been trained to use to treat their patients. He intends to refine our speaker programs and clinical advisory boards to continue to take advantage of and grow our peer-to-peer sales strategy. He will also implement a rigorous clinical sales training program, along with a national conference strategy.

HEOR (Health Economics and Outcomes Research) data is critical for payors seeking to use their resources as effectively and efficiently as possible and informs their decisions on coverage and payment / reimbursement for the test and IO treatments. Dr Mathis will use the clinical data from the 750-plus real-world cases we have gathered so far from oncologists to present the test's usage and clinical utility, engaging with an expert third party consulting group to set out the compelling HEOR story of CiRT.

Building the HEOR case for CiRT with this real-world evidence, we also expect to prepare data to support an assertive campaign for CiRT to be added to the National Comprehensive Cancer Network (NCCN) Guidelines® and physician compendia, published resources from independent professional organizations which are the recognized standard for clinical direction and policy in cancer care and which drive physician behaviour. The NCCN alliance includes 33 cancer centers across the US with its own peer-reviewed journal. The intent of the NCCN Guidelines is to assist in the decision-making process of individuals involved in cancer care — including physicians, nurses, pharmacists, payers, patients and their families—with the ultimate goal of improving patient care and outcomes. Inclusion in the NCCN Guidelines is vital for bringing the test into the orbit of as many oncologists as possible. Tests that are included in the guidelines are regularly added by default to the databases of the electronic medical record (EMR) systems used in doctors' practices and healthcare networks. This would therefore rapidly bring CiRT to the attention of more doctors, make ordering the test easier for

oncologists and likely lead to more patients benefiting from the test. Inclusion in the Guidelines can also be relevant to some payors' coverage decisions.

Post-year end, in October 2023, we announced our agreement with the UK's leading health insurer Bupa UK, to give Bupa patients who are being considered for or already on ICI therapy access to OBD's EpiSwitch CiRT. This marked our first direct agreement with a private medical insurer for the reimbursement of CiRT and the first agreement with a major customer outside of the US. As well as agreeing to reimburse EpiSwitch CiRT, the partnership represents the first time that Bupa will be actively marketing a genomic test to their network of healthcare providers. Bupa is advocating for CiRT's adoption by facilitating a series of OBD roadshows in some of the UK's largest private cancer care clinics throughout the first half of 2024. Bupa UK provides health and dental insurance to over 3 million people. We expect that joining forces with a pioneering healthcare organization like Bupa will significantly enhance access to EpiSwitch CiRT across the UK. Gaining reimbursement from the UK's leading health insurer was a milestone for OBD and we intend to capitalize on this with similar agreements with other insurers and healthcare networks, in all our markets, over the coming months.

The market opportunity for CiRT is significant, with unmet need for patients, doctors and payors alike. Nine anti-PD-(L)1 ICIs are now approved by the FDA for a variety of cancer indications. Hundreds of thousands of patients are treated with these therapeutics each year, but, whilst efficacy is improving and varies across different types of cancer, on average fewer than one third of patients show a positive response from treatment and many experience unwelcome, sometimes serious, side effects. Doctors have shared several case studies in which the actionable information provided by CiRT has helped them to determine treatment pathways for their patients with increased confidence. From the perspective of payors, it is estimated that in excess of $10 billion is spent on ineffective ICI therapy every year in the US alone, meaning that smart testing with CiRT has the potential to offer more efficient, effective use of patients' and payors' financial resources. CiRT also offers obvious potential advantages for pharmaceutical development programs, by helping to stratify and analyse patients in more targeted clinical trials.

We therefore aim, with Ryan leading the CiRT sales team, to resume growth in orders of CiRT through 2024 and our build process is continuing to that end, with the mindful allocation of finite resources to targeted expansion of the team, with a particular focus on major accounts, generating the HEOR story for CiRT and getting the test included in the NCCN Guidelines, alongside expansion into more territories.

EpiSwitch® PSE (Prostate Screening Test)

EpiSwitch PSE ("the 94% test") is a non-invasive blood test that accurately detects prostate cancer risk, reducing the number of men referred for an unnecessary biopsy and treatment. The PSE test measures five epigenetic biomarkers and combines these with a patient's PSA (prostate-specific antigen) score to accurately predict the presence or absence of prostate cancer.

PSE has high overall accuracy of 94% (sensitivity 86%, specificity 97%), representing a huge boost in accuracy compared to a PSA test alone. Crucially, the positive predictive value (PPV) of PSE is 93%, compared to just 32% for PSA. This low PPV is one of the main impediments to using PSA as a population-wide screening test. Fewer than one third of men with a raised PSA will go on to be diagnosed with prostate cancer. PSE's PPV of 93%, means that 93 of every 100 men who receive a "high probability" PSE result will go on to receive a prostate cancer diagnosis.

Our work on EpiSwitch PSE, culminating in its launch in September 2023, represents a major achievement for the year. Publication in February 2023 of compelling results involving OBD's technology in the multi-disciplinary PROSTAGRAM study led to such significant interest that we decided to expedite the final development and commercial launch of the test. Indeed, the paper co-authored by members of the OBD team and investigators from the University of East Anglia, Imperial College London and King's College London entitled "*Circulating chromosome conformation signatures significantly enhance PSA positive predicting value and overall accuracy for prostate cancer detection*" and published in the journal *Cancers*[1], was one of the most viewed papers in that journal on cancer causes, screening and diagnosis in 2023.

