18 June 2024

Oxford BioDynamics Plc

("OBD" or the "Company" and, together with its subsidiaries, the "Group")

INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2024

Continued focus on commercialization, funding securing near-term plans

Oxford BioDynamics Plc (AIM: OBD), a biotechnology company developing precision medicine tests based on the EpiSwitch® 3D genomics platform, today announces its interim results for the six-month period to 31 March 2024.

CORPORATE AND OPERATIONAL HIGHLIGHTS

- Sustained growth in orders of EpiSwitch PSE test through the period
- Strengthening of commercial team to support commercialization of EpiSwitch CiRT and EpiSwitch PSE
- US reimbursement code for EpiSwitch PSE
- Agreement with Bupa UK to cover EpiSwitch CiRT for customers

FINANCIAL HIGHLIGHTS

- Revenue of £327k (H1 2023: £220k)
- Operating loss £5.99m (H1 2023: £4.76m)
- Cash and term deposits at 31 March 2024 of £1.2m (31 March 2023: £3.6m)
- Announcement of equity placing, subscription and retail offer, to raise gross proceeds of £9.9m (March 2024)

POST-PERIOD END HIGHLIGHTS

- Seven commercial agreements now in place to provide EpiSwitch PSE on cash-pay basis in US and UK
- Opening of ISO15189 UK clinical laboratory in existing Oxford facility (April 2024)
- Clinical registry opened, for prospective observational study in multiple regional US health systems, to grow adoption of EpiSwitch CiRT (May 2024)
- The London Clinic to use EpiSwitch CiRT and EpiSwitch PSE tests (May 2024)
- Agreement with Goodbody Clinic to offer UK nationwide access to EpiSwitch PSE (May 2024)
- EpiSwitch PSE to be used in prestigious NCI/NIH-sponsored prospective study (June 2024)
- 1,019 EpiSwitch CiRT test orders since launch in February 2022 (June 2024)
- 454 EpiSwitch PSE test orders since launch in September 2023 (June 2024)
- Completed development of EpiSwitch SCB diagnostic test for multiple canine cancers (June 2024)

Commenting on the results, Dr Jon Burrows, Chief Executive Officer of Oxford BioDynamics, said:

"Following the launch, ahead of schedule, of our EpiSwitch PSE test at the end of last year, we were pleased with the early award of a unique CPT code for reimbursement of the test in the US. It is still early days post-launch, but we believe we have set the right foundations and followed a careful approach to building the market for PSE. We believe this approach is beginning to bear fruit, with over 30 clinics ordering and nine commercial agreements for the sale or distribution of the test signed since the beginning of the financial year.

"We have continued to pursue growth in adoption of our CiRT test during and after the period. Baseline test orders remained stable, and the work done by a refreshed and expanded team in the period is now bringing the test to more US oncologists through our engagement with CMOs at regional hospital groups.

"We were pleased to announce our fundraise in March 2024, against a backdrop of difficult market conditions, to enable us to fund the Group's near-term activities.

"As a Board, our aim is to generate value for the Company's shareholders, at the same time as advancing personalized healthcare and building the market for 3D genomics. Our immediate focus in achieving these aims is twofold: judiciously using available resources to grow sales of both of our commercial tests and actively pursuing opportunities for non-dilutive transactions to fund the Group's activities over the short-to-medium term."

-Ends-

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 presentation

The Company's management will conduct a presentation to investors via the Yellowstone Advisory webinar platform at 2pm BST on 18 June 2024. The presentation is open to existing and potential shareholders. Questions may be submitted by emailing info@yellowstoneadvisory.com.

To register, please visit:
https://us02web.zoom.us/webinar/register/7517163574623/WN_9oWCOJcnT6qJKGK3stpciA

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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.

It has two commercially available products: the EpiSwitch® PSE (EpiSwitch Prostate Screening test) and EpiSwitch® CiRT (Checkpoint Inhibitor Response Test) blood tests. 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. CiRT is a predictive immune response profile for immuno-oncology (IO) checkpoint inhibitor treatments, launched in February 2022.

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, including oncology, neurology, inflammation, hepatology and animal health.

In March 2021, the Company launched the first commercially available microarray kit for high-resolution 3D genome profiling and biomarker discovery, the EpiSwitch Explorer Array Kit which is available for purchase by the life science research community.

OBD 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's group headquarters and research, product development and UK clinical laboratories are in Oxford, UK. It also has a commercial office in Gaithersburg, MD, USA and a clinical laboratory in Frederick, MD, USA, and a reference laboratory in Penang, Malaysia.

The company is listed on the London Stock Exchange's AIM, with ticker OBD. For more information, please visit the Company's website, www.oxfordbiodynamics.com, or follow OBD on X (@OxBioDynamics) and LinkedIn.

A copy of this announcement is available on the Company's website at www.oxfordbiodynamics.com.

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

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

The EpiSwitch PSE test was launched shortly before the start of the first half of the financial year, and over the period, the OBD team began the work of growing commercial orders for the test.

On EpiSwitch CIRT, we added a 'top-down' focus on senior physician administrators at hospital groups alongside the 'bottom-up' peer-to-peer approach to growing adoption of the test that we saw success from in mid-2023. We strengthened and refreshed our CiRT team during and after the period. Baseline orders from early-adopter oncologists have remained steady while we have worked to bring regional medical centers on board. We are encouraged by recent positive developments, discussed below, that highlight the value of and prospects for CiRT.

Alongside our two on-market commercial tests, OBD's rich pipeline includes deployable blood tests for clinical testing in diverse indications with large addressable markets. During and after the period, we have been engaged in ongoing discussions with third parties regarding the two most advanced of these: the EpiSwitch SCB (Specific Canine Blood) multi-profile test for canine cancer[8] and the EpiSwitch NST (No Stool Test) which is a screening test for colorectal/bowel cancer.

The fundraising, announced in March 2024, of £9.9m (before fees) was a significant focus during the period. We were pleased to raise these funds to support the Company's near-term activities in what were and continue to be challenging market conditions. We are grateful for the support of both new and existing shareholders.

EpiSwitch PSE

OBD's EpiSwitch Prostate Screening (PSE) Test[1] 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%)[2], significantly boosting accuracy compared to a PSA test alone (accuracy 55%). In addition to the superior accuracy that enables true early detection of prostate cancer, a key parameter of the PSE test is its positive predictive value (PPV). This is the metric that determines the false positive rate of a testing modality. It is the PSE test's high PPV of 93% that helps physicians avoid sending men for unnecessary destructive biopsies. PSE was launched in the US and UK shortly before the period, in late September 2023. This was quickly followed by the assignment of a unique CPT-PLA‡ code for the test (0433U), which has been available for use by US payors since 1 January 2024.

Up to the date of this report, a total of 454 PSE tests have been processed for customers worldwide.

Our PSE vertical is led by SVP Business and Corporate Development, Dr Steven Arrivo whose appointment we announced in November 2023. Steve and the rest of the team are targeted with growing sales of PSE to 1,000 per month.

