Annual Report and Accounts 2024

Oxford BioDynamics

Oxford BioDynamics Plc
Annual Report and accounts for the year ended 30 September 2024

We are a global biotechnology company advancing personalised healthcare by developing and commercialising precision medicine tests for life-changing diseases.

We have two commercial tests available in the US and UK:

The *Prostate Screening EpiSwitch (PSE)* test, launched in September 2023, is a rapid, accurate, non-invasive blood test for prostate cancer.

***EpiSwitch® CiRT* (Checkpoint inhibitor Response Test) is a first-of-its-kind blood test that predicts an individual patient's therapeutic response to checkpoint inhibitor immunotherapy.**

Our proprietary tests are developed using OBD's award-winning 3D genomics platform, *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®* enables screening, evaluation, validation and monitoring of 3D genomic biomarkers. The technology is fully developed, based on testing of over 15,000 samples in more than 30 disease areas, and reduced to practice.

Highlights

Corporate and operational highlights

- CPT-PLA Code issued for EpiSwitch PSE Test, allowing reimbursement by US insurers
- Opening of UK Clinical Laboratory
- Development of EpiSwitch SCB diagnostic test for canine cancers
- Development of EpiSwitch NST diagnostic test for colorectal cancer and polyps

Financial highlights

- Revenue of £0.6m (FY23: £0.5m)
- Other operating income of £0.5m (FY23: £0.8m)
- Operating loss of £12.9m (FY23: £10.2m)
- Fundraising generating £9.9m (before costs) (April 2024)
- Cash and cash equivalents and fixed-term deposits of £2.8m as at 30 September 2024 (FY23: £5.3m)

Post-year end highlights

- Fundraising generating £7.35m (before costs) to fund the ongoing business (January 2025)
- Appointment of Iain Ross as Executive Chairman (January 2025)
- Real-world data on EpiSwitch CiRT in liver and GI cancers presented at ASCO-GI (January 2025)
- Peer-reviewed publication of research supporting OBD's EpiSwitch NST for colorectal cancer (February 2025)
- Distribution agreement with largest private healthcare provider in Romania, Regina Maria (February 2025)
- Visit to OBD's Oxford HQ by former UK Prime Minister, Rt Hon Rishi Sunak in his role as an Ambassador for Prostate Cancer Research (February 2025)

Cautionary statement

Sections of this annual report, including but not limited to the Strategic report, the Remuneration report and the Directors' report, may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial condition, business performance and results of the Company. These have been made by the Directors in good faith using information available up to the date on which they approved this report. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual future financial conditions, business performance, results or developments of the Company to differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts. Nothing in this document should be construed as a profit forecast.

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Our business at a glance

"Commercialising EpiSwitch® 3D gene regulation for precision medicine".

OBD's portfolio of clinical smart tests based on EpiSwitch® technology aims to help people face the most challenging health decisions with confidence and tackle the rising costs of healthcare.

Our strategic priorities

- Commercialising OBD's pipeline of molecular tests, ***with a renewed focus on partnerships, collaborations and out-licensing***
- Working with leading pharma, biotech and academic institutions in clinical development and biomarker discovery
- Making OBD's EpiSwitch® technology and the world's largest 3D genomics knowledgebase available to commercial and academic researchers

Our products

EpiSwitch® Prostate Screening (PSE) Test – the 94% accurate prostate cancer blood test, EpiSwitch PSE, predicts a patient's current likelihood of having prostate cancer. It is a reliable prostate cancer screening test, empowering physicians to determine whether a patient should proceed to biopsy or be placed under active surveillance.

Learn more at 94percent.com

EpiSwitch® CiRT (Checkpoint inhibitor response test) – this first-of-its-kind blood test predicts an individual patient's therapeutic response to checkpoint inhibitor immunotherapy, with high accuracy.

EpiSwitch® CiRT provides physicians with valuable patient-by-patient guidance, supporting them in deciding whether to begin or continue treatment with an essential widely used class of therapeutics: immune checkpoint inhibitors.

Learn more at mycirt.com

EpiSwitch® Explorer Array Kit – the world's first commercially available microarray kit for high-throughput, high-resolution 3D genome profiling.

The Explorer Array Kit opens up OBD's EpiSwitch® platform to researchers worldwide. The kit includes custom microarrays manufactured by Agilent Technologies (NYSE:A), OBD's proprietary biochemical reagents and access to OBD's EpiSwitch Analytical Portal with optional access to OBD's EpiSwitch® Data Portal.

Learn more at store.oxfordbiodynamics.com/products/episwitch-explorer-array-kit/

Our teams and infrastructure

Location	**Staff** *as at February 2025*	**Functions**
Oxford, UK	25	Core R&D and Product Development UK Clinical Operations UK offices
Frederick, MD, USA	16	US Clinical Operations US Commercial*
Penang, Malaysia	3	Reference Lab

* Members of our commercial team are based across the US

Our headquarters in Oxford, UK, houses state-of-the-art R&D laboratories, fully compliant with the requirements of ISO 13485:2016 (Medical Devices) and ISO 9001:2015 (Quality Management Systems) as well as the Group's UK clinical laboratory, compliant with the requirements of ISO 15189:2012 (Medical Laboratories).

We have a CLIA-registered clinical laboratory in Frederick, MD and a commercial team based across the US.

We have a reference laboratory in Penang, Malaysia, compliant with the requirements of EN ISO 13485:2016.

Strategic report

Our values

Innovative
Saving lives by reducing-to-practice and commercialising high-quality, impactful, *EpiSwitch®* biomarkers.

Pioneering
Willing to explore and adapt to new ideas and changes.

Achieving Excellence
Adhering to good working practice and quality procedure compliance. Delivering results of unique value.

Diverse
Respecting others and encouraging a diverse work environment.

Professional
Maintaining a high standard of work and professionalism.

Our history

2007 – OBD spun out from the University of Oxford, with the aim of translating fundamental scientific advances into a commercialised platform technology and a new generation of biomarkers for cancer and other diseases

2016 – IPO and listing on AIM

2018 – consortium including OBD receives €4M Horizon 2020 award

2019 – EpiSwitch platform selected for PROSTAGRAM trial led by Imperial College London evaluating novel methods of screening for prostate cancer

2019 – OBD receives Queen's Award for Enterprise

2020 – expansion of strategic focus to include proprietary product development

2021 – launch of first proprietary test, EpiSwitch® CST (COVID Severity Test)

2021 – move to new HQ and labs in Oxford, UK and opening of US office in Gaithersburg, MD

2022 – launch of flagship product, EpiSwitch® CiRT (Checkpoint inhibitor Response Test)

2023 – launch of EpiSwitch® PSE Prostate Screening Test

2023 – opening of CLIA-registered US clinical lab in Frederick, MD

2024 – opening of UK clinical lab in Oxford HQ

Since its formation, OBD has:

- launched proprietary tests based on its EpiSwitch® 3D genomics technology
- participated in more than 40 partnerships with pharma, biotech and leading institutions including Pfizer, EMD Serono, Genentech, Mitsubishi Tanabe Pharma America, Roche, Biogen, Mayo Clinic and Massachusetts General Hospital
- built the world's largest 3D genomics knowledgebase, with more than 1.5 billion data points from over 17,500 patient samples in more than 30 disease indications
- created a valuable technology and intellectual property portfolio including biomarker arrays and molecular diagnostic tests, protected by 22 families of patents

Strategic report

Executive Chairman's letter to shareholders

Background

On 16 December 2024, following an approach from the Oxford BioDynamics Board, I joined the Group, agreeing to do so on the basis that Vulpes Testudo Fund would provide a shareholder loan to the business for up to £1m whilst an immediate emergency fundraising was undertaken. I agreed to lead the fundraising because it was clear that to me this business has some potentially very valuable assets, which provide highly effective and unique solutions to health problems affecting millions of people worldwide and some first-rate personnel. However, I believe mistakes had been made over the recent past that have contributed to a failure to deliver shareholder value.

I am pleased to report that in early January 2025 the Company announced it had raised £7.35 million (before expenses) and, following shareholder approval at the General Meeting held on 31 January 2025, I was appointed to the Board as Executive Chairman.

To start with, I want to thank our existing shareholders, many of whom, understandably, voiced their frustration and disappointment during the roadshow regarding the Company's progress. Your continued support is appreciated. I also want to warmly welcome the new investors who have joined the register.

Focus and Realism

My remit is to turn this business around, recognising its valuable assets and its potential to become a significant player in the international diagnostics market. The challenge is to bring some **focus** and **realism** into the way we operate going forward and ensure we avoid the financial position in which the Group found itself at the end of 2024. I don't intend to comment on how this situation arose: a summary of the year ended 30 September 2024 is provided in the financial review which follows.

In terms of **focus** and **realism**, one immediate aspect to which I would draw your intention is that, whilst recognising our intellectual property (IP) remains critical and is a bedrock of this business, we have included in the financial statements the impairment of selected patent assets, reflecting the decision to focus short-term resources on the Group's most advanced assets. I want to recognise the scientific excellence within the Company which has provided us with a valuable portfolio of assets, each of which is cutting edge and could result in improving and saving patients' lives. However, I also recognise that, in order to achieve our objectives, we must be financially pragmatic going forward.

Where do we go from here?

As Executive Chairman, my ultimate objective is to structure and operate the business to optimise shareholder value. In conjunction with the management team, I am undertaking a review of the operational aspects of the business in order to make it more commercially focused and market orientated.

There will undoubtedly be some difficult decisions to make and along with a careful review of the current cost base, my goal is to ensure the business is 'fit for purpose' and well-positioned for success. To date there have been aspects of the business where the Group has had to take a "go it alone" approach, particularly in the USA, to drive adoption which is laudable, but in my opinion difficult to sustain for a business of our size. I recognise that whilst many good things have been achieved, the Group's commercial goals in terms of test sales have proven unrealistic and not been delivered.

Partnership & Collaboration

Going forward, the company intends to focus more on establishing partnerships and collaborations, across all geographies, as a way of securing commercial and financial success. As necessary, we are prepared to sacrifice upfront value, enter early partnerships and thereby increase the probability of success by working with third parties to accelerate the commercialisation of our assets. If we need to out-license a key asset or enter into an early-stage collaboration to share costs and fund this business, we will do, as we work towards our mission of creating and enhancing sustainable shareholder value. I am acutely aware of the risk and rewards associated with entering into partnerships, but I am also fully aware that our shareholders are looking for a return on their investment and to date, this has been sadly lacking.

At the time of writing, we are not ruling out anything and by way of example we are carefully weighing up the pros and cons of the competitive environment in which we operate, the current commercialisation strategy, and the urgent need for third-party validation. I recognise that OBD's 3D genomics KnowledgeBase and the contacts established with pharma and biotech partners over the years since the Company's inception offer significant potential value, but we need to accelerate the exploitation of this to our advantage.

To be clear, we are not starting with an empty page as there have been, and are, many good leads and ongoing third-party discussions. However, I intend to instil focus and a sense of urgency into the business to bring these opportunities to fruition. Whilst generating increasing revenue is an absolute priority, we will also seek to raise the external profile and awareness of Oxford BioDynamics and its assets amongst all facets of society including the scientific, academic, governmental and industrial communities and, where applicable, the general public.

In the last month we have seen the results of a multi-institutional clinical study published in the peer reviewed journal 'Cancers' confirming the efficacy of OBD's EpiSwitch® blood-based No-Stool Test (NST) for accurate detection of early-stage colorectal cancer and pre-cancerous polyps; the announcement of a commercial partnership with Regina Maria, Romania's largest private healthcare provider, serving 5 million patients and a highly publicised visit by Prostate Cancer Research's new ambassador the Right Honourable Rishi Sunak MP to our facilities in Oxford.

Strategic report

Board Evolution & Independence

There is little doubt that the last twelve months has been very challenging for the OBD Board and Management as well as the Group as a whole and as we move forward, we need to recognise the efforts of those concerned. The Board, chaired by Matthew Wakefield, has, for the last four years, been unstinting in its efforts to support Management and raise funding for the business.

Matthew, in particular, has dedicated himself to steering the Company through some turbulent times in the recent past, but he has indicated, having recruited me and played his part in the recent successful fundraising, that now is the right time for him to step down from the Board prior to the forthcoming AGM at which the directors will be re-elected. I want to thank Matthew personally and on behalf of the Company for all his efforts, for recruiting me and for agreeing to assist me with the ongoing transition.

As I said on the fundraising roadshow – as Executive Chairman I want provide shareholders with optionality going forward such that they can decide either to continue to build and invest in the business or exit it for its true value in due course. The reality is that Oxford BioDynamics is a small player, albeit with a big ambition, but it has yet to prove its worth. I look forward to working with the Board, the management team, the staff and all stakeholders to realise true market value for the Company.

Iain G Ross
Executive Chairman
Oxford BioDynamics Plc

27 February 2025

Financial review

The Group's performance in the year ended 30 September 2024 and its position at that date reflected slower growth in revenues than expected following the launch of the EpiSwitch PSE test in September 2023 and increased fixed costs as a result of the Group's investment in staff and marketing to support its test products. This investment did not generate sufficiently rapid growth in sales to reassure the market and ultimately the Company's revenues from sales of its tests, whilst increased compared to the prior year, were too low to prevent the urgent need for the recent highly dilutive fundraising. The Group's loss before tax for the year ended 30 September 2024 was £11,956,000 (2023: £11,411,000).

EpiSwitch® PSE

The Group's EpiSwitch PSE test was launched shortly before the start of the year ended 30 September 2024. During the year more than 700 tests were ordered by c.400 organisations worldwide. Post-year end orders have continued to increase, with over 500 tests sold in the four-month period to the end of January 2025.

The test is performed in OBD's CLIA† - and ISO-accredited clinical laboratories in the US and UK respectively.

Following the launch of the test, the Group invested in targeted online marketing which, alongside a small sales team, would support PSE. From August 2024, this team was supported by the internal transfer of a number of sales managers who had previously been concentrating on growing sales of EpiSwitch CiRT. The level of spend on online advertising for PSE was significantly reduced shortly after the year end and the Group is continuing to monitor the impact of this reduction on sales of the test, particularly to new clinics or doctors.

EpiSwitch PSE benefits from:

- a unique CPT-PLA‡ code (0433U), enabling reimbursement by US insurers. Reimbursement for the test is regularly received from a growing number of US insurers including Medicare, Humana, United Healthcare and Aetna.
- distribution agreements with Goodbody Clinic in the UK, KZT in Turkey and Regina Maria in Romania
- direct agreements with organisations and concierge clinics that pay for the test on a 'cash pay' basis, such as The London Clinic in the UK and Doctors Studio in the US
- endorsement from key opinion leaders such as Garret Pohlman, MD. Dr Pohlman has used over 175 PSE tests to date, sharing real world evidence of how he has used the test in his Nebraska clinic in early January 2025. Dr Pohlman estimates that since adopting the test he has been able to reduce the number of biopsies performed in his clinic by 50% and streamlined his clinical practices

† 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.

Strategic report

Financial review (continued)

Sufficiently rapid, significant growth in the number of PSE orders is most likely to arise from agreements that can generate large volumes without investment by the Group in, for example, large sales teams. To this end, the Group is focusing on seeking both agreements with large customers (such as UK insurers) and distribution partners for the test. The company has reached a commercial agreement with Regina Maria Private Health Network in January 2025, Romania's largest private healthcare provider, serving 5 million patients, to provide access to both EpiSwitch PSE and EpiSwitch CiRT tests.

The potential for PSE to be used as part of a screening programme for prostate cancer was highlighted in a recent Prostate Cancer Research (PCR) report. Analysis by PCR and Deloitte in the report suggested that a population-wide screening programme utilising a test such as PSE alongside PSA and before MRI and biopsy would deliver net benefits (to individuals, the health and care sector and society as a whole).

EpiSwitch® CiRT

EpiSwitch CiRT accurately identifies patients who will respond to immune checkpoint inhibitor (ICI) therapy with a binary result (responder vs. non-responder), supporting 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.

CiRT was launched in February 2022, with initial orders coming from early adopter oncologists. The Group initially focused on growing sales through 'peer-to-peer' marketing, facilitated by a team of salespeople. This approach had limited success relative to the costs incurred, but did generate initial evidence of the use and utility of the test. During the year, following the appointment of Dr Ryan Mathis to lead the CiRT vertical, the Group adapted its approach for growing CiRT in two main ways:

- Inclusion in US physicians' guidelines (such as those of the National Comprehensive Cancer Network (NCCN)), which will be key to generating wider uptake of the test. To support an application for CiRT's inclusion in the NCCN Guidelines, the Group initiated the PROWES Registry Study, a prospective observational study involving up to 2,500 patients at up to 12 sites across the US. The Group is able to claim reimbursement for tests processed for patients enrolled into the study as normal under the test's unique CPT-PLA‡ code but also incurs additional per-patient and per-site costs in the administration of the study.
- With the majority of CiRT orders now coming from sites participating in PROWES, the Group was able to reallocate several members of the CiRT sales team to work on PSE, from September 2024.