Following publication of the groundbreaking results, OBD completed the development and validation of the commercial test and leased, staffed and commissioned a CLIA-registered† US clinical laboratory in Frederick, MD, where the test is performed. An application for a unique CPT-PLA‡ code for PSE was submitted in early July 2023 and the code, 0433U, was assigned in September 2023 and has been available for use by Medicare, Medicaid and private payors from 1 January 2024. We also announced plans to develop a UK clinical laboratory, compliant with the requirements of ISO 15189:2012 (Medical Laboratories), in our existing Oxford HQ. We will begin validation procedures in January 2024 and expect the UK lab to begin processing PSE clinical samples by the end of March 2024.

The addressable market for PSE is very large: there are approximately 47 million men aged between 50 and 74 in the US and approximately 10 million men in the same age bracket in the UK. There is no population-wide screening programme for prostate cancer, although some 25 million PSA tests are performed annually in the US, which lead to around one million biopsies being carried out. With a prostate cancer incidence rate of approximately 250,000 new cases in the US each year, there are too many needless, invasive procedures currently being performed. We believe PSE represents an opportunity to build an efficient screening regimen to go from PSA through PSE and onto invasive biopsy then treatment only when necessary. A screening programme which would be minimally invasive, fast, accurate and cost-effective could improve early detection of this terrible disease, thereby improving treatment outcomes at the same time as minimising unnecessary biopsies.

Our sales and marketing approach for PSE reflects its applicability to all men in the at-risk age bracket (rather than those already diagnosed with cancer and being considered for a particular therapy, as is the case with the CiRT test). OBD's online advertising in the US therefore addresses men and their families, educating them, as well as their physicians on the benefits of "the 94% test". Like CiRT, PSE must be ordered by a registered doctor.

An example of the growing awareness and recognition of PSE was the appearance in December 2023 of OBD's Laboratory Medical Director, Dr Robert Heaton, on the Prostate Health Podcast[2], hosted by Garrett D. Pohlman, MD, a board-certified urologist who has treated over 4,000 men for various prostate conditions and has begun using the PSE test for his patients. The podcast, focused on prostate health education, reached many thousands of viewers and listeners in 148 countries in 2023. As an experienced board-certified pathologist, Dr Heaton is eminently qualified to explain how the test is being used to benefit patients, by providing physicians with a precise tool to assess whether a patient should undergo a biopsy or opt for continued monitoring.

In addition, post-year end in November 2023, we were pleased to announce that we had recruited experienced life science business development executive Dr Steve Arrivo to the OBD team. Steve joined OBD as SVP, Business and Corporate Development. Dr Arrivo has a big job, starting with an initial focus on analyzing and evolving our direct-to-customer marketing approach, engaging partners for national distribution, and selling access to PSE to larger accounts. This begins with the large concierge groups and will expand into the integrated delivery networks (IDNs), other healthcare

systems and the General Purchasing Organizations (GPOs) that all hospitals work through. During 2024 he will also lead initiatives to craft and distil the Health Economics and Outcomes Research (HEOR) story for PSE, drive awareness and utilization of the test with KOLs, attend and present at strategic conferences, collaborate with advocacy groups and petition for inclusion of PSE into the National Comprehensive Cancer Network (NCCN) Guidelines®.

Early uptake of the PSE test has been positive, with more than 140 tests processed up to the date of this report, for patients in the US and UK. Encouragingly, even before Steve's initiatives, the number of tests ordered per day – a key metric – has increased from just over one a day in October to just over two a day in December. US PSE test orders can now be invoiced under our unique CPT-PLA code (with effect from 1 January 2024). Tests self-paid by patients, or otherwise reimbursed by non-US insurers, have accounted for around 15% of orders to date, at a rate of £750 (or equivalent) per test.

Development Pipeline

During the year our R&D and product development teams have worked on internal, grant-funded and contractual projects in a wide range of indications and therapy areas. Excellent progress has been made with our programs in colorectal/bowel cancer, canine oncology (animal health), amyotrophic lateral sclerosis (ALS, or motor neurone disease), rheumatoid arthritis, psoriasis/psoriatic arthritis, immuno-oncology and non-alcoholic steatohepatitis (NASH).

From OBD's extensive pipeline of deployable molecular tests, two programs are now ready for commercialization, whether as OBD proprietary tests, or co-developed or out licensed products. These two tests are EpiSwitch® NST (No Stool Test), a screening blood test for colorectal/bowel cancer and EpiSwitch® SCB (Specific for Canine Blood), a multi-indication diagnostic test for the most commonly occurring types of canine cancer.

We recognize that early monetization and commercialization of each of these two programs is more likely to occur with, and would benefit from, the involvement of a partner organization with significant presence in the relevant market. To this end, as noted above, confidential discussions with third parties have already commenced to explore possible options for these two most advanced pipeline assets. As well as expediting the launch and availability of these high-performing tests, we believe this approach could potentially lead to significant non-dilutive funding for the Company.

EpiSwitch® Explorer Array Kit

The EpiSwitch Explorer Array Kit (EAK), launched in 2022, allows members of the life science research community to access OBD's EpiSwitch 3D genomics technology, using Agilent-manufactured EpiSwitch whole genome microarrays and OBD's proprietary biochemical reagents for sample preparation.

The EAK allows whole genome-wide interrogation of just under 1 million of the most critical interactions between 3D anchor sites (the Company's proprietary "EpiSwitch loci") on the human genome, offering powerful new discovery information to researchers, including confirmation or clarification of their hypotheses. Included in the purchase price of the EAK is access to first tier analysis software developed in-house by OBD's Data team. For researchers without access to appropriate microarray equipment, the Company's scientists can analyse samples of interest using the Kit as a paid-for service.