As previously announced, the team is using its significant collective experience to follow a carefully devised, integrated commercial strategy to reach this target:

1. **Growing awareness and adoption of PSE by targeting large organization accounts focusing on concierge medicine cash-pay accounts.** Seven direct agreements are now in place with clinics, hospitals and medical groups in the US and UK (such as Doctors Studio (part of the nationwide Forum Health network) in the US and The London Clinic, the UK's largest independent charitable hospital, announced in May 2024[3]). These organizations are typically committed to providing patients with the latest cutting-edge diagnostic testing to assist in

planning care and therapy. For OBD, such direct agreements with medical groups allow for more rapid and predictable receipt of revenues arising from the test.

2. **Seeking national distribution partners to open a high volume sales channel for test volume and utilization of the Company's clinical laboratory capacity in the US and UK.** In our most important market, the US, we are actively engaged in discussions with potential national distribution partners. Our plan is initially to utilize a partner's network to provide phlebotomy and sample delivery to OBD's CLIA-registered† lab, for tests ordered from OBD or the distribution partner. In time, it may be appropriate to transfer the test into a partner's own lab network and roster of clinical tests.

   In other markets, we have two non-US distribution agreements in place, with Goodbody Clinic in the UK[4], and, newly announced, KZT in Turkey. Goodbody Clinic offers UK customers private health testing using a network of over 140 clinics nationwide. KZT is owned by Professor Dr Lutfi Tunç. Dr Tunç is a key opinion leader ("KOL") with over 20 years' experience in advanced prostate surgeries, an internationally recognized inventor of advanced surgical techniques, and the founder of private clinics with a track record of bringing new technologies to Turkey.

   Such agreements bring potentially significant long-term opportunities for sales of the test and allow us to benefit from our partners' existing infrastructures to provide (for example) physician appointments, phlebotomy services, local regulatory/legal compliance and administrative interactions with individual patients. We are committed, alongside our primary focus on building sales in the US market, to making the test available to patients in other markets wherever possible.

3. **Supporting the test through a program of KOL presentations, clinician breakout groups and ongoing smart marketing.** Marketing support for PSE included targeted online campaigns, directly addressing men in the relevant age bracket, as well as their families and physicians, to educate them about the benefits of the test. We use a combination of display ads, cross-platform social media campaigns and internet search advertising to drive traffic to the test's dedicated site (94percent.com), which is now by far the most-visited of the Group's websites in terms of number of users and engaged sessions.

   Alongside online marketing targeting healthcare practitioners, we grew awareness of the test with urologists through conference attendance, presentations and interviews. During the period, OBD's Laboratory Medical Director, Dr Robert Heaton, appeared on the Prostate Health Podcast[5], hosted by Garrett D. Pohlman, MD, a board-certified urologist who has treated over 4,000 men for various prostate conditions and now routinely uses the PSE test for patients in his clinical practice and outreach clinics.

   Post-period end, Dr Pohlman is now working with OBD as an expert KOL. Having used more than 40 PSE tests for his own patients, his feedback highlights at least two valuable uses for PSE: as a screening/baseline/prostate cancer detection test for any man; and to assist in deciding whether an MRI, and/or perhaps more impactfully, when a biopsy is truly needed.

   Dr Pohlman has experienced significant efficiency gains in his clinics from the inclusion of the PSE test, highlighting the ease of explaining the simple binary result to patients and families, improved patient experience and straightforward sample handling for the clinic as major plus points. He has also compiled several case studies covering real world instances where PSE gave correct results that other pre-biopsy modalities called incorrectly. Dr Pohlman reports a growing number of patients who have been able to forego prostate biopsy (instead remaining on active surveillance) because of a negative PSE test. He reports: "*While we continue to monitor these patients, PSE has led to a >50% biopsy avoidance rate.*"

   Several posts on the Company's blog (intheloop.oxfordbiodynamics.com) have featured the test. Our US team has promoted the test at sector-specific events including the American

Urological Association (AUA) Annual Meeting and LUGPA (the only nonprofit urology trade association in the US) meetings.

4. **Developing the health economics story for the test and applying for its inclusion in the NCCN Guidelines and Compendia.** The Company plans to build a prospective observational registry study for PSE, similar to what has been successfully set up for CiRT (described below).

PSE was validated and since launch has been run in OBD's US CLIA-registered clinical laboratory in Frederick, MD, which was set up in 2023. During the period, the Company successfully commissioned its ISO15189-certified UK clinical laboratory in its existing Oxford facility, and after clinical validation began processing PSE tests for UK and other non-US customers from April 2024.

Further recognition of the utility and quality of PSE came in June 2024, with the announcement of the test's inclusion in a clinical trial organized and sponsored by the prestigious National Cancer Institute (NCI) of the National Institutes of Health, (Bethesda, MD, USA). The test's inclusion in an NCI-sponsored study provides important recognition in our key US market. In addition, the prospect of inclusion in US protocols for the monitoring of disease could lead to significant benefits in terms of growing utilisation of the test.

We will provide an update on tests ordered to the end of the financial year shortly after 30 September 2024.

EpiSwitch CiRT

The EpiSwitch Checkpoint Inhibitor Response Test (CiRT)[6] is a first-of-its-kind routine blood test that predicts a patient's likely response to immune checkpoint inhibitor ("ICI") therapies, offering valuable insight for oncologists, their patients and healthcare systems alike. CiRT accurately identifies patients who will respond to ICI therapy with a binary result (responder vs. non-responder)[7] to support oncologists in first-line treatment planning and making more informed treatment decisions when no benefit or disease progression is observed, or adverse events occur. The test can also identify as candidates for ICI therapy patients for whom other options have been exhausted or who other less accurate tests suggest will not respond to treatment with an ICI.

The CiRT vertical is led by Ryan Mathis, MD who joined the Group in December 2023.

To date, a total of 1,019 CiRT tests have been ordered, by more than 90 physicians, since the test was launched in February 2022. Through the period, volumes of orders from early adopter oncologists remained close to the baseline rate established in 2023. There were 298 test orders during the period and a further 126 since 1 April. In the last few weeks, we have begun to see initial positive results from the 'top-down' approach to introducing the test to healthcare systems in addition to individual doctors. We have also strengthened and refreshed our field sales team, including through the recent recruitment of an experienced Director of Sales and two Senior Sales Managers.

In March 2024, we disclosed that we had had a number of positive interactions with Chief Medical Officers (CMOs) and Physician Administrators from regional healthcare systems in which multiple doctors were regularly using the CiRT test. Dr Mathis has since worked with several CMOs to establish a prospective observational registry study for CiRT, under a national Institutional Review Board (IRB). The first of an expected total of seven healthcare systems was onboarded to the registry study at the end of May 2024. This registry mechanism allows the regional healthcare systems to adopt CiRT testing in a timely way and disseminate the test throughout their network of doctors and clinics.

There are several benefits from this approach. It allows for straightforward system-wide incorporation of the test, including ordering and use of the test by doctors in the hospital groups involved. Early evidence suggests that demand for CiRT has increased following completion of the first onboarding process. We will have a clearer understanding of the consistency of this trend when we provide an update on test orders to the end of the financial year, shortly after 30 September 2024.