The Group is currently developing an early application for guideline inclusion and in this context was pleased to note the presentation of real-world evidence of the clinical utility of CiRT in a cohort of patients with liver (hepatocellular) and gastrointestinal (GI) cancers by Georgetown University Medical Center at the American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO-GI) in January 2025.

There were over 670 CiRT orders in the year ended 30 September 2024. This represented a 30% increase on the prior year. However, as noted above, most volume currently comes from sites onboarded to the PROWES study.

CiRT tests are currently processed in the CLIA-accredited facilities of the Group's partner laboratory, Next Molecular Analytics, and in the Group's UK clinical laboratory.

Financial performance

Together, sales of the Group's clinical tests generated revenues of £0.4m (2023: £0.2m). Revenue from tests reimbursed by US insurers has effectively been recognised only on final receipt, which delays revenue recognition relative to test performance and cost of sales. Total revenues in the period were £0.6m (2023: £0.5m).

Other operating income was £0.5m (2023: £0.8m), arising from the Group's two Partnership for Advancing Cancer Therapies (PACT) Awards and its participation in the EU-funded HIPPOCRATES consortium (psoriasis and psoriatic arthritis).

Overall, the Group's cost base was increased, reflecting additional marketing spend to support PSE and increased headcount, typically in higher cost US-based roles. Higher base salaries were offset by not paying bonuses in respect of the year, such that total staff costs were 1.7% higher than the prior year at £5.5m (2023: £5.4m) even though headcount increased by 13%. Post year-end, the Group reduced headcount in the US and UK as part of its cost-saving activities.

Higher depreciation and amortisation (£1.5m, 2023: £1.4m) was driven primarily by the full-year impact of the Group's US clinical laboratory (the UK clinical lab commissioned during the period is in the Group's existing UK office and lab building). Non-cash share option charges were increased at £0.5m (2023: £0.3m), mainly as a result of a significant option award to the former Chief Executive

Strategic report

Officer during the period. There was a modest increase in the amount spent on lab consumables in internal R&D (£0.8m, 2023: £0.75m).

As noted in the Executive Chairman's message and described in more detail in Note 4 to the financial statements, an impairment charge of £0.9m has been recognised in respect of certain families of patents that were previously capitalised. The write-down reflects the limited resources available for the near-term commercialisation of the patents concerned, although to date no decisions have been taken to abandon any of them. The position will be reviewed at subsequent reporting dates.

The significant fair value gain on financial liabilities of £1.4m (2023: fair value loss of £1.2m) arises on the estimation of the fair value of the warrants issued by the Company in 2021 and is driven mainly by the reduction in the share price over the year.

Finance income (unchanged at £0.1m, 2023: £0.1m) reflected higher receipts from bank deposits costs, offset by lower foreign exchange gains. Finance costs were increased at £0.5m (2023: £0.2m), driven mainly by foreign exchange losses.

Cash

Cash and term deposits at 30 September 2024 were £2.8m (30 September 2023: £5.3m), broadly reflecting £9.1m in net receipts from the equity fundraising in April 2024, the Group's operating cash outflow for the year of £10.6m (2023: £9.1m), net tax receipts of £0.4m (2023: £0.8m), capital expenditure of £0.6m (2023: £0.7m) and lease payments of £0.8m (2023: £0.9m).

Capital expenditure during the period mainly comprised spend on patents to support and expand the Company's intellectual property portfolio as well as development costs for the Group's clinical order management system. Property plant and equipment additions were limited, with some spend on lab equipment in the Group's CLIA-accredited lab in Frederick, MD, as well as purchases of office equipment for new starters.

Following the year end the Group benefited from an interest-free, unsecured, subordinated loan facility of up to £1m, from Vulpes Testudo Fund (which is controlled by Non-Executive Director Stephen Diggle and which, together with the Vulpes Life Sciences Fund is a significant shareholder in the Company). This facility was critical in permitting the Company to complete the recent equity fundraising referred to in the Executive Chairman's letter. As permitted by the terms of the loan, it was subsequently settled through the issuing of new ordinary shares to Vulpes Testudo Fund as part of the fundraising.

The Group enters the remainder of 2025 with replenished but limited cash resources. The Directors have concluded, as was the case at the previous year end, that material uncertainties exist which may cast significant doubt on the Group and Company's ability to continue as a going concern. Stakeholders' attention is drawn to the more detailed commentary on the Directors' assessment of the reasonableness of continuing to adopt the going concern assumption in the preparation of the accounts in Note 2 on page 67.

Paul Stockdale
Chief Financial Officer
Oxford BioDynamics Plc

27 February 2025

Strategic report

Other key performance indicators

In addition to the financial measures referred to on pages 5 to 7 above, the Group monitors its performance by reference to a number of non-financial criteria, including the following:

	2024	2023	2022
Commercial products launched:	-	EpiSwitch® PSE	EpiSwitch® CiRT
Orders of proprietary tests:	**>1,400**	**521**	**79**
No. of doctors ordering proprietary tests:	**>500**	**62**	**7**
Turn-around time (TAT) of proprietary tests: *(2024 figure is the range of average TATs for individual tests and labs)*	**3.8-4.9 days**	**4.7 days (Sept 2023)**	**4 days (Sept 2022)**
New agreements with commercial customers / grant awarding bodies:	**-**	**1**	**-**
Intellectual property: patent families and patents granted during the year:	**22 families** **36 patents granted**	**19 families** **15 patents granted**	**18 families** **17 patents granted**

Follow OBD online

The Group posts updates on three **social media** platforms**:** Linkedin, X (formerly Twitter) and facebook. There are OBD accounts on each platform and separate pages for EpiSwitch® CiRT and EpiSwitch® PSE. All our social accounts have seen significant growth in followers during the year. Interested shareholders may keep up to date with the Group's social media posts by following or liking the accounts and pages shown below.

linkedin.com/company/oxford-biodynamics linkedin.com/showcase/episwitchcirt linkedin.com/showcase/episwitchpse	@OxBioDynamics @EpiSwitchCiRT @EpiSwitchPSE	facebook.com/OxfordBioDynamics facebook.com/EpiSwitchCiRT facebook.com/EpiSwitchPSE

The Group's **blog** *In the Loop* provides longer-form posts for those interested in the Company, its products and technology – subscribe to be notified of new blog posts at https://intheloop.oxfordbiodynamics.com/.

Email alerts to all of the Company's **regulatory news announcements** may be obtained by signing up at https://www.oxfordbiodynamics.com/investors/email-alerts

Strategic report

Our Strategy and Business Model

OBD's goal is advancing personalised healthcare by developing and commercialising precision medicine tests for life-changing diseases, based on the Group's **3D Genomics** platform, EpiSwitch®.

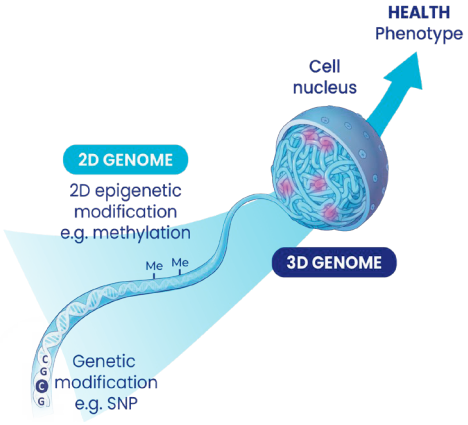
We focus on **3D Genomics** because the 3D configuration of the genome plays a crucial role in gene regulation. By mapping this architecture and identifying abnormal configurations, EpiSwitch® can be used to diagnose patients or determine how individuals might respond to a disease or treatment.

The genome's 3D shape is as important as the genetic code it contains. 3D genomics (or "chromosome conformation") is a fundamental upstream gatekeeper controlling how genes are turned on and off. This highly complex control offers a huge wealth of untapped health information.

Understanding the 3D genome is key to diagnosing disease, predicting drug response and determining health outcomes.

Because 3D genomic markers provide insights into the regulatory controls of the genome, our tests answer important clinical questions where other modalities fail.

The EpiSwitch platform is uniquely capable of reproducibly translating 3D genome regulation for clinical application. It opens the doors to a portfolio of clinical smart tests based on EpiSwitch® technology aiming to help people face the most challenging health decisions with confidence and tackle the rising costs of healthcare.



OBD's strategy involves **building the commercial market** for 3D Genomics, by:

- Commercialising the Group's pipeline of molecular diagnostic tests **with a renewed focus on partnership, collaboration and out-licensing**
- Working with pharma, biotech and academia in clinical development and biomarker discovery
- Making OBD's EpiSwitch® technology and the world's largest 3D genomic knowledgebase available to the life sciences research community

What we do

To achieve these strategic aims, OBD engages in:

- **Product development and commercialisation**, launching and supporting:
  - proprietary tests including EpiSwitch® PSE and EpiSwitch® CiRT
    - at Company-owned and partners' CLIA- and ISO-certified clinical labs, delivering these important tests into the hands of physicians.
  - EpiSwitch® KnowledgeBase access for pharma, biotech and academic partners
  - EpiSwitch® Explorer Array Kits for the life science research community
- **Biomarker discovery and validation** using its *EpiSwitch®* platform in:
  - R&D projects for commercial partners
  - Internal proprietary research, building the group's pipeline of deployable tests
- **Supporting clinical development programs** for pharma partners using EpiSwitch® biomarker assays
- Exploiting opportunities to **outlicense IP and other assets** as they arise, including the most developed of the Group's pipeline assets:
  - EpiSwitch® NST (No Stool) test, for accurate detection of early-stage colorectal cancer and pre-cancerous polyps
  - EpiSwitch® SCB (Specific Canine Blood) test, a canine multi-cancer diagnostic blood test

Strategic report

Our Strategy and Business Model (continued)

We rely on:

Our EpiSwitch® 3D genomics platform

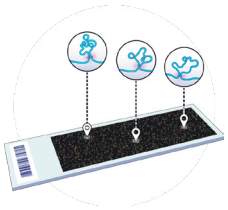
The EpiSwitch platform maps the regulatory 3D genome at scale, offering whole-body insight into 3D gene regulation from blood

Systemic, early-stage 3D genomic regulatory changes can be captured from peripheral blood, long before the results of these epigenetic changes manifest as observable symptoms.

EpiSwitch blood-based markers have delivered highly accurate and robust predictive, prognostic, and diagnostic assays in oncology, autoimmune, neurological, and infectious disease applications.

We know where to find the drivers of 3D gene regulation

Building on many years of R&D, we encoded the EpiSwitch Array to simultaneously interrogate around 1 million data points — incorporating a radically richer complexity than conventional methods.



With EpiSwitch®, OBD performs whole-genome biomarker discovery in high-resolution.

Built on an Agilent backbone, the EpiSwitch Array measures regulatory 3D architecture with high signal-to-noise ratio, complexity, resolution, and reproducibility, filtering out stochastic noise.

Our end-to-end bioinformatic tools with low analytical overhead give low-cost, rapid results

We can go from sample to results in a small fraction of the cost and time of sequencing-based methods, with a mature workflow.

Mapping of 3D genomic markers onto the genome provides a full context for visualisation, biological interpretation, and enrichment analyses.

3D genomic markers translated into clinical qPCR tests.

EpiSwitch-powered MIQE compliant qPCR assays are the only commercially available 3D genomic tests with validated, commercial products already launched (EpiSwitch CiRT, EpiSwitch PSE and EpiSwitch CST)

See ***www.oxfordbiodynamics.com/episwitch-platform*** for more detail on the Group's *EpiSwitch®* platform and how we use it to discover biomarkers and develop 3D genomic blood tests.

Our Experienced management and staff team – OBD's international team includes commercial, scientific and operational experts with decades of industry experience. OBD's people are key to the Group's success.

Our infrastructure – the Group operates from well-resourced clinical and research laboratories in the US, UK and Malaysia and offices in Oxford, UK. Our UK HQ includes our UK clinical lab operating under ISO 15189 (commissioned in 2024) and our main research and development labs. Our CLIA-certified US clinical lab in Frederick, MD was opened in 2023.

Our unique position in large and growing markets – *EpiSwitch®* remains the only commercially available, high-throughput 3D genomics discovery platform. OBD's proprietary blood tests were first-to-market in the 3D genomics space. We expect 3D genomics to play a pivotal role in the evolution of precision medicine and personalised healthcare, giving OBD a unique position within the large and growing molecular diagnostics and biomarkers sectors.

Strategic report

Our product development pipeline

OBD has developed a pipeline of deployable molecular diagnostic tests in several indications (in addition to the commercial tests already launched) that may be suitable for commercialisation and/or out-licensing over the medium term.

The Group's diagnostic/prognostic tests for early-stage detection and staging of colorectal cancer, EpiSwitch® NST (No Stool Test) and, in veterinary medicine, a diagnostic/prognostic test for canine cancer, EpiSwitch® SCB (Specific for Canine Blood), are the most advanced of our pipeline assets and are ready for out-licensing or partnering.

The pipeline also includes diagnostic, prognostic, predictive and monitoring tests in indications such as rheumatoid arthritis (RA), amyotrophic lateral sclerosis (ALS or motor neurone disease), non-alcoholic steatohepatitis (NASH), multiple sclerosis (MS), lymphoma and other cancers. The Group continues to work with partners on prostate cancer, for example in developing tests to stage the disease and in research into the increased prevalence of this illness in black men.

Our customers, partners and suppliers – the Group has an extensive, diverse network of customers, suppliers and partners:

- patients and the physicians who order the Group's tests for them, in the US, UK and elsewhere
- insurers and other healthcare payors
- pharmaceutical and biotechnology companies, having previously entered into multiple contracts with eight of the top ten global pharma companies (by 2023 revenue)[1].
- world-class academic institutions, with whom we maintain collaborative links
- we are represented on four FNIH Biomarker Consortium Steering Committees.
- we continue to rely on excellent relationships with several key suppliers, developed over many years.

[1] source: Pharm Exec's Top 50 Companies, 2024

Strategic report

Our Strategy and Business Model (continued)

We generate income from:

Our portfolio of clinical tests and research tools based on EpiSwitch® technology:

EpiSwitch® PSE | EpiSwitch® CiRT | EpiSwitch® Array Explorer Kit

Partnership, collaboration and out-licensing:
We have a **renewed focus on partnering, collaboration and out-licensing**, aiming to generate value for our shareholders

Contracts with Pharma and Biotech customers:

- Supporting clinical development programs
- Commercial biomarker development

Pfizer | Genentech | Roche | EMD Serono | Mitsubishi Tanabe Pharma | Biogen | MAYO CLINIC | MASSACHUSETTS GENERAL HOSPITAL

Grant- and Award-funded projects:

FNIH Foundation for the National Institutes of Health | PACT | HIPPOCRATES

We aim to benefit our:

Customers
Our tests help **clinicians** in their decision-making, benefiting **patients** in turn.
EpiSwitch® CiRT has the potential save **healthcare payors** significant sums through the avoidance of futile treatment.

Our EpiSwitch platform provides **pharma and biotech customers** with unique insight into disease biology and patient response, enabling patient stratification to improve drug discovery and clinical development programs.

Investors
We want to create value for investors through increases in the Company's share price and eventually through dividend payments.

Employees
We provide interesting, meaningful employment in a culture of continuous improvement and excellence.

We seek to reward and retain our staff through appropriate remuneration and benefits, an excellent working environment and structured training and career development programs.

We recognise and celebrate individual and team performance.

Society
We believe 3D genomics will bring significant societal benefits: OBD's EpiSwitch® platform is unlocking vast previously untapped data critical for health and our tests are making significant contributions to early diagnosis and effective treatment of disease.

We provide education about the principles and benefits of 3D genomics, personalised medicine and immune health monitoring through online and other collateral.

In the UK, we have signed the Oxfordshire Inclusive Economy Partnership Charter, working with other signatories to create a more equal and sustainable region.

Strategic report

Our Markets

The Group is at the forefront of the nascent market for 3D genomics-based precision medicine tests. However, the Group's **proprietary tests** (EpiSwitch® CiRT and EpiSwitch® PSE) can also be considered as being part of the liquid biopsies segment of the broader molecular diagnostics market and the growing market for personalised medicine biomarkers.

Market:	**Molecular Diagnostics**		**Personalised Medicine Biomarkers[3]**
	Total[1]	**Liquid biopsy[2]**	
2023/2024 global market size:	$25.7bn	$10.4bn	$21.9bn
Forecast CAGR (2024/5 to 2030):	4%	12%	14%

The global **molecular diagnostics market** is estimated to be worth approximately US$25.7 billion (in 2024)[1]. Overall, this market is forecast to grow at a CAGR of approximately 4% over 2025-2030, driven partly by technological advancements, an increasing elderly demographic, and a rising demand for accurate and efficient testing solutions. Within this, the global market for **liquid biopsy** (in which the Group's test products sit) is estimated to be worth approximately $10.4 billion (in 2023) and is expected to grow at a CAGR of approximately 12% over the period 2024-30[2].

The global **personalised medicine biomarkers** market, including companion diagnostics, was estimated to be worth approximately US$21.9 billion (in 2024), with a forecast CAGR of approximately 14% over the period 2025-30[3]. Regionally, North America dominates this market with the US alone accounting for approximately 50% of global spend[3]. The Asia Pacific region is expected to show the highest growth rates over the same period as a result of growing populations, a relatively high prevalence of cancer and improving healthcare infrastructure.