Explorer Array Kits have been purchased by scientists from several prestigious academic research institutions, including The Francis Crick Institute, the University of Oxford Department of Biochemistry

and the University of the Algarve. Results from academic life-science research based on EpiSwitch Explorer Arrays have already been presented at national and international scientific peer group meetings.

Second PACT Award

In May 2023, the Company was granted a second Partnership for Accelerating Cancer Therapies ("PACT") Award. PACT is a five-year, $220 million, public-private research collaboration between the National Institutes of Health (NIH), the US Food and Drug Administration (FDA) and 12 leading pharma companies, all managed by the FNIH.

The second Award to OBD is worth $963,000 over one year (of which £388,000 is recognised as other operating income in the year ended 30 September 2023) and is funding the reduction to practice of an EpiSwitch prognostic blood test for cancer patients most likely to present IO-triggered Hyper-Progressive Disease (HPD) if given an ICI. HPD is a critical condition observed in a subset of cancer patients (it has an average prevalence of 12%), who react adversely to treatment with immune checkpoint inhibitors (ICIs). In HPD patients, ICI treatment triggers a life-shortening opposite effect - accelerated tumour growth, with reduced survival. With increasing adoption of ICI treatments for cancer patients, the lack of prognostic biomarkers has become an urgent issue for practising clinicians, drug developers, payors and regulators. The work enabled by the PACT Award will help to complete the development of the Hyper-ICI Response Test (HiRT), a blood test to identify patients at risk of HPD prior to ICI therapy.

Fundraising to support short-term activity

We remain in the early stages of our commercialization of OBD's technology (we initiated our expanded strategy to include development of proprietary products only three years ago, in December 2020). During the year we completed two successful fundraises, in October 2022 and August 2023, to support the Company's immediate term plans, raising a total of £15.4 million before costs.

Existing and new investors took part in both fundraises. In the most recent raise in August 2023, we were pleased to welcome a number of new institutional investors to our register and to receive over £0.5 million from 194 individual investors who took part in the fundraise through a PrimaryBid offer. I would again like to thank all investors in the Company for the support they have shown throughout the year.

Conclusion and focus for 2024

At the start of the financial year, our primary focus was expected to be on growing orders of EpiSwitch CiRT. The OBD team achieved this objective, in addition to meeting the extra challenge of expediting the development and launch of EpiSwitch PSE. I am pleased that we set ourselves this stretch goal – as well as the obvious promising commercial prospects for the Group, there are clear benefits for patients and their families to having PSE launched and available as soon as possible.

We remain committed to working with commercial and other partners to provide unique and critical insight with our 3D genomics technology. At the same time, we see the unpredictable pace at which such projects are often agreed as validation of OBD's determination to develop our own products, directly building the market for 3D genomics ourselves.

Looking forward to 2024, my team and I will be focused on four main areas:

- Following the initial introduction of EpiSwitch PSE into the market last year, with the leadership of Dr Arrivo, we aim to **drive significant awareness and adoption** by targeting large organization accounts and partnering to generate nationwide access and distribution of the test. This will involve extensive business development and sales and marketing activity, within our available resources. We will also bring PSE online in our UK clinical laboratory by the end of March 2024.
- We will continue to **drive adoption and increase orders of EpiSwitch CiRT**. Dr Mathis's approach will allow us to capitalize on the foundation of the 750 tests used to date. We will focus our efforts by identifying insights from the data such as usage niches, algorithm alignment and key accounts. Distilling the HEOR story and petitioning for adoption into NCCN Guidelines and compendia will put the test in the hands of a greater number of oncologists, not just the early adopters. We expect this will also help us to enter into further direct agreements with insurers and healthcare delivery networks (IDNs, GPOs and hospitals).
- We will **continue the recently initiated confidential discussions with third parties** regarding our two most advanced pipeline assets, **EpiSwitch NST** for colorectal/bowel cancer and **EpiSwitch SCB** for canine cancer and will assess and explore opportunities for monetizing these and other programs from our extensive portfolio of deployable 3D genomic tests.
- Finally, we will continue to work on **internal and grant- and award-funded research** and development and on projects for commercial partners.

We are already accelerating on all of these fronts and look forward to reporting back to shareholders later in the year.

Dr Jon Burrows
Chief Executive Officer
Oxford BioDynamics Plc

16 January 2024

† 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 – Proprietary Laboratory Analysis (CPT-PLA) code is used in the US to report medical and diagnostic services to entities such as health care professionals and payors.

Sources:

[1] Pchejetski, D., et al. (2023). Circulating Chromosome Conformation Signatures Significantly Enhance PSA Positive Predicting Value and Overall Accuracy for Prostate Cancer Detection. Cancers, 15(3), 821. http://dx.doi.org/10.3390/cancers15030821

[2] https://www.prostatehealthpodcast.com/96-advancing-precision-medicine-episwitch-pse-prostate-cancer-screening-test-with-94-accuracy-robert-heaton-md/

Business performance and position: financial review

Overview

The year ended 30 September 2023 saw increased revenue (£0.51m, FY22: £0.15m) and other operating income (£0.83m, FY22: £0.35m) compared to the prior year. Revenue included amounts in respect of sales of proprietary tests and work for commercial customers. Product revenue predominantly arose from reimbursement by US payors for CiRT tests, which is recognized only on receipt of funds and therefore lags performance of the relevant test.

As noted in the CEO's review, during the year the Company raised a total of £15.4m before costs (FY22: £3.6m before costs) in two equity fundraisings to support the immediate term plans of the Group.

The tables below present 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.