The Company will claim reimbursement for tests performed from insurance payers in the same way as for other test orders in the US. Data collected from the patients in the registry will be used by OBD

and CMOs to build the health economic and outcomes research (HEOR) story for CiRT, which in turn will inform decision-making about continued usage of the test and support its eventual inclusion in the National Comprehensive Cancer Network (NCCN) Guidelines and Compendia.

In October 2023, the Company announced an 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 EpiSwitch CiRT.

Also in the UK, in May 2024, we announced an agreement with the UK's largest independent charitable hospital, The London Clinic, to provide patients with access to the CiRT test.

The ability to predict whether patients are likely to respond to ICI therapy offers significant potential benefits to healthcare payors and systems. Nine anti-PD-(L)1 ICIs are currently approved for use in the US, for a wide variety of cancer indications. Treatment costs range from approximately $100,000 to $1 million per patient, depending on how many cycles of treatment a patient receives. Approximately $44 billion was spent on these drugs worldwide in 2023 and it is estimated that c.$19 billion is spent annually on ineffective ICI therapy in the US alone. Insurers and payors therefore want a reliable test to justify approving therapy and to know when to stop these expensive treatments.

In this context, in the UK, the Company recently submitted an application, as part of a public/private partnership involving clinicians and academics from the Universities of Oxford and Birmingham, Imperial NHS Trust, Norfolk and Norwich Universities NHS Trust, and OBD, to UK Research & Innovation's Cancer Immunotherapy Response Research Platform (CIRRP) Grant. The grant is intended to fund development of a broad utility, deep genotyping and phenotyping platform capable of generating insights into patient response, adverse effects, and resistance to immunotherapy, and exemplar project(s) to demonstrate utility. Co-funded by the Office for Life Sciences and the Medical Research Council, a total of £9 million is available over four years.

The consortium's "EpiSwitch CIRRP" application has been shortlisted for interview by an expert panel in late June 2024. If funded, the project would offer UK-based EpiSwitch CiRT and HiRT (Hyper-ICI Response Test) clinical screening, initially to NHS trusts within the consortium, and then to NHS networks across the UK, from OBD's existing ISO15189/UKAS accredited clinical laboratory. It would also create real-world impact data within NHS clinical practice for prediction of ICI response and prognosis of hyperprogressive disease. The project would also seek to advance the understanding of genetic, metabolomic and epigenetic mechanisms behind clinical outcomes, acquired resistance and remission.

CiRT is a British invention that so far is predominantly utilized in the USA. The potential grant award presents an excellent opportunity to bring the benefit of the test to clinicians and patients within the NHS.

CiRT can also benefit the clinical development programs of pharma companies, in analysing or predicting response to treatment with ICI therapies in specific patient groups. At the request of pharma partners, the Company has recently submitted proposals to provide access to CiRT and OBD's extensive 3D genomics knowledgebase for multiple clinical development programs.

Product Pipeline

We have previously highlighted two of the programs in our pipeline as being ready to deploy. These are EpiSwitch NST (No Stool Test), a screening blood test for colorectal/bowel cancer and EpiSwitch SCB (Specific for Canine Blood), a multi-profile whole-genome cancer test for dogs, the successful development of which we announced post-period end, in June 2024[9].

Our view remains that early monetization and commercialization of each of these programs is more likely to occur with, and would benefit from, the involvement of a partner organisation with significant presence in the relevant market.

Notwithstanding this, in the case of EpiSwitch SCB, we announced that we will make the test available (on a regular commercial basis) to a select group of veterinarians who will generate real-world utility

data that will further validate the test and support any eventual partnership or outlicensing agreement with an organization with presence in the pet healthcare market.

Our aim is to expedite the market readiness of these high-performing tests, and potentially to generate additional funding for the Company. Confidential discussions with third parties about each of EpiSwitch® NST and EpiSwitch® SCB commenced in early 2024 and have continued after the period.

Successful fundraising

In March 2024, we announced a successful equity fundraising of £9.9m (before fees), to support the Company's short-term objectives, specifically: supporting PSE and CiRT and pursuing partnering or outlicensing opportunities. The fundraising comprised an equity placing, subscription and a PrimaryBid offer, providing all UK shareholders with the opportunity to participate in the fundraise.

We were pleased to complete the fundraise, particularly against a backdrop of challenging market conditions, and are grateful to investors, both those new to the Company and those in our longstanding supportive shareholder base, for their participation.

Focus for remainder of 2024

OBD is still at an early phase in the commercialization of our technology. Reporting on the half year provides a useful opportunity to reflect on achievements, consider the challenges we face and maintain our focus on our priorities.

We now have two commercial products launched and on the market, each with a unique CPT-PLA code for US payors. Processing of blood samples takes place in our own CLIA-certified and ISO15189 clinical labs. We have a growing number of commercial agreements in place to provide clinics, hospital groups, payors and patients with access to our tests. Our grant- and award-funded research consistently delivers high quality results, answering questions that are intractable for other modalities. We have a pipeline of deployable tests that is generating interest from third parties.

Our priority for EpiSwitch CiRT remains growing utilisation and adoption of the test in the US market. Our recently established patient registry, to give system-wide access to the test in key regional health centers, is our most promising recent development in this respect. We also eagerly anticipate the outcome of our consortium's CIRRP grant application in the UK.

The focus for PSE is growing sales, and we are allocating extra resource from within our existing team to help do this. We enter the rest of the year with a growing list of agreements in place, providing men with access to the test through concierge medicine clinics as well as through insurance reimbursement. There is huge opportunity to continue to grow sales, focusing initially on large, cash-pay accounts. In the UK, the test is now more accessible through our recently announced partnership with Goodbody, as well as through the growing number of clinics and hospital groups who are choosing to use the test for their private patients.

We will judiciously employ the resources entrusted to us by investors as we strive to hit these targets. We rely on a very experienced but newly established team, patiently pursuing the actions that we know will deliver results, particularly in the US market. It is a team I am proud to lead into the remainder of the year and I look forward to reporting to shareholders on the progress we make together later in the year.

Dr Jon Burrows

Chief Executive Officer

Financial review

Introduction

During the six months to 31 March 2024, the Group continued to focus on growing adoption of its two on-market tests. To that end, the cost base increased, with higher marketing and staff costs the largest contributory factors. Combined with a modest increase in revenue and other operating income, this led to an increased operating loss for the period (H1 2024: £6.00m, H1 2023: £4.76m, H2 2023: £5.41m).

Financial Performance

Revenue increased compared to each of the preceding six-month periods, at £327k (H1 2023: £220k, H2 2023: £290k), with the overall increase driven by both test sales and projects for pharma and academic customers. Proprietary product revenue continues to lag performance of tests where these are reimbursed by US insurers. In particular, revenue from EpiSwitch CiRT is currently predominantly generated from US insurer reimbursements and is recognized on receipt of funds from payors. For cash-paid tests, revenue is recognized on delivery of the relevant test report.

For PSE, in the US, our primary focus is on adding cash-pay accounts which are invoiced on a regular basis, whilst continuing to perform testing for insurance-covered patients referred by their urologists or primary care physicians. All UK and RoW PSE tests are either pre-paid by patients or invoiced to organizations with whom we have direct agreements in place. To date, approximately 19% of all PSE orders have been on a cash-pay basis. This is a higher proportion than was the case three months ago and it is anticipated that this trend will continue. Receiving reimbursement from US insurers for PSE is in hand: our unique CPT code has been live since January, and submission of bolus reimbursement claims will follow in due course.