OBD's EpiSwitch® CiRT test addresses significant unmet need in the **immune checkpoint inhibitors (ICIs)** market:

Global sales of FDA-approved ICIs (2023)[4]:	$47 bn
North America market size (2023, approximate)[4,5]:	$22 bn
Annual YoY growth (2022-23)[4]:	19%
Forecast CAGR (2023-32)[5]:	16%
Typical response rates[6]:	15-30% (most solid tumours) 45-60% (melanoma and MSI-H tumors)
Estimated annual spend on ineffectual treatment (US)[4,5]:	>$12bn

OBD's EpiSwitch® PSE test is targeted at the **prostate cancer diagnostics market**, which was estimated to be worth $8.6bn (in 2023), with a forecast CAGR of 6.4% over the period 2024-30[7], driven by increased prevalence of the disease worldwide as well as technological advances in approaches to prostate cancer diagnosis. PSE has the potential to significantly reduce the number of unnecessary prostate biopsies following 'false positive' results from other diagnostic modalities, of which there are estimated to be approximately 750k p.a. in the US alone[4].

The Group's commercial services to pharma and biotech customers are part of the outsourced biomarker discovery market, which was estimated to worth approximately $11 billion (in 2022) with a forecast CAGR of 21% over the period 2023-30[8]. The move toward personalized medicine relies heavily on identifying and validating biomarkers, which is expected to drive market growth in the coming years.

[1] source: Grand View Research Molecular Diagnostics Market Size, Share and Trends Analysis Report 2025-2030, December 2024
[2] source: Grand View Research Liquid Biopsy Market Size, Share and Trends Analysis Report 2024-2030, December 2023
[3] source: Grand View Research Personalized Medicine Biomarkers Market Report 2025-2030, November 2024
[4] source: OBD internal analysis
[5] source: Precedence Research Immune Checkpoint Inhibitors Market Report 2024-2034, November 2024
[6] source: Das, S., Johnson, D.B. Immune-related adverse events and anti-tumor efficacy of immune checkpoint inhibitors. j. immunotherapy cancer 7, 306 (2019). https://doi.org/10.1186/s40425-019-0805-8
[7] source: Grand View Research Prostate Cancer Diagnostics Market Report 2024-2030, December 2023
[8] source: Grand View Research Biomarker Discovery Outsourcing Services Market Size, Share and Trends Analysis Report 2023-2030, October 2023

Strategic report

Corporate sustainability

A focus on sustainability is part of the Group's approach to taking into account the interests of all its stakeholders.

As in previous years, the Group has used the Sustainability Accounting Standards Board's (SASB) "Materiality Finder" to guide its assessment of the issues that are considered to be most significant contributors to its sustainability performance. SASB Standards are designed to identify and standardise disclosure for the sustainability issues most relevant to investor decision-making in each of 77 industries.

For OBD, the SASB Materiality Finder highlights a total of 13 of 26 issues as being potentially relevant to businesses operating in the wider pharmaceutical and biotechnology and health care delivery industries. These are listed in the table below, with explanations of the approach OBD follows and other relevant information in each case:

Issue category	Industry-specific disclosure topics	OBD's approach
Social capital	*Human rights and community relations:* Safety of clinical trial participants	OBD does not develop drugs. Clinical trials operated by OBD are IRB reviewed and approved. EpiSwitch® biomarker assays have successfully been incorporated into clinical development programs and trial protocols by the Group's customers. OBD's biomarkers and clinical tests have the potential to increase the safety of trial participants, through improved patient stratification.
	Data security: Patient privacy and electronic health records	The Group processes patient data (including protected health information, or "PHI") in the course of providing its clinical tests. Test requisition forms explain in detail how patient data are stored and processed and for each order, consent is obtained from patients in a form appropriate to the patient's country. The Group's order management systems are compliant with relevant legislation, including the Health Insurance Portability and Accountability Act (HIPAA) in the US, the Data Protection Act 2018 in the UK and GDPR (EU).
	Access and affordability: Access to medicines Access for low-income patients Affordability & pricing	The Group has sought to enable access to its tests as quickly as possible by making them available as lab-developed tests (LDTs). In the US, the CPT codes issued for EpiSwitch® CiRT and EpiSwitch® PSE allow the Group to offer these tests to insured patients, including those on Medicare and Medicaid. In markets other than the US, the Group's tests are currently available through private physicians and, in some cases, reimbursement by private medical insurance, such as Bupa UK's coverage of EpiSwitch® CiRT. The Group hopes in due course to be able to expand access to its tests to patients in (for example) the UK NHS. The Group's products are priced appropriately compared to other high-complexity molecular tests.
	Product quality and safety: Quality of care and patient satisfaction Drug safety	OBD does not produce drugs, but it is important that the Group's products and services provide high quality dependable results: **Clinical tests** are offered through CAP CLIA- and ISO-registered laboratories, after an extensive technology transfer process, including validation and reproducibility testing. OBD's **lab-based services** to customers are performed through procedures and facilities certified under ISO standards (ISO 9001 and ISO 13485). OBD's tests contribute to improving the quality of patient care by helping doctors to decide on therapeutic or other healthcare plans, reducing ineffective treatments and unnecessary medical interventions.
	Customer welfare: Counterfeit drugs Management of controlled substances	As the customers relying on the Group's clinical tests, patients, physicians and payors benefit from several layers of protection that prevent the marketing of counterfeit versions of the Group's products including: - patent and trademark protection; - extensive proprietary know-how; and - the legal and regulatory frameworks in operation in the Group's main markets.

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Issue category	Industry-specific disclosure topics	OBD's approach
		The provision of OBD's clinical tests does not involve any controlled substances.
	Selling practices and product labelling: Ethical marketing Pricing and billing transparency	OBD has developed carefully defined intended use statements for each of its clinical tests and ensures all marketing communications, test reports and other collateral are fully in line with these. In the US, the FDA is empowered to review marketing material to ensure these are appropriate. OBD's material makes clear reference to the products' intended use and status as lab-developed tests (LDTs). The Group's mycirt.com and 94percent.com product-specific websites include extensive supporting documentation for EpiSwitch® CiRT and EpiSwitch® PSE respectively, including test requisition forms, example test reports, technical overviews, FAQs, and explanatory videos. Test requisition forms explain in simple language how tests will be paid for, including the circumstances in which the Group would seek payment from patients covered by health insurance.
Human capital	*Employee engagement, diversity and inclusion:* Employee recruitment, development & retention	OBD relies on its skilled, diverse, international employee team for all of its activities. The s172(1) report on page 24 provides more information on the Group's approach to staff recruitment, development and retention.
	Employee health and safety: Workforce health and safety	The Group takes the health and safety of all of its employees seriously and acknowledges the specific additional risks involved in operating laboratory facilities. The Group's approach to health and safety is set out in more detail on page 24. The Board receives regular reporting of any health and safety incidents and confirmation of regular review of site-based H&S policies.
Business model & innovation	*Supply chain management*	New suppliers are subject to an approval process that considers the importance of the product to OBD, quality and quality management, price, and supplier financial health. The Group is also part of a purchasing group which consolidates the catalogues of several suppliers. OBD has previously consulted with the purchasing group on the steps it takes to verify suppliers' standards and performance in respect of pertinent issues, including compliance with sanctions and avoidance of modern slavery. Verification of whole supply chains across several suppliers is complex and the purchasing group is still at an early stage in a process of improving the actions it takes to assess and report on suppliers to its customers (including OBD).
	Physical impacts of climate change: Climate change impacts on human health and infrastructure	The Group is not considered to be at greater risk than other similar companies as a result of climate change-related risks. The main risks that the Group considers are the potential impacts on its facilities of extreme weather events, such as floods or fires. The Group has access to multiple laboratories for the provision of its clinical tests, but its R&D facilities are mainly concentrated at its Oxford, UK headquarters.
Leadership & governance	*Business ethics:* Business ethics Fraud and unnecessary procedures	OBD operates honestly and transparently. Maintaining a high standard of work and professionalism is one the Group's core values. The Group is subject to legislation such as the US Foreign Corrupt Practices Act (FCPA, 1977) and UK Bribery Act (2010). The Board is responsible for reviewing and updating its policies and procedures so that they remain compliant with relevant laws and policies, particularly as the Group grows and begins to sell its products in new markets. OBD's whistleblowing policy is available to all staff and is accessible on the Group's website. The Group's clinical tests have requisition forms that explain the intended use of the test in simple language. OBD's tests can help to reduce unnecessary procedures.

Strategic report

Corporate sustainability (continued)

Issue category	Industry-specific disclosure topics	OBD's approach
Environmental	*Energy management*	Like almost all businesses, OBD's activities to benefit its stakeholders have various environmental impacts. In the Group's case these are mainly in the form of: • CO_2 and other emissions from travel and consumption of utilities • the use of resources such as single-use plastics and chemicals in its laboratories - an unavoidable consequence of the Group's activities and its obligations for the safe management and disposal of clinical waste. In general, the Group's approach is to seek to minimise its environmental impact by minimising travel and resource use without adversely affecting either its business development, sales and product support activity or the quality of its R&D and services to customers. As the Group continues to grow and particularly as it expands the geographic area into which its products are sold, it is anticipated that the Group's indirect CO_2 emissions may increase.
	Waste and hazardous materials management	OBD's activities necessarily generate waste, some of which is considered hazardous or potentially. The Group's facilities and those of its partner laboratory operate under relevant local regulations regarding the disposal of waste, including clinical waste.

SASB Material Finder:
https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=HC-BP
https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=HC-DY

In addition, acknowledging the importance of local action as a way of improving the Group's sustainability, in December 2023 OBD signed the Oxfordshire Inclusive Economy Partnership (OIEP) Charter (https://oiep.org.uk). OIEP signatories are supported in working together to create a more equal and sustainable region that creates opportunities and benefits for all people within the county. The OIEP focus areas most relevant to the Company are:

1. Inclusive employment – focused on both employers and employees, looking at how organisations can create better pathways into work whilst understanding the barriers people face to accessing employment.
2. Social value and procurement – spending more money locally and spending through organisations that offer positive social and environmental impact.
3. Educational attainment – improving educational attainment and building better links between business and education to help shape career choices.

Strategic report

Risk management and principal risks

The Board has overall responsibility for the Group's risk management strategy and maintains a corporate risk register to help monitor key risks and responses to them, in the light of the Group's strategy and objectives. The Group's senior staff regularly identify areas of risk and communicate these to the Board as necessary. The Group's quality management system includes extensive risk assessment, planning, internal audit and reporting as well as the maintenance of detailed risk registers covering its ISO-certified processes. A detailed financial reporting and procedures framework is in place, with financial risk management overseen by the Audit Committee.

As at the date of this report, the Board is satisfied that the risk management and internal control systems in place are adequate for this stage of the Group's development. The Board does not consider it to be appropriate to establish a financial internal audit function and this is kept under review by the Audit Committee and Chief Financial Officer.

The tables below show the principal risks faced by the Group, how each risk is managed or mitigated, how the risks map onto the Group's strategic objectives and the Directors' assessment of the change in significance of each risk since the last annual report.

OBD's Strategic Objectives	
A	Commercialising the Group's pipeline of molecular diagnostic tests with a renewed focus on partnerships, collaborations and out-licensing
B	Working with pharma, biotech and academia in clinical development and biomarker discovery
C	Making OBD's EpiSwitch® technology and the world's largest 3D genomic knowledgebase available to commercial and academic researchers

Principal risks	***How these risks are managed or mitigated***	***Strategic objectives***	***Change in risk profile in the last 12 months****
Cash resources The Group may be unable to generate and retain enough cash resources to achieve its short-term and strategic objectives. The Board expects that the Group will have sufficient cash resources (from the equity fundraise announced in January 2025, as well as test and project revenue and grant-funded projects) to fund its short-term activities. In this context, shareholders should note the material uncertainties as to going concern set out in more detail in Note 2 on page 67.	During and after the year, the Group raised a total of £17.25m (before expenses) from investors in two fundraises, providing working capital for short-term activities. The Group initiated a series of cost-saving actions in late 2024, including reductions in headcount and marketing spend. The incoming Executive Chairman is leading a full review of the business that will reduce costs where possible.	***A, B, C***	***increased***

Strategic report

Risk management and principal risks (continued)

Principal risks	*How these risks are managed or mitigated*	*Strategic objectives*	*Change in risk profile in the last 12 months**
Revenue The Group may be unable to secure sufficient product, service or licensing revenues to become profitable in the long-term. The going concern section of Note 2 to the financial statements on page 67 highlights uncertainty regarding forecasting the Group's revenues.	The actions the Group has taken to commercialise its EpiSwitch® platform, through the development and launch of its own products in the US, UK and other markets, mitigate this risk by providing opportunities for more revenue and wider appreciation of the Group's products and technology. The Group has two clinically validated tests available and has successfully obtained unique CPT-PLA codes for each of them – a requirement for receiving reimbursement for the tests from US insurance payors. These developments increase the likelihood of significant future revenues but have not to date generated an increase in revenue sufficient to cover the Group's costs. The risk that revenue will grow too slowly compared to the availability of funding from investors is judged to have increased since last year. In order to maximise the likelihood of commercial success, the Group has announced a renewed focus on partnership, collaboration and out-licensing.	***A, B***	***increased***

** Directors' estimates*

Strategic report

Principal risks	*How these risks are managed or mitigated*	*Strategic objectives*	*Change in risk profile in the last 12 months**
Reliance on key suppliers, partners and equipment In the US, the Group's CiRT test is currently provided through a single partner laboratory. Certain stages of the Group's proprietary processes involve products or services currently sourced from single third-party suppliers. The Group uses high-tech equipment in its R&D processes that can be subject to long lead-times and set-up times when replaced.	The Group commissioned its ISO 15189 compliant UK clinical laboratory in its existing HQ during the year. This has further mitigated risks associated with reliance on individual laboratories, adding a second in-house location from which clinical tests can be offered in addition to its CLIA-registered clinical laboratory in Frederick, MD. The Group plans to complete validation of the CiRT test in its Frederick lab during the coming year. Relationships with key suppliers are subject to written agreements. Where possible, the Group seeks to enter into agreements with established well-resourced suppliers, for example in its agreements with Next Molecular Analytics as its US partner laboratory and with Agilent Technologies for the manufacture of probe sets for its EpiSwitch® Explorer Array Kit. The Group also deals with multiple suppliers and relies on its membership of purchasing groups where possible.	***A, B, C***	***reduced***

Strategic report

Risk management and principal risks (continued)

Principal risks	*How these risks are managed or mitigated*	*Strategic objectives*	*Change in risk profile in the last 12 months**
People-related risks The Group relies on certain key personnel including the Executive Directors and the Senior Management Team, who have significant experience within the Group and the sectors it operates in, and who could be difficult to replace. Laboratory processes associated with the Group's proprietary technology require newly recruited staff to complete extensive in-house training. After the year end, the Group initiated some cost saving actions including some reductions in headcount and senior staff receiving a portion of their salary in equity. As at the year end, no employee held share options with an exercise price lower than the Company's share price. The risk that the Group may not be able to retain senior staff or suitably qualified and experienced individuals for its technical positions, including in lab-based roles, quality and regulatory assurance and financial reporting is judged to have increased since the prior year.	The Board has previously reviewed succession planning to determine and seek to mitigate the risks faced by the Group associated with the loss of individual team members. The Nomination Committee periodically reviews this ongoing work. The Group mitigates this risk in part by recruiting new staff to its teams, the use of standard operating procedures and work instructions, and training lab-based staff for multiple activities, thereby increasing the number of people able to cover key roles. Executive and employee remuneration plans, incorporating long-term incentives, are designed to attract and retain staff with appropriate skills. A limited number of 'key person' insurance policies are in place to assist the Group in transition periods if key people are incapacitated.	***A, B, C***	***increased***
Competitors The Group may face competition from other biotechnology companies, which could adversely impact the commercialisation of its technology if it fails to compete effectively. Notwithstanding the Group's pre-eminent position in the nascent 3D genomics market, competitors using other modalities within the molecular diagnostics and biomarker discovery industries may have: - better-resourced marketing and access to healthcare markets; - better access to pharmaceutical customers; and - greater financial resources.	The Group is not aware of any 3D genomics technology currently available that compares favourably with its EpiSwitch® platform or the validated products developed using it. The Group's work for the PACT partnership is in part intended to develop EpiSwitch® as an industrial standard for 3D genomic assays. The Group has demonstrated its commitment to commercialisation, having launched several products since 2020. This was made possible only by more than 10 years of dedicated research which would be difficult to re-perform quickly. Furthermore, the Group has secured and continues to support broad, early intellectual property protection in the field of 3D genomics. In developing its *EpiSwitch®* platform technology, the Group has acquired significant proprietary know-how, which would be difficult and time-consuming for any competitor to replicate. The Board has sought to mitigate the risks posed by competitors developing products based on other modalities by developing and launching (or seeking to partner or out-license) multiple products in different disease indications and markets.	***A, B, C***	***same***