Further detail is provided in the financial information and notes on the following pages, which are extracted from the Company's annual report and accounts for the year ended 30 September 2023.

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 three 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:**	**2023** **£m**	**2022** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
Revenue	Revenue from test sales and contracts with pharma customers	0.51	0.15	0.36 increase	Increase driven by recognition of first significant revenue from proprietary tests and an increase in work performed for Pharma customers.
Cost of sales	Amounts payable to the Group's partner lab and other costs relating to proprietary tests processed and/or reimbursed in the period.	(0.24)	(0.04)	0.20 increase	These costs relate to EpiSwitch® CiRT tests ordered and processed during the year, with some additional amounts recognized on receipt of reimbursement for tests from payors.
R&D expenditure (excluding staff costs)	Lab consumables, equipment maintenance and similar costs	(0.76)	(0.53)	0.23 increase	R&D activity was increased relative to the prior year. The final stages of the development of the EpiSwitch® PSE test were expedited during the year.
Staff costs	Staff and directors' remuneration and benefits	(5.40)	(4.48)	0.92 increase	Full year impact of FY22 recruits, FY23 in-year recruitment. Average FTEs were similar to FY22, but a higher proportion of the Group's employees were in senior and/or US-based roles. Inflationary pay increases awarded in calendar 2023 were higher than in recent years.
General and other admin costs	Other costs including marketing, legal and other professional services	(3.41)	(2.45)	0.96 increase	Increases of c.£0.3m in marketing-related costs to promote EpiSwitch® CiRT and EpiSwitch® PSE tests, c.£0.3m in premises-related costs,

Financial performance					
Element	**Comprising:**	**2023** **£m**	**2022** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
					reflecting increased charges for utilities and site service charges for the UK HQ, and costs for the new laboratory in the US, c.£0.2m in travel-related expenses for sales teams and conference attendance, and c.£0.1m in website development and other IT services.
Share option charges	Non-cash charge spreading fair value of share options over their vesting period	(0.33)	(0.39)	0.06 decrease	Options charges are spread over vesting periods of up to three years. More options were granted than in the prior year and this was offset by reductions in the amounts recognized in the year in respect of options granted prior to October 2021.
Depreciation and amortization	Depreciation and amortization of intangible assets, property plant and equipment and right-of-use assets.	(1.36)	(1.21)	0.15 increase	Increase results from higher depreciation of right-of-use assets (because of the lease of the Group's US clinical laboratory in the year) and amortization of patents and a smaller increase in property, plant and equipment depreciation.
Other operating income	Income associated with grants and awards	0.83	0.35	0.48 increase	Income arises from the Company's two PACT Awards and its membership of the HIPPOCRATES consortium, funded by an EU grant.
Operating loss		(10.17)	(8.60)	1.57 increase	As noted above.
Fair value (loss) / gain on financial liabilities designated as FVTPL	Non-cash movement in fair value of liability recognised in connection with warrants issued in November 2021	(1.25)	1.10	2.35 decrease	The fair value of the warrant liability increased over the period, generating this loss, mainly because of the increase in the Company's share price.
Gain reclassified to profit or loss on disposal of foreign operation	Non-cash gain arising on the deregistration of the Group's former Australian subsidiary entity.	0.11	-	0.11 increase	This is a crystallised foreign currency translation gain, offset by a reduction in the value of the translation reserve, recognised in other comprehensive income.
Finance income	Interest income and foreign exchange gains	0.10	0.13	0.03 decrease	Decrease relates to losses from exchange rate movements, partly offset by an increase in interest receivable on invested cash and term deposit balances during the year.
Finance costs	Calculated lease interest, foreign exchange losses	(0.21)	(0.20)	0.01 increase	Increase driven by lease interest costs on new US laboratory, partly offset by reducing interest charges in respect of the UK HQ lease.
Tax	UK R&D tax credits offset by current and deferred taxes in subsidiaries	0.59	0.86	0.27 decrease	Decrease driven by higher current tax charges in subsidiary entities, and lower amounts claimable in respect of R&D tax credits following legislative changes in the UK.

Financial performance					
Element	**Comprising:**	**2023** **£m**	**2022** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
Loss per share	Loss for the year divided by weighted average number of shares in issue	(7.3)p	(6.7)p	0.6p increase	Results from the increased loss and the higher average number of shares in issue for FY23 compared to FY22.

Cash flow					
Element	**Comprising:**	**2023** **£m**	**2022** **£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.	(8.29)	(5.18)	3.11 increase	Approximately £4m increased loss before tax and c.£0.1m decrease in tax credits received. Adjustments for movements in working capital, foreign exchange and non-cash items were c.£1m higher than in the prior year.
Net cash (used in) / generated by investing activities	Expenditure on fixed assets, offset by interest income and maturing term deposits.	(0.62)	1.25	1.87 decrease	Receipts on term deposit maturities were c.£2.1m lower, offset by c.£0.2m decrease in net expenditure on property, plant and equipment and intangible assets and c.£0.06m higher interest receipts.
Net cash generated by financing activities	Proceeds from equity issues offset by lease payments.	13.21	2.56	10.65 increase	Driven by a c.£10.58m increase in net receipts from equity issues, a £0.04m increase in rent payments and the one-off £0.11m buy-back of minority interest in a subsidiary in FY22.