As noted above, the Group's cost base increased during the period. **Research and development** expenses (H1 2024: £0.33m, H1 2023: £0.28m, H2 2023: £0.47m) mainly reflect lab consumables and equipment maintenance costs. These slightly increased on the equivalent period last year, driven by a combination of additional costs associated with the Company's new US clinical laboratory and more R&D activity in the UK laboratory. The second half of the previous year also included write-offs of expired inventory for approximately £0.09m.

Staff costs at £2.98m were up by 16% on the equivalent period last year, and 5% on the preceding half year (H1 2023: £2.57m, H2 2023: £2.84m), reflecting increased staff numbers across the business as well as the full period impact of pay rises awarded part way through H1 2023, in January 2023. Compared to growth in the team over recent years, the period saw proportionally fewer new staff recruited to senior roles. US-based staff represented just over one-third of the Group's team during the period, increased from 26% in H1 2023, reflecting recruitment to sales, business development and customer service roles during the period, and staff based at the Group's US clinical lab who joined in the second half of the last financial year.

General and other administrative costs increased to £2.20m (H1 2023: £1.47m, H2 2023: £1.94m). The increase compared to H1 2023 includes: £0.40m more in marketing costs, incurred mainly to support PSE; £0.16m increase in professional and consultancy fees, including for work to support the inclusion of the Company's tests in NCCN Guidelines and higher medical director, medical writing, legal, audit, tax, patent-related and joint broker fees; £0.11m increase in property-related costs driven by higher utilities, rates, service charge and dilapidations provisioning; £0.05m increase in travel-related costs reflecting a larger sales team and more conference attendance compared to the previous year.

Share option charges of £0.30m (H1 2023: £0.18m) are non-cash expenses that spread the fair value of options issued to employees over vesting periods of typically between one and three years from the date of the grant. These were increased relative to the equivalent period in the previous year

because more unvested options were outstanding during the period and options issued in October 2023, when the Company's share price was 34p, had a higher calculated fair value per option than any other options granted since 2021.

Depreciation and amortization charges were increased at £0.73m (H1 2023: £0.61m), driven mainly by higher right-of-use asset depreciation in respect of the Group's US clinical laboratory (leased in April 2023). Depreciation of tangible fixed assets and amortization of intangible assets (mainly patents) were also slightly higher, reflecting additions, patent grants and the Group's estimates of the useful economic life of patents in line with its accounting policy, as set out in more detail in the Group's financial statements.

Other operating income of £0.4m (H1 2023: £0.2m) arose mainly from the Group's two PACT Awards: a two-year $910,000 award funding extended application of the technology used in the development of EpiSwitch CiRT to the analysis of primary and acquired resistance to ICI (which was successfully completed during the period) and a second, one-year, award of $963,000 supporting the development of prognostic biomarkers for hyper-progressive disease (which was completed shortly after the end of the period). OBD is also one of 26 participants in the EU-funded HIPPOCRATES (Health initiatives in psoriasis and psoriatic arthritis consortium European states) consortium that was awarded a total of €21 million over 5 years in 2021.

The **fair value gain** on financial liabilities designated as FVTPL (£1.20m, H1 2023: loss of £0.07m) relates to the warrants issued by the Company in 2021, which are classified as liabilities. The gain for the period equates to the reduction in the fair value of the warrant liability, itself driven mainly by the reduction in the Company's share price from 37p to 9.4p between 30 September 2023 and 31 March 2024.

Financial position

Cash and fixed term deposits at 31 March 2024, which exclude the proceeds from the £9.9m (before fees) fundraising completed in April 2024, were £1.19m (31 March 2023: £3.62m, 30 September 2023: £5.25m), reflecting the overall reduction in cash for the period of £4.06m.

Non-current assets of £8.49m (31 March 2023: £8.19m, 30 September 2023: £8.96m) were increased compared to 31 March 2023 because of the recognition of a right of use asset on the lease of the Group's US clinical laboratory in the second half of the prior year as well as ongoing expenditure on intangible assets (£0.23m, H1 2023: £0.17m) and property plant and equipment (£0.07m, H1 2023: £0.11m).

Current assets excluding cash and fixed term deposits were £1.39m (31 March 2023: £2.47m, 30 September 2023: £1.92m), the difference primarily driven by a lower outstanding balance at 31 March 2024 in respect of UK R&D Tax Credits (the credit in respect of the prior year was received before the period end, whereas the credit for the year ended 30 September 2022 was received in April 2023) and the timing of invoicing and receipts for project and grant- or award-funded work.

Current liabilities were increased compared to one year ago at £3.80m (31 March 2023: £2.10m, 30 September 2023: £4.00m). The increase was driven by increased activity (mainly in the US), the timing of a small number of larger payments, creditors in respect of fees incurred in relation to the recent fundraise and the rescheduling of the Group's performance evaluation process, which led to later payment of bonuses than in recent years.

Non-current liabilities were £5.64m (31 March 2023: £5.47m, 30 September 2023: £6.07m), comprising lease liabilities and dilapidations provisions in respect of the Group's facilities.

Cash flow

Net cash used in operating activities in the period was reduced relative to the equivalent period in the prior year, at £3.48m (H1 2023: £5.22m). The impact of the higher operating loss for the period was more than offset by the earlier receipt of UK R&D Tax Credits and the effect of adjustments for non-cash items and working capital movements arising from the timing of certain transactions, as noted for current liabilities above.

Net cash outflows from investing activities were £0.26m arising from capital expenditure, offset by receipts of interest income. This represents a slight increase in the net outflow from equivalent items in the prior period, once investing inflows from maturing term deposits are excluded (H1 2023: £0.22m).

Financing cash outflow for the period of £0.32m reflects rent payments (H1 2023: net inflow of £8.10m, including £8.54m arising from issue of equity). Post-period end, in April 2024, the Company successfully raised a total of £9.86m (before fees) from the issue of equity shares.

Summary

The financial performance of the Group for the six months ended 31 March 2024 and its position at that date reflected continued investment in activities to grow adoption and sales of OBD's two on-market tests, alongside further development of its pipeline assets and completion of internal, commercial and grant- and award-funded R&D work.

The raising of £9.9m (before fees) in equity funding post-period end, from new and existing investors, was welcome. As previously noted, the Board aims both to develop test sales sufficient to materially impact the business's ongoing cash burn and to seek to monetize one or more of its assets to provide additional working capital, ideally without recourse to further dilutive equity issues. The Board is encouraged by the recent progress and current prospects of the business as set out in the Chief Executive Officer's report and also acknowledges that success in achieving the aims noted above, and the likely timing of doing so, is uncertain. Management is closely monitoring the Group's expected cashflows and, with the Board, is engaged in a review of costs, to optimally balance preservation of the Group's cash resources and the ongoing development of its business.