** Directors' estimates*

Strategic report

Principal risks	*How these risks are managed or mitigated*	*Strategic objectives*	*Change in risk profile in the last 12 months**
R&D risks There is a risk that the Group fails to generate sufficient valuable, robust, reproduceable data for customers and/or for development and validation of future proprietary products.	The Group's EpiSwitch® platform has continued to perform well in all internal, commercial and grant-funded R&D projects. In the launch of EpiSwitch® PSE just before the year, the Group built on its experience with previous lab developed tests, further improving on some aspects of its approach to product development. The Board is confident that the application of EpiSwitch® to develop biomarkers for a broad range of clinical and non-clinical questions, across multiple indications and species, is reduced to practice and highly likely to result in meaningful, translatable results.	***A, B***	***same***
Intellectual property (IP) risks The Company may incur significant costs as a result of IP disputes – the Company's ability to operate competitively depends, in part, on the successful protection of its IP. Third parties may infringe upon or otherwise challenge the Company's IP, release confidential information about the Company's IP or claim technology which is registered to the Company. There is a risk that the Company is unable to obtain sufficient IP protection for its products and technology.	The Company seeks to protect its leading IP position through 1) the strategic filing of worldwide patent applications where permissible, 2) strict protection of the know-how behind *EpiSwitch®*, 3) maintaining its first-to-market position in offering high quality 3D genomics solutions, 4) including robust confidentiality obligations in contracts with its employees, collaborators, subcontractors and licensees in order to protect the Company from the release of information relating to its know-how. Patents were granted in several jurisdictions during and after the year. The Group now has patents or applications in 22 separate families. The impairment charge recognised in respect of certain patent families is not considered to be indicative of any increased risk associated with the associated intellectual property.	***A, B***	***same***

Strategic report

Risk management and principal risks (continued)

Principal risks	*How these risks are managed or mitigated*	*Strategic objectives*	*Change in risk profile in the last 12 months**
Regulatory risks Regulations and legislation in the principal markets in which the Group operates may be subject to change that would necessitate significant effort and expense in order to maintain the Group's freedom to market its products and services. The Group is subject to several legislative and regulatory provisions including, but not limited to: • Federal Clinical Laboratory Improvement Amendments ("CLIA"); • New York State Clinical Laboratory Evaluation Program (NYS CLEP); and • The Health Insurance Portability and Accountability Act 1996 (HIPAA), EU and UK GDPR and other privacy laws. The Group's clinical tests are regulated in the US as Laboratory Developed Tests (LDTs). Historically, LDTs have been regulated under CLIA and the FDA has exercised 'enforcement discretion', not requiring approvals or clearances for many LDTs performed by CLIA-certified laboratories. On occasion, the FDA has outlined its intent to exercise varying levels of oversight of many LDTs. The FDA has yet to implement any form of oversight requirements with respect to LDTs, and it is unclear if or when it will end enforcement discretion for LDTs and whether it may decide to regulate LDTs on a case-by-case basis. Action by the FDA to end enforcement discretion over LDTs could impact the Group's marketing of its existing products and its activities to develop and commercialise other tests as LDTs in the future.	The Group's clinical laboratory in Frederick, MD and its partner laboratory at NEXT Molecular are CLIA-certified, meeting the current requirements for provision of LDTs in the US market. NYS CLEP approval for CiRT, received shortly after the year end, mitigates certain regulatory risks, because the FDA stated in its "final ruling" on LDTs in 2024, that the Administration would not enforce their premarket review process for LDTs approved by NYS CLEP. An application for NYS CLEP approval for PSE is planned. The Group's clinical order management system is designed to be fully compliant with HIPAA and EU/UK GDPR. The Group employs and consults with regulatory experts as necessary to remain up to date with respect to requirements in this area. It has successfully maintained Human Tissue Authority and ISO certifications covering aspects of its UK and Malaysian operations for several years.	***A, B***	***reduced***
Information and cybersecurity risks Like all businesses, the Group faces a growing threat from cyberattacks that could result in loss of data, inability to operate, theft and/or malicious disclosure of IP, financial losses arising from recovery of systems and data or ransom-type attacks and reputational and financial impacts arising from the loss or disclosure of customers' data. This risk is again considered to have increased, because cyber- and information security threats continue to increase and the Group, its products and technology are becoming more widely known. The Group considers it prudent and realistic, where cyberattacks are concerned, to assume that its approach to this risk should be a matter of "when, not if" a response will be required.	The Group operates a process of continuous review and improvement of its policies and procedures regarding information security (IS). Progress on IS-related projects and any IS-related incidents are reported to the Board on a quarterly basis. Where appropriate, insurance covering cyber- and information security risks is obtained.	***A, B, C***	***increased***

** Directors' estimates*

Strategic report

Principal risks	*How these risks are managed or mitigated*	*Strategic objectives*	*Change in risk profile in the last 12 months**
External 'macro' risks The Group may face challenges because of a future pandemic – the main risks likely to be faced by the Group are: - renewed restrictions on international travel; - reductions in the number of staff who can safely work in the Group's facilities at any time; and - infection or self-isolation of staff members leading to a lack of staff availability for specific duties (especially lab-based roles). Inflationary pressures in the Group's main markets may lead to increased costs, as a result of supplier price increases or decisions to award inflationary increases in staff remuneration. The Group may face disruption to its activities as a result of climate change – the main direct risks to the Group are assessed to be disruption of its supply chain and/or access to its facilities as a result of extreme weather events arising from environmental changes. The Group may also face increased costs associated with requirements for climate-related financial disclosure and net-zero targeting in the future.	Experience during the COVID-19 pandemic helped the Group to develop resilience across its activities that would permit it to 'hit the ground running' in the event of renewed restrictions. The Group's clinical and R&D facilities allow staff to work with appropriate social distancing. The Group's financial forecasts already assume inflationary increases in key costs, such as staff costs and utilities. None of the Group's facilities is in an area at high risk of flood or wildfires. The Directors continue to monitor the risks presented by climate change and the actions that might be required to mitigate them, including activities that may be required of the Group as part of national and international guidance on sustainability.	***A, B***	***same***
Foreign exchange risk The Group generates revenues and faces costs denominated in US dollars and UK pounds sterling, and a relatively small amount of expenditure in Malaysian ringgits. Fluctuations in the exchange rates between these currencies (particularly the USD/GBP rate) could have a material impact on the Group's earnings and financial position, which are reported in UK pounds sterling. This risk is judged to be at a similar level to last year.	As far as possible, the Group plans what balances to retain in the currencies to which it is exposed. To date whenever possible it has used US dollars received from customers to meet liabilities denominated in US dollars, although it has also been necessary to purchase US dollars using sterling funds invested by shareholders. The Group does not engage in foreign currency trading or speculation.	***A, B***	***same***

** Directors' estimates*

Strategic report

Section 172(1) statement

The Directors acknowledge their duty under section 172 of the Companies Act 2006 and consider that they have, individually and as a Board, taken account of the views of the Group's stakeholders in Board discussions and decision-making. Section 172(1) sets out six matters to which the Directors must have regard when performing their duty. These are listed below, with explanations of how the Directors have addressed each matter and references to relevant information presented elsewhere in this report.

1) The likely consequences of any decision in the long term

In making the most significant of its decisions during and after the period, the Board explicitly considered the long-term prospects of the Company and the potential for the creation of long-term value for shareholders and other stakeholders. These decisions included appointing Iain Ross as Executive Chairman in December 2024, seeking to raise funds from investors in April 2024 and, post-year end, in January 2025 and taking action to reduce costs and review the strategic options available to the Group and Company, in October 2024.

Several of the principal risks faced by the Group and the mitigating actions taken by the Board to address these (shown on pages 17 to 23) are related to the long-term prospects of the Group.

More negatively, the Board notes that several of its key decisions have been necessarily short-term in their focus and scope, given the financial position that the Group and Company were in by December 2024.

2) The interests of the Company's employees

The Group relies on its employees to achieve its strategic objectives. The Board seeks to ensure that the Group's values, culture and working environments are such that suitably qualified and experienced team members are both recruited and retained across the Group's operations. Operationally this focus is reflected through decisions for which the Board is ultimately responsible, including:

- creating safe, professional, diverse work environments, free of harassment and bullying, where everyone is treated with dignity and respect;
- providing salary and benefits packages that are competitive and reward good performance;
- providing appropriate training to enable staff to perform their duties and to develop professionally; and
- ensuring that appropriate mechanisms are in place for staff to provide feedback or, if necessary, raise any grievances.

Areas of improvement in previous years have included staff and management training; a standardised objective-setting and performance evaluation and bonus-award process; employee induction and offboarding processes; frameworks for the award of share options to new joiners and existing team members; and regularly reviewed benefits including group life and income protection cover, health insurance and an employee referral program.

During and after the year under review, it has been necessary for the Board to balance the interests of employees, both individually and as a group, with the need to keep the business in operation. In October 2024, the Board reluctantly took the decision to require Management to identify several roles for redundancy or termination, which affected staff in the UK and US. The Board acknowledges that the negative effects of such compulsory reductions in its staff team is experienced not only by those staff who unfortunately lose their jobs, but by the remaining team.

The Board and its sub-committees have specific roles in respect of the recruitment and remuneration of directors and persons discharging managerial responsibilities (PDMRs).

Diversity
OBD's employees continue to benefit from being members of a diverse international team. Appointments are made based on candidates' suitability for the roles concerned, without reference to characteristics such as those protected in the UK by the Equality Act 2010 (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation).

Health and safety
The Directors are committed to ensuring the highest standards of health and safety, both for employees and for the communities within which the Group operates. Alexandre Akoulitchev is the Director with overall responsibility for health and safety matters. The Board receives regular updates on health and safety from each of the Group's locations including details of any incidents and to check that policies and procedures are subject to appropriate monitoring and review.

The Group complies with legal requirements aimed at providing a healthy, safe and secure working environment to all employees. The Group's successful health and safety management involves regular reviews of its health and safety policies and integrating appropriate principles and practice into its day-to-day operating procedures and quality management systems, including in laboratory environments that necessarily include use and safe disposal of hazardous materials. This relies on the collaborative effort of all employees, who undergo regular health and safety training relevant to their roles and are encouraged to be involved in consultation and communication on health and safety matters that affect their work.

Strategic report

3) The need to foster the Company's business relationships with suppliers, customers and others

The Group's relationships with its customers and suppliers are obviously critical to its successful development:

OBD's "customers" represent several groups, each with particular needs. They include: patients, physicians, healthcare insurers/payors, pharmaceutical and biotech companies, funding bodies and the life science research community. The Group's relationship with each of its customers may be based on interactions with one or more OBD team members, or may primarily be mediated through marketing and explanatory collateral. In fostering its relationships with its customers, whichever category they fall into, the Group is committed to providing them with high quality, consistent, accessible and reliable products, services and information.

The development and commercialisation of the Group's products and the pursuit of its wider strategy relies both on contractual agreements, and more importantly positive, mutually-supportive and open business relationships, with key suppliers. These include NEXT Molecular Analytics (the Group's CLIA-certified partner laboratory in VA, USA) for the EpiSwitch® CiRT test, Agilent Technologies for the EpiSwitch® Explorer Array Kit and its EpiSwitch SCB canine cancer test, and the Group's landlords in Oxford, Frederick and Penang. The Group relies on a wider network of suppliers for all of its activities: from lab equipment, reagents and consumables to legal and intellectual property advice (and much in between). In each case, the Group seeks to ensure that suppliers and contractors are aware of, and where necessary work with it to comply with, its business principles, policies and standards. In addition, having signed the Oxfordshire Inclusive Economy Partnership Charter (see page 16), the Company considers where it can contract with local suppliers and/or those delivering positive social or environmental impact.

4) The impact of the Company's operations on the community and the environment

Community
The Group's intention is that the communities in which it operates benefit from its presence. This occurs both through the creation of employment and the involvement of OBD staff in activities that have a positive impact in the community. During the year, the Group has again supported its team members in activities that contribute to national and local charities, including several that are focused on particular disease indications. In the UK, the Group has signed the Oxfordshire Inclusive Economy Charter (see page 16) and seeks with other local organisations to help create a more equal and sustainable region that creates opportunities and benefits for all people within the area.

The Group aims to conduct its business with integrity, respecting the different cultures and the dignity and rights of individuals in the communities in which it operates, and to:

- identify, assess and manage human rights risks, including those relating to modern slavery and human trafficking, within its supply chain, sphere of influence and other activities, working firstly to avoid or mitigate them, and then seek to remedy any actual or potential impacts;
- respect and support internationally recognised human rights standards wherever the Group operates; and
- not be complicit in human rights abuses.

Environment
The Group's activities unavoidably involve a level of environmental impact (mainly in the form of CO_2 and other emissions, from travel and usage of utilities and as a consequence of the safe management of clinical waste and maintenance of high levels of cleanliness in its facilities), which it seeks to minimise. This involves limiting business travel to essential trips only and where possible recycling the single-use plastic consumable items necessary for its laboratory operations. Disposal of consumables, including reagents, and surplus equipment is carried out through approved suppliers and the group obtains permits and licences for storage and disposal wherever necessary, including a UK Human Tissue Authority licence for the storage of material from the human body (in the form of blood samples).

The Group maintains high levels of quality control and assurance throughout its reference facilities and laboratories, through the application of its quality management systems as demonstrated by its meeting the requirements of international standards ISO 13485 and ISO 9001.

Apart from the risks associated with climate change discussed on page 23, the Directors do not consider that there are environmental factors that pose a direct and significant risk to the Group's business. In future, the Group expects energy usage, water consumption, CO_2 production and waste generation to be the main metrics that will provide useful information on its environmental impact and the effect of any actions taken to mitigate it.

The corporate sustainability section of the Strategic report on page 14 provides more information on the Group's approach to environmental matters and human rights.

Strategic report

Section 172(1) statement (continued)

5) The desirability of the Company maintaining a reputation for high standards of business conduct

The Group operates in markets in which a reputation for reliability, honesty and transparency in the conduct of business is important for building value. As a public company, this also applies to the Group's dealings with existing and potential shareholders, including its approach to communication with the stock market. The Group's commitment to high standards of conduct finds application across all aspects of its activities, including in its approach to contract negotiations (rejecting all forms of bribery or corruption), paying suppliers and employees on time, paying taxes due in the jurisdictions in which it operates and honouring contractual commitments with customers and suppliers alike.

During and after the year, the Directors regularly considered their individual and collective duties to all stakeholders, seeking professional advice where appropriate and inviting the Group's advisors to attend board meetings as observers.

Further details of how the Group promotes a corporate culture based on ethical values and behaviours, specifically in connection with its compliance with Principle 2 of the QCA Code, is included in the Corporate Governance Statement on page 29.

Corporate social responsibility
The Directors recognise the significant and increasing importance of corporate social responsibility, both generally and in the opinion of many of the Group's investors and other stakeholders. The Group is committed to maintaining the highest standards of corporate social responsibility in its business activities. Pursuit of the Group's strategic objectives, particularly through the commercialisation of proprietary tests such as EpiSwitch® PSE and EpiSwitch® CiRT and accelerated through new partnerships and/or collaborations, offers significant potential societal benefits by improving the effectiveness and efficiency of healthcare.

The Group's policies and management systems in its operations are aligned with these commitments to high standards of business conduct and corporate social responsibility.

6) The need to act fairly between members of the Company

Board discussions and decision-making are focused on seeking the long-term benefit of the Company's members as a body, without favour for individual members or groups of members. During and after the year, this was evidenced by the Board ensuring that investors with smaller existing shareholdings were able to participate in each of the Group's fundraises.

Directors are required to declare any interests in matters discussed at Board meetings, recusing themselves from decisions where appropriate. The Group complies in full with all legal and regulatory requirements that pertain to the fair treatment of members and potential members. To this end, whenever necessary, Directors seek and follow the independent advice of the Company's nominated adviser and outside legal counsel.

In common with other public companies, Directors may hold individual meetings with institutional and other significant shareholders during the year. However, any member may contact the Directors through the Group's investor relations email address (investorrelations@oxfordbiodynamics.com) and members are welcome to attend and to ask questions of the Board at the Company's annual general meeting.

The strategic report, which incorporates this s172(1) statement and comprises pages 2 to 26, has been approved by the Board and is signed by order of the Board by:

Iain G Ross
Executive Chairman
27 February 2025

Registered office:
3140 Rowan Place
John Smith Drive
Oxford Business Park South
Oxford, UK
OX4 2WB

Registered number:
06227084

Governance

Board of Directors

Iain Ross (Executive Chairman)

Iain Ross has over 40 years' experience in the international life sciences and technology sectors and has held significant roles in multi-national pharmaceutical and biotech companies including Sandoz, Hoffman La Roche and Celltech Group plc. He has completed multiple financing transactions and has over 30 years' experience in cross-border management as a chairman and CEO. He has led or participated in eight IPOs and has direct experience of M&A transactions in Europe, the USA and the Pacific Rim. Currently he is Chairman of NASDAQ-listed Silence Therapeutics plc, and Chairman of ReNeuron Group and internationally holds other non-executive director roles. Iain was appointed to the Board as Executive Chairman in January 2025 and will chair the Nomination Committee.