Financial position					
Element	**Comprising:**	**2023** **£m**	**2022** **£m**	**Year-on-year change** **£m**	**Main drivers of movement**
Cash and term deposits	Cash and term deposits	5.25	1.00	4.25 increase	Cash and term deposits increased as a result of the two fundraisings during the year, which provided net funds of £14.14m, offset by the operating cash outflow of c.£8.29m, capital expenditure and rent of c.£1.49m and minor movements in cash held in foreign currencies.
Total assets	"Right-of-use" assets associated with the Group's leased properties, tangible and intangible fixed assets, deferred tax assets, inventories, debtors and prepayments and cash and term deposits.	16.13	11.34	4.79 increase	The main component of the increase is the movement in cash and term deposits.
Total liabilities	Trade creditors, accruals, contract liabilities, lease liabilities, provisions, deferred tax liabilities, and warrant liability.	(10.07)	(8.76)	1.31 increase	The £1.25m increase in the estimate of the fair value of the warrant liability (which is mainly driven by the increase in the Company's share price over the period) is the main driver of the overall increase in liabilities.

Paul Stockdale

Chief Financial Officer

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Continuing operations			
Revenue	3	510	154
Cost of sales		(244)	(38)
Gross profit		**266**	**116**
Research & development costs (excluding staff costs)		(758)	(526)
Staff costs		(5,403)	(4,483)
General & other admin costs		(3,411)	(2,452)
Share option charges		(332)	(394)
Depreciation and amortization		(1,357)	(1,213)
Other operating income	4	827	351
Operating loss		**(10,168)**	**(8,601)**
Fair value (loss) / gain on financial liabilities designated as FVTPL	12	(1,246)	1,095
Gain reclassified to profit or loss on disposal of foreign operation		113	-
Finance income		103	134
Finance costs		(213)	(195)
Loss before tax		(11,411)	(7,567)
Income tax		585	857
Loss for the year from continuing operations	6	(10,826)	(6,710)
Loss attributable to:			
Owners of the Company		(10,826)	(6,710)
Non-controlling interest		-	-
		(10,826)	(6,710)
Earnings / (loss) per share			
From continuing operations			
Basic and diluted (pence per share)	7	(7.3)	(6.7)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Loss for the year	6	(10,826)	(6,710)
Exchange differences on translation of foreign operations that may be reclassified to the income statement		(182)	(40)
Total comprehensive income for the year		(11,008)	(6,750)
Total comprehensive income attributable to:			
Owners of the Company		(11,008)	(6,750)
Non-controlling interest		-	-
		(11,008)	(6,750)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Assets			
Non-current assets			
Intangible fixed assets	8	1,913	1,601
Property, plant and equipment	9	2,238	2,582
Right-of-use assets	10	4,759	4,396
Deferred tax asset		50	-
Total non-current assets		8,960	8,579
Current assets			
Inventories		274	337
Trade and other receivables		1,643	1,429
Fixed-term deposits		-	25
Cash and cash equivalents		5,250	974
Total current assets		7,167	2,765
Total assets		16,127	11,344
Equity and liabilities			
Capital and reserves			
Share capital	11	2,023	1,004
Share premium		32,144	19,020
Translation reserves		(63)	119
Share option reserve		2,776	3,154
Retained earnings		(30,825)	(20,709)
Equity attributable to owners of the Company		6,055	2,588
Non-controlling interest		-	-
Total equity		6,055	2,588
Current liabilities			
Trade and other payables		1,707	2,000
Warrant liability	12	1,360	114
Lease liabilities	13	818	736
Provisions		-	-
Current tax liabilities		116	61
Total current liabilities		4,001	2,911
Non-current liabilities			
Lease liabilities	13	5,621	5,400
Provisions		440	424
Deferred tax		10	21
Total non-current liabilities		6,071	5,845
Total liabilities		10,072	8,756
Total equity and liabilities		16,127	11,344

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 SEPTEMBER 2023

	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 2022	1,004	19,020	119	3,154	(20,709)	2,588	-	2,588
Loss for the year	-	-	-	-	(10,826)	(10,826)	-	(10,826)
Other comprehensive income for the period	-	-	(182)	-	-	(182)	-	(182)
Total comprehensive income for the period	-	-	(182)	-	(10,826)	(11,008)	-	(11,008)
Subscription for new shares	1,019	14,368	-	-	-	15,387	-	15,387
Transaction costs for new shares	-	(1,244)	-	-	-	(1,244)	-	(1,244)
Share option credit	-	-	-	332	-	332	-	332
Lapse of vested share options	-	-	-	(710)	710	-	-	-
At 30 September 2023	2,023	32,144	(63)	2,776	(30,825)	6,055	-	6,055

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

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Loss before tax for the financial year	6	(11,411)	(7,567)
Adjustments to reconcile loss for the year to net operating cash flows:			
Net interest		141	184
Loss on disposal of property, plant and equipment		4	1
Depreciation of property, plant and equipment	9	548	539
Depreciation of right-of-use assets	10	663	574
Amortization of intangible assets	8	146	100
Net foreign exchange movements		(122)	(278)
Movement in provisions		16	16
Share based payments charge		332	394
Fair value loss / (gain) on financial liabilities		1,246	(1,095)
Working capital adjustments:			
(Increase) / decrease in trade and other receivables		(448)	469
Decrease in inventories		63	55
(Decrease) / increase in trade and other payables		(286)	475
Operating cash flows before interest and tax paid		(9,108)	(6,133)
R&D tax credits received		896	969
Tax paid		(82)	(13)
Net cash used in operating activities		(8,294)	(5,177)
Investing activities			
Interest received		71	14
Lease incentive received		-	-
Purchases of property, plant and equipment		(250)	(363)
Purchases of intangible assets		(466)	(538)
Decrease in term deposits		25	2,138
Net cash (used in) / generated by investing activities		(620)	1,251
Financing activities			
Interest paid		(213)	(195)
Repayment of lease liabilities		(723)	(703)
Acquisition of minority interest shares in subsidiary entity		-	(107)
Issue of equity shares and warrants		15,387	3,623
Transaction costs relating to issue of equity shares		(1,244)	(56)
Net cash generated by financing activities		13,207	2,562
Net increase / (decrease) in cash and cash equivalents		4,293	(1,364)
Foreign exchange movement on cash and cash equivalents		(17)	163
Cash and cash equivalents at beginning of year		974	2,175
Cash and cash equivalents at end of year		5,250	974

1. Corporate information

Oxford Biodynamics plc is a public limited company incorporated in the 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 2023 were approved by the Board of Directors on 16 January 2024. 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 2023 and the year ended 30 September 2022.