At the date of this report, a number of factors make it difficult to predict anticipated product and other commercial revenue and associated cash receipts, or income from any partnership or outlicensing agreement that may provide additional funds. Accordingly, as explained in more detail in Note 2 to the interim financial statements, the Board has concluded (as it did in the annual reports for the years ended 30 September 2022 and 30 September 2023) that there continues to be a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

We plan to update shareholders on progress towards the Group's aims over the remainder of the year, including provision of order volumes for PSE and CiRT for the financial year, shortly after 30 September 2024.

Paul Stockdale

Chief Financial Officer

† 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.

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Consolidated income statement

	Note	Six-month period ended 31 March 2024 (unaudited) £000	2023 (unaudited) £000	Year ended 30 September 2023 (audited) £000
Continuing operations				
Revenue	3	327	220	510
Cost of sales		(193)	(76)	(244)
Gross profit		134	144	266
Research & development costs (excluding staff costs)	4	(325)	(284)	(758)
Staff costs	4,5	(2,978)	(2,565)	(5,403)
General & other admin costs	4	(2,200)	(1,467)	(3,411)
Share option charges	12	(300)	(176)	(332)
Depreciation and amortization	7-9	(726)	(610)	(1,357)
Other operating income		402	200	827
Operating loss		(5,993)	(4,758)	(10,168)
Fair value (loss)/gain on financial liabilities designated as FVTPL		1,202	(73)	(1,246)
Gain reclassified to profit or loss on disposal of foreign operation		-	114	113
Finance income		33	55	103
Finance costs		(117)	(90)	(213)
Loss before tax		(4,875)	(4,752)	(11,411)
Income tax		150	309	585
Loss for the period from continuing operations		(4,725)	(4,443)	(10,826)
Loss attributable to:				
Owners of the Company		(4,725)	(4,443)	(10,826)
Non-controlling interest		-	-	-
		(4,725)	(4,443)	(10,826)
Earnings per share				
From continuing operations				
Basic and diluted (pence per share)	6	(2.3)	(3.2)	(7.3)

Consolidated statement of comprehensive income

	Note	Six-month period ended 31 March 2024 (unaudited) £000	Six-month period ended 31 March 2023 (unaudited) £000	Year ended 30 September 2023 (audited) £000
Loss for the period		(4,725)	(4,443)	(10,826)
Exchange differences on translation of foreign operations that may be reclassified to the income statement		(8)	(151)	(182)
Total comprehensive income for the period		(4,733)	(4,594)	(11,008)
Total comprehensive income attributable to:				
Owners of the Company		(4,733)	(4,594)	(11,008)
Non-controlling interest		-	-	-
		(4,733)	(4,594)	(11,008)

Consolidated statement of financial position

	Note	31 March 2024 (unaudited) £000	31 March 2023 (unaudited) £000	30 September 2023 (audited) £000
Assets				
Non-current assets				
Intangible fixed assets	7	2,060	1,703	1,913
Property, plant and equipment	8	2,022	2,397	2,238
Right-of-use assets	9	4,363	4,086	4,759
Deferred tax asset		49	-	50
Total non-current assets		8,494	8,186	8,960
Current assets				
Inventories		229	373	274
Trade and other receivables		1,156	2,100	1,643
Fixed term deposits		-	2,425	-
Cash and cash equivalents		1,187	1,198	5,250
Total current assets		2,572	6,096	7,167
Total assets		11,066	14,282	16,127
Equity and liabilities				
Capital and reserves				
Share capital	11	2,023	1,467	2,023
Share premium		32,144	27,095	32,144
Translation reserve		(71)	(32)	(63)
Share option reserve		2,995	2,834	2,776
Retained earnings		(35,469)	(24,656)	(30,825)
Equity attributable to owners of the Company		1,622	6,708	6,055
Non-controlling interest		-	-	-
Total equity		1,622	6,708	6,055
Current liabilities				
Trade and other payables		2,665	1,143	1,707
Warrant liability	13	158	187	1,360
Lease liabilities	10	840	737	818
Current tax liabilities		143	35	116
Total current liabilities		3,806	2,102	4,001
Non-current liabilities				
Lease liabilities	10	5,165	5,019	5,621
Provisions		463	432	440
Deferred tax		10	21	10
Total non-current liabilities		5,638	5,472	6,071
Total liabilities		9,444	7,574	10,072
Total equity and liabilities		11,066	14,282	16,127

Consolidated statement of changes in equity

	Share capital	Share premium	Translation reserve	Share option reserve	Retained earnings	Attributable to share-holders	Non-controlling interest	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 October 2022	1,004	19,020	119	3,154	(20,709)	2,588	-	2,588
Loss for the period	-	-	-	-	(4,443)	(4,443)	-	(4,443)
Other comprehensive income for the period	-	-	(151)	-	-	(151)	-	(151)
Total comprehensive income for the period	-	-	(151)	-	(4,443)	(4,594)	-	(4,594)
Subscription for new shares	463	8,809	-	-	-	9,272	-	9,272
Transaction costs for new shares	-	(734)	-	-	-	(734)	-	(734)
Share option credit	-	-	-	176	-	176	-	176
Lapse of vested share options	-	-	-	(496)	496	-	-	
At 31 March 2023	**1,467**	**27,095**	**(32)**	**2,834**	**(24,656)**	**6,708**	**-**	**6,708**
At 1 April 2023	1,467	27,095	(32)	2,834	(24,656)	6,708	-	6,708
Loss for the period	-	-	-	-	(6,383)	(6,383)	-	(6,383)
Other comprehensive income for the period	-	-	(31)	-	-	(31)	-	(31)
Total comprehensive income for the period	-	-	(31)	-	(6,383)	(6,414)	-	(6,414)
Subscription for new shares	556	5,559	-	-	-	6,115	-	6,115
Transaction costs for new shares	-	(510)	-	-	-	(510)	-	(510)
Share option credit	-	-	-	156	-	156	-	156
Lapse of vested share options	-	-	-	(214)	214	-	-	-
At 30 September 2023	**2,023**	**32,144**	**(63)**	**2,776**	**(30,825)**	**6,055**	**-**	**6,055**
At 1 October 2023	2,023	32,144	(63)	2,776	(30,825)	6,055	-	6,055
Loss for the period	-	-	-	-	(4,725)	(4,725)	-	(4,725)
Other comprehensive income for the period	-	-	(8)	-	-	(8)	-	(8)
Total comprehensive income for the period	-	-	(8)	-	(4,725)	(4,733)	-	(4,733)
Share option credit	-	-	-	300	-	300	-	300
Lapse of vested share options	-	-	-	(81)	81	-	-	-
At 31 March 2024	**2,023**	**32,144**	**(71)**	**2,995**	**(35,469)**	**1,622**	**-**	**1,622**