Dr Alexandre (Sasha) Akoulitchev (Chief Scientific Officer)

Sasha was born in Zhitomir, Ukraine and read Mathematics, Physics, Chemistry, Biochemistry and Biophysics at Moscow Institute of Physics and Technology. In 1989 he was selected by the George Soros Foundation for the Oxford Scholarship, associated with St. Antony's College, along with twenty top graduate students from the USSR, before its dissolution in 1991. He obtained his PhD in cell biology from University College, London (with the research based at the Imperial Cancer Research Fund). He spent six years at the Robert Wood Johnson Medical School-UMDNJ, NJ, as a research assistant funded by the Howard Hughes Medical Institute. Upon his return to England, he established his research laboratory at the Sir William Dunn School of Pathology, University of Oxford. He was a University Academic Fellow (Research Council UK) and a Senior Fellow of Exeter College, sponsored by Cancer Research UK, The Wellcome Trust and The Medical Research Council. Sasha is also a Fellow of the Royal Society of Medicine. He was appointed to the Board on 8 June 2007.

Paul Stockdale (Chief Financial Officer)

Paul joined the Company in September 2017 from e-Therapeutics plc, where he held the position of Financial Controller from 2012. Paul is a Chartered Accountant, beginning his career at Deloitte, where he worked from 1996 until 2004. Following this, he worked in finance and operations management in the charitable and automotive sectors. He read Natural Sciences at St John's College, University of Cambridge.

Matthew Wakefield (Non-Executive Director)

Matthew was appointed to the Board as Non-Executive Chairman in December 2020, serving in that role until the appointment of Iain Ross as Executive Chairman in January 2025. He has spent over 30 years in the City working in senior positions in both the fund management and investment banking industries. Matthew started his career as a fund manager at Legal and General Plc before moving into broking at Nomura Holdings, Inc. He joined Collins Stewart Hawkpoint Limited ("Collins Stewart") in 1992 and was Head of Sales and a member of the management committee. He left Collins Stewart in 2004 to work for two charities, The Besom Foundation and The 999 Club. In 2011, Matthew set up the broking partnership Baden Hill LLP, where he remains as a partner and shareholder. Matthew has an in-depth knowledge of the Company having been one of its earliest external shareholders. Matthew acted as an advisor to the Company before his appointment as Chairman and Baden Hill LLP raised capital for the company at its IPO in 2016 and again for its two fundraisings during and after the year. Matthew has chaired the Nomination Committee and is a member of the Audit and Remuneration Committees. He has a degree in Law and an MBA in Finance.

Dr David Holbrook (Non-Executive Director)

David is a proven leader in business development and healthcare investing, with 30 years' experience in the life sciences sector. A qualified physician and MBA graduate from Harvard Business School, he has worked for a variety of companies, charities and academic institutions including: GlaxoSmithKline, Roche, Imperial College London and the University of Cambridge. In addition to his non-executive directorship at OBD, David is also a non-executive director of AIM-listed Frontier IP plc,a non-executive director of MitoRx Limited, a mitochondrial biology company based at Harwell, holds roles as Adviser and Investment Committee member at RYSE Asset Management, is Chairman of The Liver Group Charity, and recently appointed Chair of NK:IO Limited, a private spin out company of Imperial College. David brings a wealth of healthcare investment expertise as inaugural Head of Seed Funds at LifeArc, General Partner and Head of Healthcare Investing at MTI Ventures LLP, Director, Life Sciences at the Cambridge University Seed Fund and July 2021, Senior Independent Director at Worldwide Healthcare Trust plc. David was appointed to the OBD Board in April 2019. He chairs the Audit and Remuneration Committees and is a member of the Nomination Committee.

Stephen Diggle (Non-Executive Director)

Stephen is the founder and Chief Executive Officer of Vulpes Investment Management (a significant shareholder in the Company), and co-founder and former managing partner of Artradis Fund Management, one of the largest hedge fund groups in Asia. He has been involved in equity capital markets for over 30 years and has considerable experience investing in and supporting life science businesses through the Vulpes Life Sciences Fund. Stephen holds an MA from the University of Oxford. He was appointed to the Board in October 2016.

Governance

Corporate governance statement

Chairman's introduction

Dear Shareholders,

As shareholders are well aware, the year to 30 September 2024 and the period following have been eventful for the Group. At times over recent months, the Board has had to respond quickly to challenges and opportunities put before it. This has only served to emphasize the importance of having solid governance structures and processes in place.

We recognise the need to improve the balance of independent vs non-independent directors and the mix of skills and diversity of the Board (this was also highlighted in last year's annual report). We remain conscious of the benefit of continual review and strengthening of the Company's governance framework.

As we now move forward, alongside supporting the Group's renewed focus on partnership, collaboration and out-licensing and the root and branch review I am currently conducting, the Board will review its governance structures to ensure that they are appropriate for a Company of OBD's size.

I was pleased to join the Board as Executive Chairman in January 2025. Mindful of the level of independence on the Board, I would like to make it clear that any appointment to the role of Executive Chairman should be a temporary one. The intention is that in due course the role of the Chair will return to being a non-executive one and we will appoint a new Chief Executive Officer.

In the following pages, the corporate governance statement sets out the Company's approach, led by the Board, to governance: how we apply the principles of the updated QCA Code (2023) that we have adopted to support the Company's ongoing development and operation of its governance activities and how we operate as a Board in order to promote the interests of the Company's members as a whole.

I would also like to thank my predecessor as Chairman, Matthew Wakefield, who in over four years as Non-Executive Chairman has led the Board during the business's transition to its current position. As indicated in the Chairman's letter, Matthew has decided to step down from his position on the Board before the forthcoming AGM.

The non-executive directors and I welcome contact from any of our shareholders by email to: investorrelations@oxfordbiodynamics.com.

Iain G Ross
Executive Chairman

Governance

The Board has adopted the principles of the 2023 Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), which is recommended for application in accounting periods beginning on or after 1 April 2024. These principles focus on the pursuit of medium to long-term value for a diverse shareholder base, without stifling entrepreneurial spirit in which the Company and Group were created. The following statement sets out how the Company complies with each of the QCA Code's ten principles and where relevant, how the Board intends to address areas of current non-compliance.

QCA Code Governance principle	*Compliant*	*Explanation and further information*
QCA Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders	✓	OBD's strategy and business objectives are underpinned by the Group's values: Innovative, Pioneering, Achieving Excellence, Diverse, Professional. The Group's strategy and business model are set out on pages 8 to 12 of the Strategic report. OBD's approach to risk management, and key risks and their mitigation, is shown on pages 17 to 23 of the Strategic report. The Directors' obligation under s172(1) to consider the long-term consequences of their decisions is addressed on page 24.
QCA Principle 2: Promote a corporate culture that is based on ethical values and behaviours	✓	Each member of the Board acknowledges his role, alongside other members of the Group's Senior Management Team, in creating the Group's culture and setting expectations of appropriate ethical values and behaviour for all staff. The Directors seek to promote and support such values and behaviour in the way they lead the Group as a whole. The Group's employee handbook, which is read by all employees as part of their induction, sets out in detail the Group's values and ethical policies, including its anti-bribery, standards of business conduct, whistleblowing, equal opportunities, recruitment, health and safety, training, grievance, share dealing and other policies. During and after the year, the Directors demonstrated their commitment to such a culture by considering in detail, including by seeking and following external professional advice, the impact of their actions on all of the Company's stakeholders. The Strategic report and s172(1) statement provide further detail on the policies in place to promote and support ethical behaviour and the Group's values, and how these align with the Group's objectives, strategy and business model.
QCA Principle 3: Seek to understand and meet shareholder needs and expectations	✓	The Board engages with the Company's shareholders throughout the year and reports formally to them when its full-year and half-year results are published. The Board ensured that as many shareholders as possible had the opportunity to take part in the Company's fundraisings in April 2024 and, post-year end, in January 2025, through the PrimaryBid and WRAP platforms. As noted in the Executive Chairman's letter on page 4, the recent fundraising roadshow offered a valuable opportunity to receive clear feedback from institutional and other significant shareholders on their expectations for the future direction of the Company. The Executive Directors and Chairman seek to understand the needs and expectations of shareholders, primarily through online and in-person meetings. Individual meetings are generally held with institutional or significant shareholders and analysts. All shareholders can attend and ask questions at webinar presentations advertised on the Group's website and at annual and other general meetings. The Non-Executive Directors may be contacted by shareholders who wish to raise matters with them, and the Chairman and other Non-Executive Directors will attend meetings with institutional investors and analysts as required. Investors may contact the Company directly through its investor relations email address: investorrelations@oxfordbiodynamics.com

Governance

Corporate governance statement (continued)

QCA Code Governance principle	*Compliant*	*Explanation and further information*
QCA Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success	✓	The Board recognises that it is responsible for considering the needs of a wide range of stakeholders in the decisions it takes, including the Company's shareholders and employees, its customers and suppliers and the communities and environment in which the Group operates. In particular, as noted in the s172(1) statement on page 25, the Group's customers comprise several groups including doctors, payors, healthcare systems, researchers and, importantly, patients – all with specific requirements and areas of focus. As noted in the Strategic report and s172(1) statement, the Group seeks to follow best practice by: - Treating all stakeholders fairly; - Developing and launching reliable, high quality products; - Communicating openly and honestly all information relevant to shareholders and stakeholders; - Providing safe, secure and healthy working conditions for all employees; - Considering and minimising the environmental impact of its activities; - Promoting equality, diversity and inclusion; and - Observing the laws and regulations of each country in which it operates.
QCA Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	✓	The Board has implemented what it considers to be a sensible approach to risk management for a company of OBD's size. The Group's approach to risk management, including the maintenance of risk registers, is outlined in the Strategic report on page 17. The Board maintains a corporate risk register, considering 'macro' risks faced by the business and determining appropriate responses to these risks. This is subject to regular review and update. The Group also follows detailed prescribed risk assessment and management processes for its ISO-and CLIA-certified facilities and activities. The Group has implemented a system of internal controls which include: - Direct management of the day-to-day activities of the Group by the Executive Directors; - Clearly defined lines of responsibility and delegated authority; - A comprehensive system for consolidating financial results from Group companies and reporting these to the Board each month; - Annual revenue, cost, and capital budgets, which are reported against and reviewed regularly during the year; - Financial control policies and procedures including hierarchical dual authorisation of purchases and payments and segregation of duties; - Detailed, computerised quality and project management systems; - Internal audits of ISO-certified activities; and - Audit Committee approval of audit plans and published financial information, review of reports from the external Auditor (including regarding Auditor independence and on matters arising from the audit) and consideration of the Group's approach to financial risk management.

Governance

QCA Principle 6: Maintain the board as a well-functioning, balanced team led by the Chair	× *(because of the balance of independent non-executives as noted opposite)*	The Board, led by the Chairman, is responsible to the shareholders and sets the Group's strategy for achieving long-term success. The Board is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group and ultimate responsibility for the quality and effectiveness of the Board lies with the Chairman. More information on the composition of the Board is given on page 34, and meeting attendance and the management of Board activities is described in more detail on page 36. The Board is currently led by an Executive, rather than a Non-Executive Chairman. Whilst not proscribed by the QCA Code, the Board acknowledges that investors will be particularly mindful of the level of independence on the Board whilst this is the case and expects the current mix of roles to be a temporary one. From the forthcoming 2025 AGM, all Directors will be subject to annual re-election, in line with the recommendations of the QCA Code (2023). The Board does not currently consider more than half of its members to be independent non-executives, nor is the Board considered sufficiently diverse. More information on this assessment is provided on page 34.
QCA Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities	✓	The Nomination Committee is responsible for identifying and assessing the suitability of candidates to fill vacancies on the Board, and also for assessing the appropriateness of the size and composition of the Board as the Group develops. More detail on the Committee's activity is provided in its report on page 38. Directors' skills and experience and the processes in place to ensure the Board maintains appropriate capabilities are set out on page 35. Those Directors who maintain professional accreditations are subject to ongoing requirements for undertaking continuing professional development (CPD). During and after the period, in light of the Group's constrained cash resources, the Board sought the advice of the Company's solicitors on Directors' legal duties. Directors invited the solicitors and other professional advisers to attend and provide advice to Board meetings and engaged with appropriately qualified advisers to plan for various contingencies, including the possibility of insolvency.

Governance

Corporate governance statement (continued)

QCA Code Governance principle	*Compliant*	*Explanation and further information*
QCA Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	✓	The Board completed its most recent formal evaluation process during the year. This review drew on the outcomes of the previous evaluation process, completed during the year ended 30 September 2022, in order to identify any areas for improvement in how the Board performs as a Group. The main areas for development that were identified were the balance of the Board with respect to independence, diversity and to a lesser extent, particular skills and experience and facilitation of training for and site visits by Non-Executive Directors.
QCA Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	✓	The Remuneration Committee is responsible for setting the framework and broad policy for the remuneration of all executive directors. The Remuneration Committee's terms of reference specify that the objective of the remuneration policy shall be to promote the long-term success of the Company, the remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long-term strategic goals; and that a significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.
QCA Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders	✓	As noted against QCA Principle 3 on page 29, the Directors typically meet or communicate with institutional shareholders during the year as required. In addition, all shareholders are encouraged to attend webinars (as advertised on the Company's website and in regulatory announcements) on the release of preliminary and interim results and the Company's annual and any other general meetings, at which the Group's activities are considered and shareholders' questions answered. Dialogue with other stakeholders (including employees, customers, suppliers and regulatory and governmental bodies) is maintained through various formal and informal means, principally by Executive Directors and Senior Management Team members. General information about the Group is also available on the Company's website (www.oxfordbiodynamics.com), where there is an overview of the activities of the Group, links to its dedicated product websites, up-to-date information on its corporate governance, all recent Company announcements, copies of annual reports and interim results statements and circulars sent to shareholders. Results of shareholder votes are made public on the Company's website after the meetings concerned. None of the resolutions proposed at any of the eight annual general meetings held by the Company to date had a significant proportion (more than 20%) of votes cast against them. The work undertaken by of each of the Board's sub-committees during the year is detailed in their reports on the following pages. The Non-Executive Directors are available to discuss any matter stakeholders wish to raise and may be contacted by emailing investorrelations@oxfordbiodynamics.com.

Governance

Governance structure

OBD's governance structure in the year under review included the Board of Directors and three subcommittees: an Audit Committee, a Nomination Committee and a Remuneration Committee with formally delegated duties and responsibilities, as summarised below. It is anticipated that following the Executive Chairman's review of the business, the composition of the Board and its Committees will change in order to increase independence and diversity over time.

<table>
<tr><th colspan="3">The Board</th></tr>
<tr><td colspan="3">The Board is responsible to shareholders for the effective stewardship of the Group's affairs. There is a formal schedule of matters reserved for decision by the Board in place (available on the Company's website). This enables the Board to provide effective leadership, ensuring critical decisions are taken at the highest level.</td></tr>
<tr><th>Audit Committee</th><th>Nomination Committee</th><th>Remuneration Committee</th></tr>
<tr><td>The Audit Committee's main responsibilities include ensuring that appropriate systems of accounting and financial controls are in place, monitoring the integrity of the Group's financial statements, reviewing the effectiveness of the accounting and internal control systems, reviewing reports from the Group's auditors relating to accounting and internal controls, and reviewing the interim and annual results and reports to shareholders, in all cases having due regard to the interests of shareholders.</td><td>The Nomination Committee is responsible for reviewing the structure, size and composition of the Board based upon the skills, knowledge and experience required to ensure that it continues to operate effectively. The Nomination Committee also identifies and nominates suitable candidates to join the Board when vacancies arise and makes recommendations to the Board for the reappointment of any Directors required to resign and stand for re-election.</td><td>The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration packages for each of the Executive Directors (the remuneration of the Non-Executive Directors is determined by the Board). The Remuneration Committee considers all aspects of the Executive Directors' remuneration, including pensions, bonus arrangements, benefits, incentive payments and share option awards, and the policy for, and scope of, any termination payments. No Director is involved in discussions relating to his or her own remuneration.</td></tr>
<tr><td>The Audit Committee's report is found on pages 39 to 42.</td><td>The Nomination Committee's report is found on page 38.</td><td>The Remuneration Committee's report is found on pages 43 to 47.</td></tr>
<tr><td>Members
David Holbrook (Chair)
Matthew Wakefield</td><td>Members
Matthew Wakefield (Chair)
David Holbrook
Iain Ross</td><td>Members
David Holbrook (Chair)
Matthew Wakefield</td></tr>
</table>

Copies of each Committee's detailed terms of reference are available in the Investors section of the Company's website.

During the year ended 30 September 2024, two of the Directors undertook individual roles with defined responsibilities, as set out below:

Role	Responsibilities
Chairman	In the role of Chairman, Matthew Wakefield was responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role, setting its agenda and ensuring that the Directors receive accurate, timely and clear information. The Chairman also ensures that communication with shareholders is effective and facilitates the contribution of Non-Executive Directors to the Board. The Chairman is responsible for leading the Board's regular evaluation of its effectiveness.
Chief Executive Officer	The Chief Executive Officer, Jon Burrows was, during the year and until his resignation on 16 December 2024, responsible for running the Group's business and for managing the Senior Management Team, on which he reported to the Board at each Board meeting. With the other Executive Directors, the Chief Executive Officer is responsible for the delivery of the Group's business model, within the strategy set by the Board.