This announcement is prepared on the same basis as set out in the audited statutory accounts for the year ended 30 September 2023. The accounts for the years ended 30 September 2023 and 30 September 2022, 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 two-year period ending 30 September 2025. The budget includes:

- estimates of likely revenue arising from EpiSwitch® CiRT and EpiSwitch® PSE (based on the Group's own assessments of market opportunities);
- anticipated revenues from contracts with pharmaceutical partners;
- expected income from existing grants and awards;
- operating costs reflecting the current cost base (plus inflationary increases), with some increases in activity to support the commercial tests already launched; 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 2023 was increased compared to the previous year, but the Group remained lossmaking with income significantly exceeded by operating costs, which included spending necessary to expedite the development and launch of the PSE test during the year. The Group was able to maintain its cash reserves during the year, including through the raising of £9.3m (before costs) through a placing, subscription and open offer in October 2022 and £6.1m (before costs) through a placing, subscription and PrimaryBid offer in August 2023.

The Board considers that the budget represents a reasonable best estimate of the Group's performance over the period to 30 September 2025 and the Directors are satisfied that in the scenario modelled in the budget, the Group and Parent Company would be able to continue as a going concern. The Directors note, however, that the budget includes estimates of product and contract revenue reflecting significant increases in the volume of CiRT tests to be ordered in FY24 compared to FY23, significant increases, post-launch, in orders of PSE tests and expectations of a number of new contracts with pharma customers. Forecast cash balances in the budget, whilst positive throughout the period covered, are expected to be reduced to a low level relative to the Group's cost base through much of 2024.

The Directors also draw attention to several significant uncertainties inherent in the preparation of the budget, primarily relating to balances associated with the revenue / income cycle, since most of the Group's costs are reasonably predictable and controllable. These uncertainties include volumes of orders of the Group's tests, particularly PSE which was launched just before the end of FY23; reimbursement rates and timing of the reimbursement cycle (and consequent impact on the Group's working capital); and the number and value of new pharma/biotech agreements.

Cash resources as predicted in the budget are very sensitive to changes in the assumptions related to these uncertainties: this was noted in two alternative scenarios considered by the Directors: a "possible" scenario that reflects significantly reduced test volumes compared to the budget and a "downside" scenario with still lower test volumes and no new pharma projects assumed. Without any remedial action to reduce costs or delay expenditure, in these scenarios the Group and Company would need to obtain additional funds during the second quarter of 2024 in order to continue as a going concern.

The Group successfully raised a total of £15.4m (before costs) from new and existing shareholders in two fundraises during the year ended 30 September 2023. The Company's share price and the level of interest in the Company's shares, as measured by average daily trading volumes, increased significantly following the launch of the PSE test in September 2023. The Directors consider that these developments tend to increase confidence that the Company will be able to access further cash resources from investors in future. However, as at the date of publication of this report, this is not guaranteed.

The Directors do not believe that any of the factors above is unusual or unexpected for the Group at this point in its development. 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.

Treatment of revenue arising from test sales reimbursed by US insurance payors

The Group recognizes revenue when or as the relevant performance obligations in its contracts with customers are completed. Sales of the Group's proprietary tests can be paid for by patients, payors with whom the Group has direct agreements in place, or by US insurers through the reimbursement process. In this final case, the Group may also obtain an acknowledgement of financial responsibility from a patient before processing a test.

EpiSwitch® CiRT tests were regularly reimbursed by several US insurers throughout the year for a range of amounts and this has continued post-year end. The amount received is influenced by several factors, including the terms of individual patients' policies such as requirements for co-payment, the price listed for the test, if any, in the Centers for Medicare and Medicaid Services (CMS) Clinical Laboratory Fee Schedule (CLFS), insurers' own coverage policies in respect of the test, and claim denials. Where reimbursement for a test is initially denied, or reimbursed at a lower-than-expected amount, the Group avails itself of the appeals process that exists in the reimbursement system. At the year end, a number of appeals were in process but not yet complete. Reimbursement claims for a further group of processed tests were held by the Group pending confirmation of coverage decisions by insurers or the relevant Medicare Administrative Contractor (MAC), in order to ensure the most positive likely outcome in terms of eventual reimbursement.

The above factors are relevant to Management's decision on whether a contract with a customer exists and therefore whether the five-step process of revenue recognition included in IFRS 15 *Revenue from Contracts with Customers* should be followed or whether instead revenue should be recognized on final receipt of funds from a payor.

Management exercised judgement in determining that, for most of the Group's test orders in the period, the appropriate accounting treatment is to recognize revenue on receipt of funds and not to follow the five-step process.

Management anticipate that in future periods, as the Group's historical collections experience increases in volume and specificity in relation to particular payors and policies and the proportion of test sales for which an acknowledgement of financial responsibility is obtained from patients also increases, it is likely that the five-step process will apply to an increased proportion of test sales and that judgement will be required in determining the extent to which variable consideration relating to those tests is unconstrained and should therefore be recognized.