Consolidated statement of cash flows

	Note	Six-month period ended 31 March 2024 (unaudited) £000	Six-month period ended 31 March 2023 (unaudited) £000	Year ended 30 September 2023 (audited) £000
Loss before tax for the financial period		(4,875)	(4,752)	(11,411)
Adjustments to reconcile loss for the period to net cash flows:				
Net interest		84	34	141
Loss on disposal of property, plant and equipment		-	3	4
Depreciation of property, plant and equipment	8	273	261	548
Depreciation of right-of-use assets	9	378	290	663
Amortization of intangible fixed assets	7	77	59	146
Net foreign exchange movements		7	25	(122)
Movement in provisions		23	8	16
Share based payments charge	12	300	176	332
Fair value (gain) / loss on financial liabilities designated as FVTPL	13	(1,202)	73	1,246
Gain reclassified to profit or loss on disposal of foreign operation		-	(114)	-
Working capital adjustments:				
Increase in trade and other receivables		(19)	(296)	(448)
Decrease / (increase) in inventories		45	(36)	63
Increase / (decrease) in trade and other payables		756	(878)	(286)
Operating cash flows before interest and tax paid		(4,153)	(5,147)	(9,108)
R&D tax credits received		684	-	896
Tax paid		(1)	(75)	(82)
Net cash used in operating activities		(3,470)	(5,222)	(8,294)
Investing activities				
Interest received		33	37	71
Purchases of property, plant and equipment		(66)	(92)	(250)
Purchases of intangible fixed assets		(226)	(169)	(466)
(Increase) / decrease in term deposits		-	(2,400)	25
Net cash (used in) / generated by investing activities		(259)	(2,624)	(620)
Financing activities				
Interest paid		(117)	(90)	(213)
Repayment of lease liabilities		(209)	(361)	(723)
Issue of equity shares and warrants		-	9,272	15,387
Transaction costs relating to equity issues		-	(734)	(1,244)
Net cash generated by financing activities		(326)	8,087	13,207
Net increase / (decrease) in cash and cash equivalents		(4,055)	241	4,293
Foreign exchange movement on cash and cash equivalents		(8)	(17)	(17)
Cash and cash equivalents at beginning of year		5,250	974	974
Cash and cash equivalents at end of period		1,187	1,198	5,250

Notes

1. General information

The interim financial information was authorized for issue by the Board of Directors on 17 June 2024. The information for the period ended 31 March 2024 has not been audited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and should therefore be read in conjunction with the audited financial statements of the Company and its subsidiaries as at and for the year ended 30 September 2023, which were prepared in accordance with UK-adopted international accounting standards and have been delivered to the Registrar of Companies. The Report of the Auditor on the financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. This interim information does not comply with IAS 34 Interim Financial Reporting, as is permissible under the rules of AIM.

2. Basis of accounting

Basis of preparation

These interim consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial liabilities at fair value through profit or loss, and in accordance with the recognition and measurement principles of UK-adopted international accounting standards.

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, in preparation for the fundraise completed by the Group after the period end, the Group prepared a detailed forecast for the period ending 30 September 2025 ("the forecast"). The forecast included:

- 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), including staff recruited during the period and increased marketing activity to support the commercial tests already launched; and
- capital expenditure, primarily to maintain and extend the Group's patent estate.

In preparing the forecast, the Directors note that it includes estimates of product and contract revenue reflecting significant increases in the number of CiRT and PSE tests to be ordered through the remainder of FY24 and into FY25 compared to the period, and expectations of a number of new contracts with pharma customers. Predicted cash balances in the forecast, 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 2025.

The Directors also draw attention to several significant uncertainties inherent in the preparation of the forecast, 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 two on-market tests; 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 forecast are very sensitive to changes in the assumptions related to these uncertainties: this was noted in an alternative 'low growth scenario' considered by the Directors that reflects reduced test volumes compared to the forecast and assumes no new projects for pharma customers. Without any remedial action to reduce costs or delay expenditure, in this scenario the Group and Company would need to obtain additional funds during the first quarter of 2025 in order to continue as a going concern.

Revenue during the period ended 31 March 2024 was increased slightly compared to each of the preceding two half-year periods, but the Group remained lossmaking with income significantly exceeded by operating costs, which have increased relative to prior periods. The Group was able to maintain its cash reserves during and after the period, including through the raising of £9.86m (before costs) through a placing, subscription and PrimaryBid offer announced in March 2024 and approved by shareholders after the period end in April 2024. During the year ended 30 September 2023, the Group raised a total of £15.4m (before costs) from new and existing shareholders, in two fundraises. However, as at the date of publication of this report, there is no guarantee that the Group will be able to access further cash resources from investors. This issue may be compounded if the Company's share price were to fall further 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.

Accounting policies

The interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report and Accounts for the year ended 30 September 2023, which is available on the Company's website.

Accounting judgements and estimates

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

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:

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Continuing operations:			
Sales of proprietary products			
USA	121	79	160
Rest of World	20	2	34
	141	81	194
Biomarker research and development			
USA	103	129	228
Rest of World	83	10	88
	186	139	316
Consolidated revenue	327	220	510

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Continuing operations			
Revenue recognized at a point in time	141	81	194
Revenue recognized over time	186	139	316
	327	220	510

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:

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Revenue from individual customers each representing more than 10% of revenue for the period:	155	194	280
	Number	Number	Number
Number of individual customers each representing more than 10% of revenue for the period	2	2	2

4. Business segments

Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive (who has been determined to be the Group's Chief Operating Decision Maker) for the purposes of resource allocation and assessment of segment performance is focused on 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 and 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:

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Staff costs			
UK	1,385	1,269	2,614
USA	1,551	1,243	2,692
Rest of World	42	53	97
Total staff costs	2,978	2,565	5,403
Research & development costs			
UK	239	284	680
USA	86	-	77
Rest of World	-	-	1
Total research & development costs	325	284	758
General & other admin costs			
UK	1,353	1,111	2,399
USA	840	335	969
Rest of World	7	21	43
Total general & other admin costs	2,200	1,467	3,411

	31 March 2024	31 March 2023	30 September 2023
Non-current assets	£000	£000	£000
UK	7,162	7,708	7,446
USA	1,298	430	1,478
Malaysia	34	48	36
Total non-current assets	8,494	8,186	8,960

5. Staff costs

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Wages and salaries	2,648	2,213	4,829
Social security costs	193	210	331
Other pension costs	137	142	243
	2,978	2,565	5,403

The average number of persons, including executive directors, employed by the Group during the period was as follows:

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	Number	Number	Number
Management and administration	15	10	11
Clinical operations and customer support	11	9	10
Laboratory-based	27	24	24
	53	43	45

6. Earnings per share

From continuing operations

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

	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(4,725)	(4,443)	(10,826)
Earnings for the purposes of diluted earnings per share	(4,725)	(4,443)	(10,826)
	No.	No.	No.
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	202,303,415	139,099,667	147,481,566
Weighted average number of potential ordinary shares*	20,253,254	17,761,631	17,771,839
	Pence	Pence	Pence
Loss per share			
Basic and diluted loss per share	(2.3)	(3.2)	(7.3)

* Ordinary shares that may be issued on the exercise of options or warrants are not treated as dilutive as the Group is loss-making and the potential ordinary shares do not increase the loss per share from continuing operations.