Most of the responsibilities in the table above are currently vested in a single role, that of the **Executive Chairman**, Iain Ross. In discharging this role, Iain liaises extensively with the Non-Executive Directors.

The appropriateness of the Board's structures, processes and roles are reviewed through the Board evaluation process detailed on page 37 and on an *ad hoc* basis by the Chairman together with the other Directors. The Board expects these to evolve in line with the Group's objectives, strategy and business model as the business develops.

In particular, the Board does not expect the position of Executive Chairman to be occupied on a long-term basis. The role affords Iain Ross the ability to provide direct leadership of the Company in the short term. In due course, it is expected that the Board will include different individuals in the roles of Non-Executive Chairman and Chief Executive Officer.

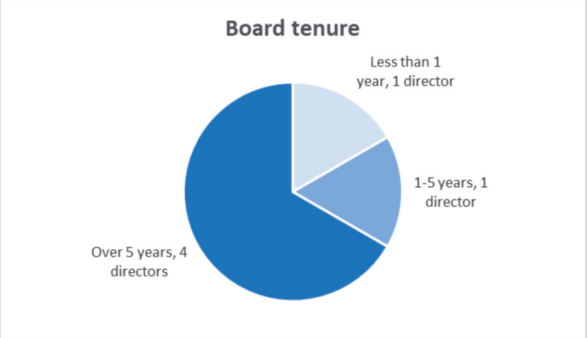
Governance

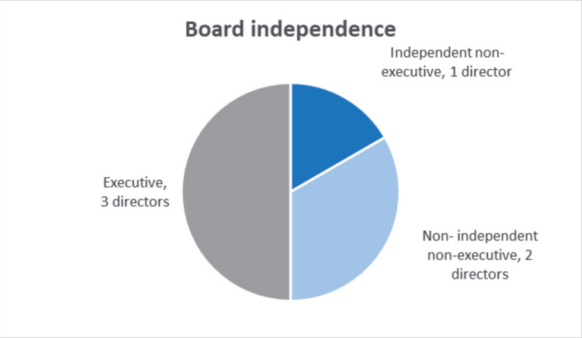
Corporate governance statement (continued)

Board composition and independence

The QCA Code recommends that a company should have a minimum of two independent non-executive directors, further noting that it may not be possible for growing companies to meet all of the objective independence criteria demanded of the largest listed companies. During the reporting period, the Board comprised three Executive Directors and three Non-Executive Directors. Of the current Board, David Holbrook is considered by the Directors to be independent for the purposes of the QCA Code. David Holbrook joined the Board on 5 April 2019 and prior to his appointment did not have any association with the Company.

The balance of independence and length of tenure of the current membership of the Board is summarised in the charts below:





Stephen Diggle represents a significant shareholder (through the combined holdings of Vulpes Life Sciences Fund and Vulpes Testudo Fund) and, therefore, is not considered by the Board to be independent for the purposes of the QCA Code.

Matthew Wakefield joined the Board as Non-Executive Chairman on 14 December 2020. Prior to his appointment, Matthew was an early investor in the Company and had been involved in raising funds for the Company. He is a partner and shareholder in Baden Hill LLP, which has supported several of the Company's fundraises, including during the year as joint broker to the April 2024 fundraising and most recently as sub-agent to the broker in the Company's January 2025 fundraising. In addition, it is a typical expectation that a chair will not remain independent throughout their tenure if it extends to several years. Matthew Wakefield is therefore not considered by the Board to be independent for the purposes of the QCA Code.

Each of the Non-Executive Directors offers support and challenge to the Executive Directors. Each of the Non-Executive Directors has demonstrated their commitment to representing the interests of all shareholders in Board meetings and other activities during and after the year.

At each meeting of the Board, Directors declare any interests in the matters to be discussed. The Company's articles of association provide for the Board to authorise any actual or potential conflicts of interest, provided such authorisation is given in accordance with the requirement of the Companies Act 2006.

The Nomination Committee is responsible for identifying and assessing the suitability of candidates to fill vacancies on the Board, and also for assessing the appropriateness of the size and composition of the Board as OBD develops.

The Directors are satisfied that the Board has been sufficiently resourced to discharge its governance obligations on behalf of all stakeholders to date. The Directors plan to recruit additional suitably qualified, independent, non-executive directors in the near term.

Governance

Board skills and experience

The Board currently comprises three Executive and three Non-Executive Directors whose collective balance of sector, financial and public market skills and experience is summarised below.

Director	Biotech/pharma sector	Financial	General Management	Other public company (board level)
Alexandre Akoulitchev	●			
Stephen Diggle	●	●	●	
David Holbrook	●	●		●
Iain Ross	●	●	●	●
Paul Stockdale	●	●		
Matthew Wakefield		●	●	

Further details of the skills and experience of the Directors are provided in their biographies on page 27. Each of the Non-Executive Directors has particular experience and knowledge that enables them to constructively challenge and contribute to the Company's strategy and to scrutinise its performance and that of the Management team. The Board and its subcommittees also consult external advisors, at the Company's expense, whenever necessary.

On appointment, Directors take part in a formal induction process, including briefing on AIM rules by the Company's Nominated Adviser ("Nomad"), information on the Board's processes and governance framework and review of past Board materials to provide background information on the Company. The induction process is tailored to meet each new Director's specific needs and Committee membership. The Directors also receive briefings and updates from the Company's Nomad as necessary to ensure continued compliance with the AIM Rules and UK Market Abuse Regulation.

The Directors and the Senior Management Team are encouraged to attend external seminars or training events relevant to their roles. In particular, the members of the Audit Committee receive technical updates from the Company's external auditor to keep them abreast of any relevant developments in accounting, auditing and reporting.

The Company Secretary provides information and advice on corporate governance and individual support to Directors on any aspect of their role, particularly supporting the Chairman and those who chair Board Committees. The Company Secretary is also responsible for ensuring that Board procedures are followed and that the Board receives the information it needs to discharge its duties effectively.

The Company strongly supports and recognises the benefits of diversity in the boardroom. Appointments to the Board are made with reference to a number of different criteria, including promoting diversity of gender, background and personal attributes, alongside the necessity for Directors to have appropriate skills and experience.

Governance

Corporate governance statement (continued)

Board function

QCA Principle 6 requires that the Board is maintained as a well-functioning, balanced team led by the Chair. There is a formal schedule of matters reserved for decision by the Board, which is available on the Company's website. Board approval is required for financial statements, dividends (if any), significant changes in strategy, accounting practice or key corporate or commercial activities.

Time commitments

On joining the Board, Non-Executive Directors receive a formal appointment letter, which identifies the terms and conditions of their appointment and an indication of the time commitment expected of them. Any person seeking appointment as a Director (whether an Executive Director or Non-Executive Director) is required to disclose all significant outside commitments prior to (and after) their appointment.

The Board is satisfied that the Executive Chairman and each of the Non-Executive Directors is able to, and does, devote sufficient time to the Company's business. Each of the other Executive Directors is employed on a full-time basis.

In appropriate circumstances, the Board may authorise Executive Directors to take non-executive positions in other companies and organisations, provided the associated time or other commitments do not conflict with the Director's duties to the Company. The acceptance of appointment to such positions is subject to the approval of the Chairman.

Attendance at Board and Committee meetings

The Board meets at least four times per year for formal Board meetings and met eight times for formal meetings during the year ended 30 September 2024. The attendance of each Director at Board and Committee meetings during the year is shown below[1]:

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee[2]
Alexandre Akoulitchev	7/8	-	-	-
Jon Burrows (resigned 16 December 2024)	8/8	-	-	-
Stephen Diggle	8/8	-	-	-
David Holbrook	8/8	2/2	4/4	1/1
Iain Ross (appointed 31 January 2025)	0/0	-	-	0/0
Paul Stockdale	8/8	-	-	-
Matthew Wakefield	8/8	2/2	4/4	1/1

1 Attendance is expressed as the number of meetings attended/number eligible to attend. Directors' attendance by invitation at meetings of Committees of which they are not a member is not reflected in the above table. In addition, authority was delegated to subcommittees of the Board on an *ad hoc* basis to deal with routine matters – meetings of these subcommittees are not reflected in the above table.

2 The Nomination Committee met after the year end.

Timeliness and quality of Board information

The Board seeks to ensure that Directors are properly briefed on issues arising at Board and Committee meetings by establishing procedures for distributing Board and Committee papers in a timely manner in advance of meetings; considering the adequacy and quality of the information provided before making decisions; and adjourning meetings or deferring decisions if Directors have concerns about the information available to them, or the time required to consider it.

The Board receives detailed reports from executive management on the operational and financial performance of the Group at Board meetings and other information as necessary. Members of the Senior Management Team may also make presentations to the Board or subcommittees on their areas of responsibility.

Governance

Board evaluation

The Board uses a process of annual review to assess its performance and to identify ways in which it might improve its effectiveness. Alongside the formal annual evaluation discussed below, the Chairman routinely assesses the performance of the Board and its members and discusses any issues as necessary with the relevant Directors.

The annual review of the effectiveness of the Board and its Committees is conducted through questionnaires and, when considered necessary, interviews with the Chairman. In addition, the other Directors are responsible for evaluating the performance of the Chairman.

Through the review, the Directors assess the Board's performance, balance of skills, experience, independence, diversity and other factors expected to affect its effectiveness. Alongside the work undertaken by the Remuneration Committee in respect of the Executive Directors, the performance of individual Directors is also addressed in the review.

The most recent formal evaluation of the Board's performance, and that of its Committees, was carried out during the year. In carrying out the review, the then Chairman solicited the views of the other Directors, including the completion by each Director of a confidential questionnaire, with results collated by the Company Secretary.

As in previous years, evaluation focused on:

- the scope of the Board's responsibilities and duties within the Company and to all its stakeholders;
- the appropriateness and timeliness of information provided to the Board and Committees;
- Board and Committee procedures;
- the composition of the Board and Committees in terms of the mix of skills, diversity and experience of the Directors;
- continuing professional development;
- the effectiveness of communication with shareholders;
- the Board's contribution to strategy development and risk management;
- the quality of advice received by the Board and Committees from external advisers; and
- corporate social responsibility.

The Chairman (at the time of the evaluation, Matthew Wakefield was Non-Executive Chairman) was also evaluated on his:

- leadership of the Board;
- management of relationships and communications with shareholders;
- identification of and support for the development needs of individual Directors;
- promotion of the highest standards of corporate governance; and
- management of Board meetings and ensuring effective implementation of Board decisions.

As noted in the last annual report, through the evaluation process, the Board identified the following areas for review and development:

- the balance of the Board with respect to independence, diversity and to a lesser extent, particular skills and experience; and
- facilitation of training for and site visits by Non-Executive Directors.

The Board will next conduct an evaluation of its performance later in 2025.

Governance

Nomination Committee report

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, ensuring that as a body, the Directors have the skills, knowledge and experience required to ensure that it operates effectively. The Nomination Committee meets at least once per year and at other times as necessary. The Nomination Committee also identifies and nominates suitable candidates to join the Board when vacancies arise and makes recommendations to the Board for the re-appointment of any Non-Executive Directors. Matthew Wakefield is Chairman of the Nomination Committee. The other members are David Holbrook and Iain Ross.

The Nomination Committee met once since the last annual report. Details of meeting attendance are shown in the corporate governance statement on page 36. After considering his skills, knowledge and experience, the Committee formally recommended that Iain Ross be appointed to the Board on the successful completion of the Company's fundraising in January 2025. A resolution to approve Iain's election to the Board will be proposed at the forthcoming AGM. There were no appointments to the Board during the period.

The Committee also has responsibility to consider the structure, size and composition of the Board including its diversity and the balance of independent and non-independent directors. Throughout the year, the Board comprised three Executive Directors and three Non-Executive Directors, with the Non-Executive Chairman holding a casting vote. The Committee recognised that the balance of the Board with respect to independence, diversity and particular skills and experience remains an area that requires action as far as possible given the Group's resources. The Committee acknowledges that the appointment of an Executive Chairman may give rise to concerns for some investors regarding the balance of independence on the Board, but considers that the appointment of Iain Ross to what is expected to be a temporary position is amply warranted in the Company's current circumstances.

The Nomination Committee is also responsible for succession planning of the Group's executive leadership team and expects to review internal plans following the completion of the review of the business currently being undertaken by Iain Ross. The Committee noted and approved plans for Iain Ross to remain in post as Executive Chairman for two months following the future appointment of a Chief Executive Officer, in order to provide stability through the transition concerned.

The Nomination Committee is also responsible for considering the retirement and re-election of Directors. The Board has adopted the Quoted Companies Alliance Corporate Governance Code (2023) (the "**2023 QCA Code**"), as its corporate governance code. The principles therein recommend that each individual Director offers himself or herself for re-election on an annual basis. Although the Company's articles require Directors to stand for re-election every three years, each Director will now stand for re-election annually, in line with the 2023 QCA Code. I have informed my fellow Directors of my intention to step down from the Board before the forthcoming AGM. Resolutions proposing the re-election of each of the other Directors will be proposed at the meeting.

Matthew Wakefield
Chairman of the Nomination Committee

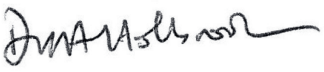
27 February 2025

Governance

Audit Committee report

I am pleased to present the annual report of the Group's Audit Committee for the year ended 30 September 2024. The report includes an explanation of the role the Audit Committee performs on behalf of the Board and of its main activities during the year. It also sets out the main issues relating to the financial statements that the Committee has considered as part of our work, and the conclusions it has reached, in consultation with the external Auditor where appropriate.

The Audit Committee seeks to ensure that the annual report and other financial statements issued by the Company are prepared effectively and present relevant information to shareholders and other stakeholders in a fair and balanced way. The Committee members welcome feedback and questions from shareholders, which may be submitted to investorrelations@oxfordbiodynamics.com, or raised at the forthcoming AGM.



Dr David Holbrook
Chairman of the Audit Committee

Audit Committee

The Audit Committee:

- ensures that appropriate accounting systems and financial controls are in place across the Group;
- reviews the effectiveness of these systems and controls;
- monitors the integrity of financial statements prepared by Management;
- receives reports from the Group's External Auditor relating to the Group's accounting and internal controls; and
- reviews the interim and annual results and reports to shareholders,

in all cases having regard to the interests of the shareholders as a body.

The Audit Committee meets at least twice a year, in line with the external financial reporting and audit cycle. As Committee Chairman I have recent and relevant financial experience through my roles as a director and member of the audit committee of the Worldwide Healthcare Trust plc and as inaugural Head of Seed Funds at LifeArc. Matthew Wakefield is the other member of the Audit Committee and also has significant relevant financial experience in his previous and other current roles.

Only the members of Audit Committee receive automatic invitations to meetings of the Audit Committee. Often the Chief Financial Officer and external Auditor are invited to attend and present to the Committee at its meetings. The Company Secretary acts as secretary to the Audit Committee.

The Audit Committee meets the external Auditor at least once a year without executive management present and the Chairman of the Audit Committee consults regularly with others involved in the Company's governance, including the Chief Financial Officer and other Executive Directors as required, the Chairman, the Company Secretary and the external Auditor.

In the course of discharging its duties and responsibilities, the Audit Committee focuses particularly on compliance with legal requirements and accounting standards and on ensuring that the Group's system of internal financial controls is effective and appropriately updated as the Group develops.

The Audit Committee scrutinises the Group's annual report and accounts as Group and Company's main corporate reporting document. The Committee aims to ensure that this report provides investors with clear and relevant information on the Group's performance and prospects to help them make informed investment decisions and promote effective stewardship. The Audit Committee is mindful that the annual report is also used by other stakeholders to inform their decisions. It is therefore vital, and in the public interest, that the report is prepared to a high quality and is fair and balanced.

The Audit Committee aims to ensure that this report:

- complies with relevant accounting standards, laws and regulations, and codes;
- is responsive to the needs of stakeholders in an accessible way; and
- demonstrates appropriate corporate reporting principles and effective communication.

Governance

Audit Committee report (continued)

The Committee is also responsible for reviewing and monitoring:

- the requirement for an internal audit function;
- the Group's whistleblowing, anti-bribery and fraud protection procedures; and
- the independence and objectivity of the Group's external Auditor and the effectiveness of the audit process, and for making recommendations to the Board on the appointment and re-appointment of the Group's external Auditor.

The Audit Committee reports to the Board, and the effectiveness of the Audit Committee is reviewed by the Board.

External Auditor

The Audit Committee makes recommendations to the Board on the appointment, reappointment or removal of the external Auditor and assesses annually the qualifications, expertise, resources, remuneration and independence of the external Auditor. The Audit Committee also receives reports at least annually on the external audit firm's own internal quality control procedures (which address both independence and audit quality) and ensures that for each annual cycle, appropriate plans are in place for the external audit.

Audit tender and rotation processes

Grant Thornton UK LLP were appointed as the Company's and the Group's external Auditor following a full tender process, commencing with the audit of the financial year ended 30 September 2018 and have therefore served as external Auditor for seven years. In accordance with professional standards, the senior statutory auditor responsible for the audit is rotated at least every five years. The current senior statutory auditor was first appointed in respect of the year ended 30 September 2024.