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 2023, three lab developed test products had been launched, with two of these (EpiSwitch® CiRT

and EpiSwitch® PSE) being actively marketed as well as the Group's EpiSwitch® Explorer Array Kit, which is marketed to the life science research community. 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 more fully developed, ii) the Group's LDTs are consistently processed through the Group's US and UK clinical laboratories and iii) test-specific revenue streams become more predictable.

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 Group's financial performance for the year resulted in a larger than budgeted loss and this was considered to be an indicator of potential impairment. In addition, an impairment review is required for any assets not yet being amortized and certain patent assets fall into this category.

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 given by the market value of the Company on a cash- and debt-free basis.

The Group had a year-end market capitalisation of £74.9m (37p x 202,303,415 shares then in issue). For the 30 September 2023 year end, Management also considered the significant increase in the share price and market capitalization of the Company following the announcement of the launch on 26 September 2023 of the EpiSwitch® PSE test and for the purposes of the impairment review, the increase in enterprise value that followed the launch announcement was assumed to relate only to the PSE test. On 25 September 2023, the latest date prior to the announcement of the launch, the Group had a market capitalisation of £21.1m (10.45p x 202,303,415 shares in issue).

Cash/cash equivalents and term deposits at 30 September 2023 of £5.3m are deducted from market value in arriving at the enterprise value. Following review of available guidance, Management determined that neither the warrant not the lease liabilities associated with the Group's rented property should be added back to the market value in determining the enterprise value. This results in an estimate of the year-end enterprise value of the Group as a whole of approximately £69m and an enterprise value shortly pre-year-end of the underlying business "excluding" the PSE test, of approximately £16m.

In estimating the cost of disposal (COD), Management used a round sum estimate of £2.5m, representing a COD of approximately 12% of the pre-uplift market value, which is within the range of estimates of disposal costs reviewed by Management. The FVLCOD of the Company as at 30 September 2023 was therefore estimated to be £13.5m prior to the launch of PSE and £66.5m at the year end, after the launch of PSE. Management then compared the FVLCOD of the Company to the gross value of the Group's assets excluding patents (£9m as at 30 September 2023). The excess of the Company's FVLCOD over its gross assets excluding patents, prior to the launch of PSE, was therefore approximately £7m, compared to a carrying value of patent assets (including patents linked to the PSE test) of £1.82m. 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.

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:

	2023	2022
	£000	£000
Continuing operations:		
Sales of proprietary products		
USA	160	-
Rest of World	34	-
	194	-
Biomarker research and development		
USA	228	107
Rest of World	88	47
	316	154
Consolidated revenue	510	154

	2023	2022
	£000	£000
Continuing operations:		
Revenue recognized at a point in time	194	-
Revenue recognized over time	316	154
	510	154

	2023	2022
	£000	£000
Revenue from individual customers each representing more than 10% of revenue for the period:	280	152
	Number	**Number**
Number of individual customers each representing more than 10% of revenue for the period:	2	2

4. Other operating income

	2023	2022
	£000	£000
Continuing operations:		
Other operating income (awards and grants)		
- recognized at a point in time	-	-
- recognized over time	827	351
	827	351

During the year, the Company was granted a second FNIH Partnership for Accelerating Cancer Therapies (PACT) Award. Income was recognized in respect of each of the Company's PACT awards and OBD's involvement in the EU-funded HIPPOCRATES consortium (income in the prior year related only to the Company's first PACT award).

5. 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:

	2023	2022
	£000	£000
Staff costs		
UK	2,614	2,572
USA	2,692	1,815
Rest of World	97	96
Total staff costs	5,403	4,483
Research & development costs		
UK	680	523
USA	77	-
Rest of World	1	4
Total research & development costs	758	527
General & other admin costs		
UK	2,399	1,898
USA	969	479
Rest of World	43	75
Total general & other admin costs	3,411	2,452
Non-current assets		
UK	7,446	7,954
USA	1,478	564
Malaysia	36	61
Total non-current assets	8,960	8,579

6. Loss for the year

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

	2023 £000	2022 £000
Net foreign exchange losses	(31)	(123)
Research and development costs (excluding staff costs)	758	526
Amortization of intangible assets	146	100
Depreciation of property, plant and equipment	548	539
Depreciation of right-of-use assets	663	574
Staff costs	5,403	4,483
Share-based payments charged to profit and loss	332	394
Fair value loss / (gain) on financial liabilities designated as FVTPL	1,246	(1,095)
Gain reclassified to profit or loss on disposal of foreign operation	(113)	-

7. Earnings per share

From continuing operations

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

	2023 £000	2022 £000
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(10,826)	(6,710)
Earnings for the purposes of diluted earnings per share	(10,826)	(6,710)

	2023 No	2022 No
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	147,481,566	99,702,257
	Pence	**Pence**
Earnings per share		
Basic and diluted earnings per share	(7.3)	(6.7)

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

8. Intangible fixed assets

Group	Website development costs £000	Software development costs £000	Patents £000	Total £000
Cost				
At 1 October 2022	62	144	1,674	1,880
Additions	-	39	427	466
Exchange differences	-	(10)	-	(10)
At 30 September 2023	62	173	2,101	2,336
Accumulated amortization				
At 1 October 2022	62	65	152	279
Charge for the year	-	36	110	146
Exchange differences	-	(2)	-	(2)
At 30 September 2023	62	99	262	423
Carrying amount				
At 30 September 2023	-	74	1,839	1,913

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

As at 30 September 2023, in the Group and Company, a total of £304,000 (2021: £263,000) 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.