7. Intangible fixed assets

Group	Website development costs £000	Software development costs £000	Patents £000	Total £000
Cost				
At 1 October 2023	62	173	2,101	2,336
Additions	-	27	199	226
Exchange differences		(5)		(5)
At 31 March 2024	**62**	**195**	**2,300**	**2,557**
Amortization				
At 1 October 2023	62	99	262	423
Charge for the period	-	23	54	77
Exchange differences	-	(3)	-	(3)
At 31 March 2024	**62**	**119**	**316**	**497**
Carrying amount				
At 31 March 2024	**-**	**76**	**1,984**	**2,060**
At 31 March 2023	-	55	1,648	1,703
At 30 September 2023	-	74	1,839	1,913

8. Property, plant and equipment

Group	Leasehold improvements £000	Office equipment £000	Fixtures & fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2023	2,084	191	185	2,300	4,760
Additions	12	8	-	47	67
Disposals	-	(3)	-	-	(3)
Exchange differences	-	(2)	(1)	(20)	(23)
At 31 March 2024	**2,096**	**194**	**184**	**2,327**	**4,801**
Accumulated depreciation					
At 1 October 2023	437	127	77	1,881	2,522
Charge for the period	105	20	17	131	273
Eliminated on disposals	-	(3)	-	-	(3)
Exchange differences	-	(1)	-	(12)	(13)
At 31 March 2024	**542**	**143**	**94**	**2,000**	**2,779**
Carrying amount					
At 31 March 2024	**1,554**	**51**	**90**	**327**	**2,022**
At 31 March 2023	1,747	56	112	482	2,397
At 30 September 2023	1,647	64	108	419	2,238

9. Right-of-Use Assets

Group	Buildings	Other	Total
	£000	£000	£000
Cost			
At 1 October 2023	6,241	18	6,259
Additions	16	-	16
Derecognition	(11)	-	(11)
Exchange differences	(43)	-	(43)
At 31 March 2024	**6,203**	**18**	**6,221**
Accumulated depreciation			
At 1 October 2023	1,483	17	1,500
Charge for the period	378	-	378
Derecognition	(11)	-	(11)
Exchange differences	(9)	-	(9)
At 31 March 2024	**1,841**	**17**	**1,858**
Carrying amount			
At 31 March 2024	**4,362**	**1**	**4,363**
At 31 March 2023	4,082	4	4,086
At 30 September 2023	4,578	1	4,579

10. Leasing

Group	31 March 2024	31 March 2023	30 September 2023
Maturity analysis:	£000	£000	£000
Year 1	1,049	900	1,045
Year 2	1,040	861	1,052
Year 3	1,046	813	1,051
Year 4	1,053	812	1,058
Year 5+	2,560	3,064	3,101
	6,748	6,450	7,307
Less: future interest charges	(743)	(694)	(868)
	6,005	**5,756**	**6,439**
Analyzed as:			
Lease liabilities (current)	840	737	818
Lease liabilities (non-current)	5,165	5,019	5,621
	6,005	**5,756**	**6,439**

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

11. Share capital of the Company

	31 March 2024		31 March 2023		30 September 2023	
	Number	£	Number	£	Number	£
Authorized shares						
Ordinary shares of £0.01 each	202,303,415	2,023,034	146,712,380	1,467,124	202,303,415	2,023,034

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

The Company has a number of shares reserved for issue pursuant to warrants and under an equity-settled share option scheme; further details are disclosed in Notes 12 and 13.

12. 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 may not have EMI status. EMI and non-EMI share options were also previously granted under a share option scheme established in October 2008 ("the 2008 Scheme"). The Company does not intend to grant any further options under the 2008 Scheme. All of the schemes are equity-settled share-based payment arrangements, whereby the individuals are granted share options of the Company's equity instruments, namely ordinary shares of 1 pence each.

The schemes include non-market-based vesting conditions only, whereby the share options may be exercised from the date of vesting until the 10th anniversary of the grant date. In most cases options vest under the following pattern: one-third of options granted vest on the first anniversary of the grant date; one-third on the second anniversary and one-third on the third anniversary. The 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 31 March 2024 had exercise prices in the range of £0.16 to £2.10.

Options outstanding	**Six-month period ended 31 March**		**Year ended 30 September**
	2024	**2023**	**2023**
	Unaudited	**Unaudited**	**Audited**
	Number	**Number**	**Number**
Outstanding at start of period	9,983,143	9,447,658	9,447,658
Granted during the period	3,383,000	1,857,500	2,721,061
Forfeited during the period	(238,333)	(1,767,409)	(2,185,576)
Exercised during the period	-	-	-
Outstanding at end of period	13,127,810	9,537,749	9,983,143
Weighted average remaining contractual life (in years) of options outstanding at the period end	6.51	6.01	6.60

Options exercisable	Number of Options	Weighted average exercise price £	Latest exercise price £
At 31 March 2024	5,879,409	0.75	0.16
At 31 March 2023	5,056,976	0.77	0.19
At 30 September 2023	5,983,853	0.76	0.16

Share option expense	Six-month period ended 31 March		Year ended 30 September
	2024	2023	2023
	£000	£000	£000
Expense arising from share-based payment transactions	300	176	332

13. Warrants

As at 31 March 2024 there were 7,791,803 shares reserved for issue under warrants (30 September 2023 and 31 March 2023: 7,791,803).

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. 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. The assumptions used in arriving at the fair value for the Warrants during the period were as follows:

	31 March 2024	Restated 31 March 2023	30 September 2023
Share price at value date (p)	9.4	14.25	37
Exercise price (p)	58.125	58.125	58.125
Expected volatility	98.06%	66.01%	84.39%
Dividend yield	0%	0%	0%
Expected life of option	2.61 years	3.61 years	3.11 years
Risk free interest rate	3.87%	3.46%	4.55%
Fair value per Warrant (p)	2p	2p	17p

	31 March 2024	31 March 2023	30 September 2023
	£000	£000	£000
Warrant liability	158	187	1,360

14. Financial instruments

Financial risk management objectives and policies
The Group is exposed to various risks in relation to financial instruments, the main types of risk being market risk, credit risk and liquidity risk, which are described in more detail below.

The Group's financial assets and liabilities are summarized by category in the table below.

The Group's financial risk management is co-ordinated at its head office by its finance function, in close co-operation with the Board. It co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal reports which analyse exposures.

The Group does not trade in financial assets for speculative purposes, nor has it entered into derivatives.

Categories of financial instruments
The carrying amounts of financial assets and financial liabilities in each category are as follows:

Group	Note	31 March 2024 £000	31 March 2023 £000	30 September 2023 £000
Financial assets				
Amortized cost				
Cash and cash equivalents		1,187	1,198	5,250
Term deposits		-	2,425	-
Trade and other receivables		469	1,752	1,053
Total financial assets		1,656	5,375	6,303
Financial liabilities				
Amortized cost				
Trade and other payables		2,690	820	1,614
Lease liabilities	10	6,005	5,756	6,439
		8,695	6,576	8,053
FVTPL				
Warrant liability	13	158	187	1,360
Total financial liabilities		8,853	6,763	9,413

Fair value measurement of financial instruments
Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial liabilities measured at fair value on a recurring basis (there were no financial assets measured at fair value on a recurring basis in any of the periods):

Group

At 31 March 2024	Note	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial liabilities					
Warrant liability	13	-	158	-	158
		-	158	-	158
At 31 March 2023					
Financial liabilities					
Warrant liability		-	187	-	187
		-	187	-	187
At 30 September 2023					
Financial liabilities					
Warrant liability		-	1,360	-	1,360
		-	1,360	-	1,360

Management has assessed that the fair values of cash and term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the Directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortized cost in the financial statements approximate to their fair values. Accordingly, none of the bases for valuation under the fair value hierarchy set out in IFRS 13 'Fair Value Measurement' have been deployed in arriving at the values for these items.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see below). To mitigate its exposure to foreign currency risk, the Group monitors amounts to be paid and received in specific currencies, and where these are expected largely to offset one another, no further currency hedging activity or forward exchange contracts are entered into.