A resolution proposing the re-appointment of Grant Thornton UK LLP as auditors of the Company for the year ending 30 September 2025 will be tabled at the forthcoming annual general meeting.

Review of audit effectiveness

The Audit Committee is responsible for assessing the effectiveness of the external audit process. Each year, the external Auditor presents to the Audit Committee its proposed audit scope – most recently in relation to the audit of the financial statements for the year ended 30 September 2024 – and reports and answers the Committee members' questions on its detailed year-end work, the completion of the audit and any significant findings arising from it.

In concluding on its assessment of external Auditor effectiveness, the Audit Committee reviews the audit engagement letter before signature, reviews the external Auditor's summary of Company issues, and conducts an overall review of the effectiveness of the external audit process and the external Auditor. The Audit Committee reports its findings to the Board prior to its approval of the annual report and accounts.

The Audit Committee and the Board have been satisfied with the performance of Grant Thornton UK LLP since their appointment as external Auditor and with the policies and procedures they have in place to maintain their objectivity and independence, as well as the overall quality of the audit in respect of the year ended 30 September 2024.

Non-audit services

In order to safeguard Auditor objectivity and independence, the Audit Committee considers and approves in advance any non-audit services to be performed by the external Auditor, such as tax compliance and advisory work or non-audit-related assurance services. No non-audit services were provided by the external Auditor in either the reporting period or the prior year. Accordingly, the Audit Committee confirms that during the reporting period there have been no non-audit services that are considered to have impaired the objectivity and independence of the external Auditor. A breakdown of all fees payable to the external Auditor during the financial year is disclosed in Note 9 on page 77.

Governance

Work undertaken by the Audit Committee

The Audit Committee met twice during the period. Details of meeting attendance during the period are shown in the Corporate governance statement on page 36. Matters addressed by the Audit Committee in its meetings during and after the year included:

- review and approval of the Annual Report and Accounts for the years ended 30 September 2023 and 30 September 2024;
- review and approval of the Interim Report for the six months ended 31 March 2024;
- discussions with the external Auditor on the audit approach and strategy, the audit process, significant audit risks and key matters of focus for the annual audit;
- review of significant issues related to the financial statements, as described in more detail below;
- review of the financial integrity of the Group's financial statements including relevant corporate governance statements;
- consideration and approval of the audit fees for the financial year ended 30 September 2024;
- confirmation of the independence and objectivity of the external Auditor;
- review of the internal controls and risk management systems within the Group;
- review and update of the Group's financial risk register;
- consideration of the size and composition of the Group's finance team;
- consideration of the requirement for the Group to have an internal audit function; and
- review of the effectiveness of the external Auditor, as more fully described above.

The Board has ultimate responsibility for reviewing and approving the financial statements contained in the interim and annual reports.

Significant issues related to the financial statements

The Audit Committee, considered significant issues relating to the preparation of the financial statements contained in this Annual Report as follows:

Going concern

Post-year end the Audit Committee reviewed the Board's consideration of the appropriateness of adopting the going concern assumption in preparing the financial statements and the additional disclosures shown in Note 2 on page 67, made in relation to the Board's determination that there exist material uncertainties which may cast significant doubt on the Group and Company's ability to continue as a going concern.

Impairment of patent assets

The Audit Committee received and assessed the impairment charges recognised in the financial statements for the year ended 30 September 2024 and an impairment review of the Group's remaining capitalised patents prepared by Management. The review followed Management's assessment that certain factors, including the Company's financial performance and the reduction in the Company's share price over the period under review, were potentially indicative of impairment. As at previous reporting dates, each of the Group's patent families had been reviewed in detail, considering its overall applications and claims in the light of the Group's expected focus in the use of its available resources in the short-to-medium term. This led to the recognition of an impairment charge of approximately £0.9m in the year ended 30 September 2024. The Committee reviewed the basis for the inclusion of individual patent families in the impairment change and considered whether the amount charged was reasonable.

The Committee also reviewed, the judgements, set out in more detail in Note 4 on page 71 regarding the Group's single cash-generating unit and the impairment review conducted by Management.

Estimation of the fair value of the Group's remaining holding in Holos Life Sciences (Singapore) Pte Ltd ("Holos")

The Audit Committee reviewed the estimate of the fair value of the Group's shareholding in Holos prepared by Management. More information regarding the approach taken by Management in estimating the fair value is set out in Note 4 on page 72.

Revenue recognition

In applying the requirements of the relevant financial reporting standard, determination of the correct treatment of revenue arising from the Group's clinical tests requires judgement. Depending on the customer, revenue for the Group's clinical test products is currently recognised either on receipt of reimbursements from payors or on delivery of the test result to the ordering physician. The Group's contracts with customers also include research service contracts with different deliverables and payment milestones. The payment milestones may not necessarily equate to the revenue recognition points. The determination of the number of revenue components contained in contracts and the appropriate revenue recognition points can also require judgement. In addition, the Group's performance obligations under contracts with customers can change during the contract and when this happens, it is necessary to consider carefully how to account for the associated revenue. The Audit Committee reviewed the judgements of Management in the area of revenue recognition and was satisfied that the judgements made in respect of the amounts included in the annual report for the year ended 30 September 2024 are appropriate. More information on the Group's accounting policy in relation to revenue and the critical judgements made in applying it is provided in Notes 4 and 5.

Governance

Audit Committee report (continued)
Significant issues related to the financial statements (continued)

Warrants
The Audit Committee reviewed the assumptions and estimates used by Management in the calculation of the fair value of the warrants granted in 2021 and was satisfied that the valuation methodologies adopted and estimates used are reasonable and consistent with the prior year.

Share options
The Audit Committee reviewed the assumptions and estimates used by Management in the calculation of share option-related charges and was satisfied that the valuation methodologies adopted and estimates used are reasonable and consistent with prior years.

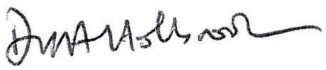
Risk management and internal control

The Board has overall responsibility for maintaining a system of internal controls to safeguard shareholders' investment and the Group's assets. The Board also undertakes a process of identifying, evaluating and mitigating or managing the significant risks the Group faces, as set out in the strategic report on pages 17 to 23. The Board regularly reviews this process, which has been in place throughout the period and up to the date of approval of the Annual Report and Accounts. The Audit Committee reviewed the Group's financial risk register and approval matrix (which sets out, alongside other matters, the levels of approval required for all types of financial transactions) and approved updates to these documents proposed by Management in the light of recent changes to Board roles.

Internal audit

The Board, advised by the Audit Committee, considers the need for a financial internal audit function annually. Following review by the Audit Committee, taking into account the views of the external Auditor, the Board has concluded that, given the current size of the Group's operations, such a function is not necessary at this time.

Approved on behalf of the Board



Dr David Holbrook
Chairman of the Audit Committee

27 February 2025

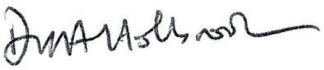
Governance

Remuneration Committee report

I am pleased to present the report of the Remuneration Committee for the year ended 30 September 2024. The report includes details of the remuneration of all Directors and a statement of the Group's policy on Directors' remuneration as it is currently applied.

This report is prepared with reference to the AIM Rules and the QCA's recommendations for remuneration committees and is designed to provide shareholders and stakeholders with sufficient relevant information about the decisions taken by the Remuneration Committee during the year. It does not constitute a full directors' remuneration report in accordance with the Companies Act 2006. As an AIM-listed company, the Company is not required by the Companies Act to prepare such a report.

In a welcome development for this year, in accordance with the recommendations of the 2023 QCA Code, there will be an advisory resolution on this report of the Remuneration Committee and the Group's remuneration policy as set out therein proposed at the forthcoming AGM.



Dr David Holbrook
Chairman of the Remuneration Committee

Remuneration Committee

The Remuneration Committee is responsible for determining all aspects of the Executive Directors' remuneration, including base salary, pension contributions, bonus arrangements, benefits and share option awards, and the policy for, and scope of, any termination payments. The remuneration of the Non-Executive Directors is determined by the Board. The Remuneration Committee meets as necessary, but at least twice a year. No Director may be involved in discussions relating to his or her own remuneration. I am the Chairman and Matthew Wakefield is the other member of the Remuneration Committee.

The Remuneration Committee met four times during the reporting period and has met once after the reporting period. Details of meeting attendance are shown in the Corporate governance statement on page 36.

During the year, the Remuneration Committee:

- considered and approved bonus awards to Executive Directors and PDMRs in respect of the year ended 30 September 2023;
- determined salary changes for Executive Directors and PDMRs (which took effect from 1 April 2024); and
- reviewed and approved the issue of share options to certain Executive Directors and PDMRs.

After the year end, the Remuneration Committee met to:

- consider whether to award bonus awards to Executive Directors and PDMRs in respect of the year ended 30 September 2024, in light of the Group's performance;
- review and determine the terms of the separation agreement between the Group and the former Chief Executive Officer, Jon Burrows;
- discuss the Group's share option scheme in the context of the Remuneration Committee's approach to determination of share option awards, if any, for Executive Directors and PDMRs;
- discuss and agree the remuneration of Iain Ross on his appointment as Executive Chairman.

In reviewing payments to be made to the former Chief Executive Officer, the Remuneration Committee is required under its terms of reference to ensure, among other items, that contractual terms on termination are fair to the individual and the Company and that the duty to mitigate loss is fully recognised. Full details of amounts payable to all current and former directors in the year ending 30 September 2025 will be provided in the report of the Remuneration Committee for that year. I confirm, however, that, mindful of the Group's financial position and the Remuneration Committee's terms of reference, the former Chief Executive Officer's payments and benefits following his resignation have followed those required by his employment agreement.

The Committee expects to meet to determine any salary increases to be received by Executive Directors and PDMRs to take effect later in 2025, after the date of this report.

Governance

Remuneration Committee report (continued)

Policy on executive remuneration

The Remuneration Committee aims, through the Group's policy on executive remuneration, to ensure that the Executive Directors and PDMRs are rewarded for their individual contributions to the Group and Company's overall performance. The policy is intended to provide Executive Directors and PDMRs with a fair and competitive total remuneration package that is likely to attract, motivate and retain individuals with the experience and competence required to ensure that the Company is managed effectively and successfully, and to align the interests of these staff members with those of shareholders and other stakeholders. When setting the remuneration policy for Executive Directors and PDMRs, the Remuneration Committee reviews and considers the pay and employment conditions of other Group employees and also within the sector in which the Group operates and the wider economy, especially when determining any salary increases.

Policy on Non-Executive Directors' remuneration

Non-Executive Directors receive a fixed fee and do not receive any pension contributions or other benefits. Matthew Wakefield received an additional fee in his role as Non-Executive Chairman. No additional fees are currently payable in respect of membership or chairmanship of the Board's Committees.

Ordinarily, the Non-Executive Directors do not participate in bonus or incentive schemes. Each of Matthew Wakefield and David Holbrook has been awarded share options in connection with their respective roles on the Board, including during the year. These option awards were approved by the Board. Further details of all Directors' share options are set out on page 46.

In determining any changes to Non-Executive Directors' fees, the Board considers salary increases awarded to staff members (including Executive Directors and PDMRs) and fees typically paid to Non-Executive Directors in similar companies.

Executive Directors' remuneration packages

Executive Directors' remuneration packages include base salary, discretionary bonuses, pension contributions and other benefits including health insurance. Base salaries are reviewed by the Remuneration Committee annually taking into account a number of factors, including individual contributions, salaries typically paid for similar roles by comparable organisations and the current position of the Group as a whole. There is no prescribed minimum or maximum increase, and the Remuneration Committee is not obliged to increase basic salary.

Executive Directors may also receive bonuses, depending on whether certain strategic, financial or operational objectives are met. The annual target bonus for the current Executive Directors ranges between 25% and 100% of base salary.

After conducting its reviews of performance for the year ended 30 September 2024, the Remuneration Committee determined that no bonuses would be awarded to the Executive Directors (2023: 100% of target).

For the year ending 30 September 2025, the Remuneration Committee will review the performance of the Group and individual Executive Directors throughout the year, with any bonuses for Executive Directors determined by the achievement of corporate and personal near-term goals, which are aligned with the Group's strategic objectives and the interests of shareholders and other stakeholders.

The benefits packages offered to Executive Directors include private health insurance and payments to money purchase pension schemes. It is possible for Executive Directors to receive additional salary in lieu of contributions to pension schemes and, for US-based directors, healthcare benefits. Where made, such payments may be adjusted to take account of employer's national insurance contributions and similar amounts payable, so that the total cost to the Company is no higher as a result. Payments in lieu of pension contributions or healthcare benefits are not included in calculations of an Executive Director's base salary for bonus purposes. Executive Directors may also elect to sacrifice salary in exchange for increased employer contributions to money purchase pension schemes: in such cases any bonus entitlement payable is calculated by reference to the pre-sacrifice salary of the Director concerned.

Directors' notice periods

Notice periods for Executive Directors are set at between three and six months and the notice period for each of the Non-Executive Directors is three months.

Governance

Directors' emoluments

Details of the emoluments of Directors who served during the current and prior years are also set out below:

	2024					2023	2024	2023
	Base Salary	Payment in lieu of pension	Bonus	Other benefits	Total	Total	Retirement contributions	
	£000	£000	£000	£000	£000	£000	£000	£000
Non-Executive Directors								
Stephen Diggle[1]	-	-	-	-	-	-	-	-
David Holbrook	47	-	-	-	47	45	-	-
Matthew Wakefield	87	-	-	-	87	85	-	-
Executive Directors								
Alexandre Akoulitchev[2]	202	-	-	2	204	244	33	32
Jon Burrows[3]	336	21	-	35	392	588	13	18
Paul Stockdale[4]	179	-	-	1	180	215	25	24
Total					**910**	**1,177**	**71**	**74**

Notes:

1. Stephen Diggle's annual fee for his services as a Non-Executive Director is £1.
2. Alexandre Akoulitchev's base salary is stated net of salary sacrificed in exchange for increased employer pension contributions.
3. Jon Burrows was paid in US dollars. Figures shown above are translated to sterling at the average rate for the period. Jon Burrows was the highest paid Director in 2024 (2023: Jon Burrows). Under the terms of his employment agreement, Jon Burrows is contractually entitled to payment in lieu of notice, a termination payment and certain other post-termination benefits.
4. Paul Stockdale's base salary is stated net of salary sacrificed in exchange for increased employer pension contributions.

Governance

Remuneration Committee report (continued)
Directors' share options

The share options of the Directors who served during the year are shown in the tables below and opposite. Exercise prices of options are set equal to or above the market price on the date of grant. Options awarded to Directors generally vest between one year and three years from the date of grant (although certain options have been granted with vesting dates set on the anniversary of the relevant Executive's appointment). Apart from a requirement that Directors continue to serve the Company throughout the vesting period, there are no performance conditions that affect vesting of the options, therefore provided a Director's service period continues up to the vesting date, 100% of the options granted will vest and become exercisable.

	Date of grant	At 30 September 2023 No.	Granted in the period No.	Exercised in the period No.	Lapsed in the period No.	At 30 September 2024 No.	Exercise price	Date from which exercisable	Expiry date
Executive Directors									
Alexandre Akoulitchev	16 Jul 2008	1,096,131	-	-	-	1,096,131	34p	1 Jan 2009 to 1 Jan 2011	31 Dec 2027[1]
	9 Nov 2022	250,000	-	-	-	250,000	18.9p	9 Nov 2023 to 9 Nov 2025	9 Nov 2032
	20 Oct 2023	-	250,000	-	-	250,000	34.0p	20 Oct 2024 to 20 Oct 2026	20 Oct 2033
		1,346,131	**250,000**	**-**	**-**	**1,596,131**			
Jon Burrows[2]	31 Mar 2020	925,598	-	-	-	925,598	100p	31 Mar 2021 to 31 Mar 2023	31 Mar 2030
	14 May 2021	462,798	-	-	-	462,798	100p	14 May 2022 to 14 May 2024	14 May 2031
	13 May 2022	501,757	-	-	-	501,757	17.25p	23 Mar 2023 to 23 Mar 2025	13 May 2032
	18 Apr 2023	733,561	-	-	-	733,561	15.6p	23 Mar 2024 to 23 Mar 2026	18 Apr 2033
	21 Jun 2024	-	10,150,020			10,150,020	9p	23 Mar 2025 to 23 Mar 2027	21 Jun 2034
		2,623,714	**10,150,020**	**-**	**-**	**12.773.734**			
Paul Stockdale[3]	19 Mar 2018	120,000	-	-	(50,000)	70,000	170p	19 Mar 2019 to 19 Mar 2021	19 Mar 2028
	14 May 2021	480,000	-	-	-	480,000	100p	14 May 2022 to 14 May 2024	14 May 2031
	9 Nov 2022	250,000	-	-	-	250,000	18.9p	9 Nov 2023 to 9 Nov 2025	9 Nov 2032
	20 Oct 2023	-	250,000	-	-	250,000	34.0p	20 Oct 2024 to 20 Oct 2026	20 Oct 2033
		850,000	**250,000**	**-**	**(50,000)**	**1,050,000**			

1 As announced on 14 December 2022, the independent Directors of the Company approved an extension of the exercise period of options which were due to expire on 31 December 2022 unless exercised prior to that date. Those options will now expire on 31 December 2027. All other terms and conditions, including the exercise price, remain unchanged.