9. Property, plant and equipment

Group	Leasehold improvements £000	Office equipment £000	Fixtures and fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2022	2,041	182	172	2,318	4,713
Additions	45	58	15	125	243
Disposals	-	(47)	-	(88)	(135)
Exchange differences	(2)	(2)	(2)	(55)	(61)
At 30 September 2023	2,084	191	185	2,300	4,760
Accumulated depreciation					
At 1 October 2022	231	139	44	1,717	2,131
Charge for the year	208	37	34	269	548
Eliminated on disposals	-	(47)	-	(84)	(131)
Exchange differences	(2)	(2)	(1)	(21)	(26)
At 30 September 2023	437	127	77	1,881	2,522
Carrying amount					
At 30 September 2023	1,647	64	108	419	2,238

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

10. Right-of-use assets

Group	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2022	5,224	18	5,242
Additions	1,029	-	1,029
Exchange differences	(12)	-	(12)
At 30 September 2023	6,241	18	6,259
Accumulated depreciation			
At 1 October 2022	835	11	846
Charge for the year	657	6	663
Exchange Differences	(9)	-	(9)
At 30 September 2023	1,483	17	1,500
Carrying amount			
At 30 September 2023	4,758	1	4,759

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

11. Share capital of the company

	2023 Number	2023 £	2022 Number	2022 £
Authorized shares				
Ordinary shares of £0.01 each – allotted and fully paid	202,303,415	2,023,034	100,351,574	1,003,516
Total	202,303,415	2,023,034	100,351,574	1,003,516

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

On 28 October 2022 and 31 October 2022, the Company issued a total of 46,360,806 new ordinary shares.
On 21 August 2023 and 22 August 2023, the Company issued a total of 55,591,035 new ordinary shares.
No shares were issued on the exercise of share options or warrants during the year (2022: nil).

12. Warrants

As at 30 September 2023 there were 7,791,803 shares reserved for issue under warrants (30 September 2022: 7,791,803).

The Warrants were issued during the prior year, 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 after the issue date.

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. Anti-dilution provisions are also 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 (effectively the remaining term at each reporting date).

The fair value of the Warrants and the assumptions used in estimating it are shown below:

	30 September 2023	30 September 2022
Share price at date of award / value date (p)	37	11.5
Exercise price (p)	58.125	58.125
Expected volatility	84.39%	59.86%
Dividend yield	0%	0%
Expected life of option	3.11 years	4.11 years
Risk free interest rate	4.55%	4.40%
Fair value per Warrant	17p	1p
Warrant liability	£1,360,000	£114,000

Warrant liability - Group and Company	Total
	£000
At 1 October 2022	114
Issue of warrants	-
Fair value loss on financial liability designated as FVTPL	1,246
At 30 September 2023	**1,360**
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**

13. Lease liabilities

Group	2023	2022
Maturity analysis:	**£000**	**£000**
Year 1	1,045	910
Year 2	1,052	908
Year 3	1,051	820
Year 4	1,058	813
Year 5+	3,101	3,470
	7,307	6,921
Less: future interest charges	(868)	(785)
	6,439	6,136
Analysed as:		
Current	818	736
Non-current	5,621	5,400
	6,439	6,136

14. 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 2023 have exercise prices in the range of £0.156 to £2.10.

	Number of options	2023 Weighted average exercise price £	Number of Options	2022 Weighted average exercise price £
Outstanding at start of period	9,447,658	0.67	8,526,484	0.76
Granted during the period	2,721,061	0.18	1,556,757	0.28
Forfeited during the period	(2,185,576)	(0.48)	(635,583)	(0.93)
Exercised during the period	-	-	-	-
Outstanding at end of period	9,983,143	0.57	9,447,658	0.67
Exercisable at end of period	5,983,853	0.76	6,622,162	0.68
Weighted average remaining contractual life (in years) of options outstanding at the period end		6.60		5.36

	2023 £000	2022 £000
Expense arising from share-based payment transactions	332	394

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:

	2023 £000	2022 £000
Share price at date of grant	£0.156 to £0.189	£0.17 to £0.40
Exercise price	£0.156 to £0.189	£0.17 to £0.40
Expected volatility	55% to 56%	52% to 54%
Dividend yield	0%	0%
Expected life of option	8.7 to 9.0 years	8.6 to 8.7 years
Risk free interest rate	3.45% to 3.70%	0.73% to 1.87%

15. Events after the balance sheet date

There were no events after the balance sheet requiring disclosure in these financial statements.

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 products are the EpiSwitch® CiRT (Checkpoint Inhibitor Response Test) and EpiSwitch® PSE (EpiSwitch Prostate Screening test) blood tests. CiRT is a predictive immune response profile for immuno-oncology (IO) checkpoint inhibitor treatments, launched in February 2022. PSE is a blood test that boosts the predictive accuracy of a PSA test from 55% to 94% when testing the presence or absence of prostate cancer, which has been launched in the US and UK in September 2023.

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, which is available for purchase by the life science research community.

The Company's product portfolio is based on a proprietary 3D genomic biomarker platform, EpiSwitch®, which can build molecular diagnostic classifiers for the 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 15,000 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 and a clinical laboratory in Frederick, MD, USA, and a reference laboratory in Penang, Malaysia.

For more information, please visit the Company's website, www.oxfordbiodynamics.com, or follow OBD on Twitter (@OxBioDynamics) and 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 15,000 samples in 30 disease areas, and reduced to practice.

In addition to stratifying patients with respect to anticipated clinical outcomes, 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.

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