Foreign currency sensitivity

The Group undertakes transactions denominated in foreign currencies, therefore exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters, utilising natural hedging as outlined above where possible. The carrying amounts of the Group's and Company's foreign currency-denominated monetary assets and liabilities at the relevant period end dates are as follows:

Group		Assets	
	31 March 2024 £000	31 March 2023 £000	30 September 2023 £000
US dollar	538	249	312
Singapore dollar	23	11	18
Malaysian ringgit	14	7	6
Outstanding at end of period	575	267	336

	Liabilities		
	31 March 2024 £000	31 March 2023 £000	30 September 2023 £000
US dollar	(1,155)	(274)	(802)
Singapore dollar	(6)	(4)	(4)
Euro	(13)	-	(19)
Malaysian ringgit	-	(2)	-
Outstanding at end of period	(1,174)	(280)	(825)

The Group is mainly exposed to variations in the exchange rate between sterling and the US dollar and, to a lesser extent, the Singapore dollar.

The following table details the Group's sensitivity to a 10% weakening in the pound sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of a reasonably possible movement in foreign exchange rates over the medium term (3-12 months). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. For a 10% strengthening of the pound sterling against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	US dollar impact			Singapore dollar impact		
	Six-month period ended		Year ended	Six-month period ended		Year ended
	31 March 2024 £000	31 March 2023 £000	30 September 2023 £000	31 March 2024 £000	31 March 2023 £000	30 September 2023 £000
Profit	62	2	49	2	1	2

In Management's opinion, the sensitivity analysis is representative of the inherent foreign exchange risk through the year.

Interest rate sensitivity
The Group is not significantly exposed to interest rate risk because it does not have any external borrowings. It does hold funds on deposit in accounts paying variable interest rates. The Group's finance income is therefore affected by variations in deposit interest rates.

Credit risk
Credit risk is the risk that a counterparty fails to discharge its contractual obligations, resulting in financial loss to the Group. The Group is primarily exposed to credit risk in respect of its cash, cash equivalents and term deposits and trade and other receivables.

Credit risk management
The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group makes appropriate enquiries of the counter party and independent third parties to determine credit worthiness. Use of other publicly available financial information and the Group's own trading records is made to rate its banking counterparties and major customers. The Group's exposure and the credit worthiness of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties. Credit exposure is also controlled by counterparty limits that are reviewed and approved by Group management continuously.

The vast majority of the Group's cash and cash equivalents are invested either with systemic UK and global banks or UK banks with a Tier 1 capital ratio significantly in excess of the current regulatory recommendation. Cash in excess of the Group's immediate requirements is predominantly invested in short-term deposits, breakable term deposits or notice accounts which allow for instant access to funds if necessary. The Group holds some deposits in accounts requiring notice of 95 days to access funds.

Trade receivables consist of a small number of customers, spread across various geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Expected credit loss rates are based on the Group's historical credit losses during the 48 months prior to 1 April 2024. There were no credit losses during that period, but where appropriate, the historical rates are adjusted to reflect specific current and forward-looking factors that may affect a customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days of an invoice's due date and failure to engage with the Group on alternative payment arrangements would be considered indicative of no reasonable expectation of recovery.

Because the commercial research and grant-funded contracts in which the Group is involved tend to be invoiced by means of milestone payments covering a substantial portion of each project, this may distort the credit exposure profile at certain points during a given financial period. For the six-month period ended 31 March 2024 the proportion of revenue attributable to one customer was 31% (year ended 30 September 2023: 45%), but the Directors are of the view that this does not signify that there is more than a low to moderate risk in this respect, and this is borne out by the Group's history of having incurred no credit losses throughout the period covered by this report.

The carrying amount recorded for financial assets in the consolidated financial statements is stated net of any impairment losses and represents the Group's maximum exposure to credit risk. No guarantees have been given in respect of third parties.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. To counter this risk, the Group seeks to operate from cash reserves and with no bank debt. The Group monitors forecast cash inflows and outflows and adjusts its term deposits accordingly to ensure that sufficient funds are available to meet cash requirements. For its contracts with pharma and biotech customers, the Group benefits from a substantial proportion of revenue being paid in advance.

The following table details the Group's expected maturity for its non-derivative financial assets. It has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Group	Weighted average effective interest rate %	Less than 1 month £000	1-3 months £000	3 months to 1 year £000	1-5 years £000	5+ years £000	Total £000
31 March 2024							
Non-interest bearing		1,646	-	-	-	-	1,646
Variable interest rate instruments	5.2%	10	-	-	-	-	10
		1,656	-	-	-	-	1,656
31 March 2023							
Non-interest bearing		2,945	-	-	-	-	2,945
Variable interest rate instruments	2.8%	5	2,408	25	-	-	2,438
		2,950	2,408	25	-	-	5,383
30 September 2023							
Non-interest bearing		6,299	-	-	-	-	6,299
Variable interest rate instruments	3.3%	4	-	-	-	-	4
		6,303	-	-	-	-	6,303

Variable rate instruments above are balances on interest-bearing notice accounts. The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if variable interest rates differ to those estimates of interest rates determined at the relevant year-ends presented above.

The following table details the expected maturity of the Group's non-derivative financial liabilities. Figures disclosed in the table are contractual undiscounted cashflows including, for lease liabilities, future interest charges.

Group	Weighted average effective interest rate %	Less than 1 month £000	1-3 months £000	3 months to 1 year £000	1-5 years £000	5+ years £000	Total £000
31 March 2024							
Non-interest bearing		2,690	-	-	-	-	2,690
Fixed interest rate instruments	8.8%	21	242	786	4,199	1,501	6,749
		2,711	242	786	4,199	1,501	9,439
31 March 2023							
Non-interest bearing		820	-	-	-	-	820
Fixed interest rate instruments	7.5%	9	221	689	3,311	2,251	6,481
		829	221	689	3,311	2,251	7,301
30 September 2023							
Non-interest bearing		1,614	-	-	-	-	1,614
Fixed interest rate instruments	7.5%	20	242	782	4,225	2,038	7,307
		1,634	242	782	4,225	2,038	8,921

15. Events after the balance sheet date

On 14 March 2024, the company announced that it had successfully raised gross proceeds of £9.86m by way of a placing, subscription and retail offer of a total of 109,552,235 newly-issued ordinary shares of 1 pence each from institutional, retail and other investors, at a price of 9 pence per share. The new Shares represent approximately 35.1% of the Company's issued ordinary share capital as enlarged by the Fundraising.