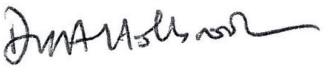
2 Certain of Jon Burrows' share options lapsed immediately on his resignation on 16 December 2024. Of the remainder of his options, some may be exercised within the 90-day period following his resignation.

3 Paul Stockdale voluntarily surrendered 50,000 options originally granted in March 2018, on 19 October 2023.

Governance

	Date of grant	At 30 September 2023 No.	Granted in the period No.	Exercised in the period No.	Lapsed in the period No.	At 30 September 2024 No.	Exercise price	Date from which exercisable	Expiry date
Non-Executive Directors									
David Holbrook	12 Jun 2019	40,000	-	-	-	40,000	158p	12 Jun 2020 to 12 Jun 2022	12 June 2029
	20 Oct 2023	-	75,000	-	-	75,000	34.0p	20 Oct 2024 to 20 Oct 2026	20 Oct 2033
		40,000	**75,000**		**-**	**115,000**			
Matthew Wakefield	20 May 2022	250,000	-	-	-	250,000	17p	20 May 2023 to 20 May 2025	20 May 2032
	20 Oct 2023	-	150,000	-	-	150,000	34.0p	20 Oct 2024 to 20 Oct 2026	20 Oct 2033
		250,000	**150,000**	**-**	**-**	**400,000**			

Approved on behalf of the Board



Dr David Holbrook
Chairman of the Remuneration Committee
27 February 2025

Independent Auditor's report to the members of Oxford Biodynamics Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Oxford BioDynamics Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2024, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated statement of cash flows, the Company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024 and of the Group's loss and the Parent Company's loss for the year then ended;

the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;

the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and

the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties related to going concern

We draw attention to the note 2 in the financial statements, which sets out that under the baseline forecast, the Group and Parent Company would need to generate additional funding during the final quarter of 2025. Should this forecast not be met (downside scenario) the quantum of any additional funding, may need to be increased and/ or the timing accelerated. As indicated, there are uncertainties relating to revenue generation and the ability of the Group and Parent Company to raise further funds.

As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that material uncertainties exist that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of management's assessment of the entity's ability to continue as a going concern

The existence of a material uncertainty related to going concern was assessed as a matter that was one of the most significant assessed risks of material misstatement due to the uncertainty associated with revenue generation and the ability of the Group and Parent Company to raise the funding required during the going concern assessment period.

We performed the following procedures to evaluate management's assessment of the Group's and Parent Company's ability to continue as a going concern:

Independent Auditor's report to the members of Oxford Biodynamics Plc

- Obtaining and evaluating management's assessment of going concern, which includes management's baseline and upside scenario forecasts.
- Compared management's historical forecasting to actual results to assess the accuracy of that forecasting.
- Evaluating the key inputs and assumptions underpinning the baseline forecast, including key assumptions relating to number of tests expected to be processed from the order system, revenue generation and costs.
- Evaluating the availability and impact of mitigating actions and assessing the uncertainty associated with management's assumptions relating to the availability and timing of additional funding.
- Performing arithmetical and consistency checks on management's baseline forecast.
- Assessing the adequacy and completeness of related disclosures within the annual report.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's report to the members of Oxford Biodynamics Plc

Our approach to the audit

Overview of our audit approach

Overall materiality:

Group: £496,000, which represents 5% of the Group's average loss before tax from the last three years.

Parent company: £409,000, which represents 5% of the Pparent Company's average loss before tax from the last three years.

Key audit matters:

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to be communicated in our report.

Our auditor's report for the year ended 30 September 2023 included two Key Audit Matters that have not been reported as Key Audit Matters in our current year's report:

- Identification of contracts with customers for Product revenue, as this revenue stream is not material to the financial statements for the year-ended 30 September 2024
- Valuation of warrant liability, as this is no longer material to the financial statements.

We performed an audit of financial information using component materiality (full-scope audit procedures) for Oxford BioDynamics plc (the Parent Company) and Oxford BioDynamics Inc, which is based in the United States of America.

The components which were subject to full-scope audit procedures contributed 100% of the Group's revenue, 99% of the Group's loss before tax and 99.3% of the Group's total assets.

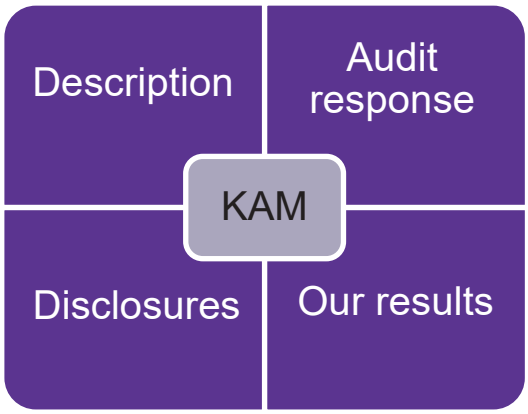
We performed analytical procedures using group materiality on the financial information of all remaining group components which are based in Singapore and Malaysia.

There have been no changes to the scope of our work performed compared to the prior year.

Independent Auditor's report to the members of Oxford Biodynamics Plc

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters relating to the audit of the Group or Parent Company to be communicated in our report.

Independent Auditor's report to the members of Oxford Biodynamics Plc

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

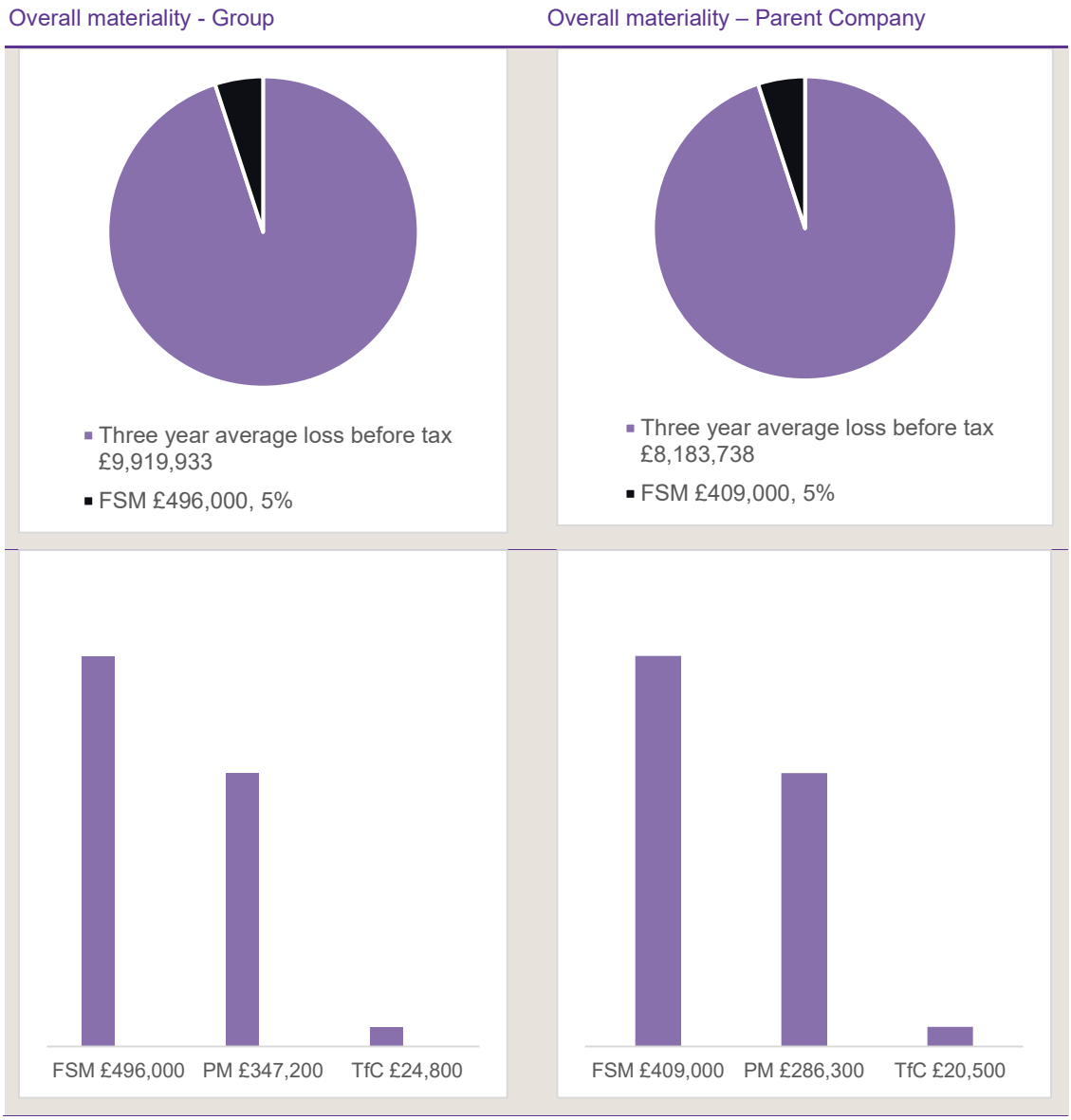
Materiality measure	Group	Parent Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£496,000 (2023: £811,000), which represents 5% of the average loss before tax from the last three years.	£409,000 (2023: £770,500), 5% of the average loss before tax from the last three years.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • The Group's loss before tax is considered the most appropriate benchmark because it is a prominent key performance measure for the users of the financial statements; • The average loss before tax for the last three years was taken in order to reduce year on year fluctuations; and 5% was deemed to be an appropriate measurement percentage. Materiality for the current year is lower than the level that we determined for the year ended 30 September 2023 as we have applied a lower measurement percentage to our chosen benchmark to reflect the impact of the current year's financial performance and position and the impact this may have on a user of the financial statements.	In determining materiality, we made the following significant judgements: • The Parent Company's loss before tax is considered the most appropriate benchmark because it is a prominent key performance measure for the users of the financial statements; • The average loss before tax for the last three years was taken in order to reduce year on year fluctuations; and • 5% was deemed to be an appropriate measurement percentage. Materiality for the current year is lower than the level that we determined for the year ended 30 September 2023 as we have applied a lower measurement percentage to our chosen benchmark to reflect the impact of the current year's financial performance and position and the impact this may have on a user of the financial statements.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£347,200 (2023: £567,700), which is 70% (2023: 70%) of financial statement materiality.	£286,300 (2023: £539,000), which is 70% (2023: 70%) of financial statement materiality.

Independent Auditor's report to the members of Oxford Biodynamics Plc

Materiality measure	Group	Parent Company
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • Our risk assessment – we considered the previously reported control deficiencies and the potential impact on the current year's audit when performing our risk assessment procedures; and • History of misstatements – we considered the level of misstatements identified in the previous year and the potential impact on the current year audit.	In determining performance materiality, we made the following significant judgements: • Our risk assessment – we considered the previously reported control deficiencies and the potential impact on the current year's audit when performing our risk assessment procedures; and • History of misstatements – we considered the level of misstatements identified in the previous year and the potential impact on the current year audit.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors Remuneration	We determined a lower level of specific materiality for the following areas: Directors Remuneration.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£24,800 (2023: £40,600), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£20,500 (2023: £38,500), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Independent Auditor's report to the members of Oxford Biodynamics Plc

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.



FSM: Financial statement materiality, PM: Performance materiality, TfC: Threshold for communication to the audit committee.

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, their environments, including group-wide controls

- Our audit approach was risk-based and founded on a thorough understanding of the Group's and Parent Company's business, its environment and risk profile. The Group's accounting is primarily resourced through a central function within the United Kingdom.
- The group engagement team obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level.
- We obtained an understanding of the business processes for all significant classes of transactions, including significant risks as part of our audit risk assessment and understanding relevant controls across the group.

Independent Auditor's report to the members of Oxford Biodynamics Plc

- We documented and assessed the design and implementation of controls related to the key audit matter and other significant risks communicated in this report.

Identifying significant components

- Component significance was determined based on their relative share of the group's key financial metrics including revenue and loss before tax.
- A full-scope audit approach was used for all components evaluated as individually financially significant. We also considered whether any components were likely to include significant risks of material misstatement to the group financial statements due to their specific nature or circumstances. No further components were identified from this consideration.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

In order to address the audit risks identified during our planning procedures, we performed full-scope audit procedures on the financial information of the parent company and one other significant component in the United States of America. This included performing the outlined procedures in relation to the Key Audit Matter detailed above.

The financial information of the remaining components of the group were subject to analytical procedures using group materiality.

Performance of our audit

- Full scope audits were performed on Oxford Biodynamics PLC and Oxford Biodynamics Inc, which together make up the majority of the group balances (see table below).

The year end audit was performed using a hybrid approach of onsite working as well as remotely. The group audit team physically visited premises in the UK as part of the audit procedures.

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage LBT (on absolute basis)
Full-scope audit	**2 (2023: 2)**	**99.3 (2023: 98.5)**	**100 (2023: 100)**	**99 (2023: 98.5)**
Analytical procedures	**2 (2023: 2)**	**0.7 (2023: 1.5)**	**- (2023: -)**	**1 (2023: 1.5)**
Total	**4 (2023: 4)**	**100**	**100**	**100**

Changes in approach from previous period

There have been no changes to the scope of our work performed compared to the prior year.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's report to the members of Oxford Biodynamics Plc

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

the parent company financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 111, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant which are directly relevant to the financial statements are those related to the reporting framework, being the Companies Act 2006 and UK-adopted international accounting standards, together with the QCA Corporate Governance Code and the AIM Rules for Companies.

We obtained an understanding of the relevant legal and regulatory frameworks and how the Group and the Parent Company are complying with those legal and regulatory frameworks by making enquiries of management to identify non-compliance. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies.

We assessed the susceptibility of the Group's and the Parent Company's financial statements to material misstatement, including how fraud might occur, by making enquires of management and those charged with governance. We

Independent Auditor's report to the members of Oxford Biodynamics Plc

utilised internal and external information to corroborate these enquiries and to perform a fraud risk assessment. We considered the risk of fraud to be highest through the potential for management override of controls and open revenue contracts. Our audit procedures involved:

- evaluation of the design and implementation of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business, including material journals posted by key management personnel;
- challenging assumptions and judgements made by management in its significant accounting estimates.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team, included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
- knowledge of the industry in which the Group and the Parent Company operate; and understanding of the legal and regulatory requirements specific to the Group and the Parent Company.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanne Love
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date:

Consolidated income statement

	Note	2024 £000	2023 £000
Continuing operations			
Revenue	5	636	510
Cost of sales		(347)	(244)
Gross profit		**289**	**266**
Admin expenses comprising:			
Research & development costs (excluding staff costs)		(809)	(758)
Staff costs		(5,495)	(5,403)
General & other admin costs		(4,479)	(3,411)
Share option charges		(514)	(332)
Depreciation and amortisation		(1,466)	(1,357)
Impairment loss on intangible assets	17	(896)	-
Total admin expenses		(13,659)	(11,261)
Other operating income		476	827
Operating loss		**(12,894)**	**(10,168)**
Fair value gain / (loss) on financial liabilities designated as FVTPL	27	1,349	(1,246)
Gain reclassified to profit or loss on disposal of foreign operation	20	-	113
Finance income	10	112	103
Finance costs	11	(523)	(213)
Loss before tax		(11,956)	(11,411)
Income tax	13	389	585
Loss for the year from continuing operations	8	(11,567)	(10,826)
Loss attributable to:			
Owners of the Company		(11,567)	(10,826)
Non-controlling interest		-	-
		(11,567)	(10,826)
Earnings / (loss) per share			
From continuing operations			
Basic and diluted (pence per share)	16	(4.5)	(7.3)

Consolidated statement of comprehensive income

	Note	2024 £000	2023 £000
Loss for the year	8	(11,567)	(10,826)
Exchange differences on translation of foreign operations that may be reclassified to the income statement		255	(182)
Total comprehensive income for the year		(11,312)	(11,008)
Total comprehensive income attributable to:			
Owners of the Company		(11,312)	(11,008)
Non-controlling interest		-	-
		(11,312)	(11,008)

Consolidated statement of financial position

	Note	2024 £000	2023* £000
Assets			
Non-current assets			
Intangible assets	17	1,351	1,913
Property, plant and equipment	18	1,762	2,238
Right-of-use assets	19	3,949	4,759
Deferred tax asset	31	-	50
Total non-current assets		7,062	8,960
Current assets			
Inventories	21	321	274
Trade and other receivables	22	1,385	957
Current tax receivables		513	686
Fixed-term deposits	23	1,000	-
Cash and cash equivalents	23	1,827	5,250
Total current assets		5,046	7,167
Total assets		12,108	16,127
Equity and liabilities			
Capital and reserves			
Share capital	24	3,119	2,023
Share premium	25	40,149	32,144
Translation reserves	25	192	(63)
Share option reserve	25	3,017	2,776
Retained earnings	25	(42,119)	(30,825)
Total equity		4,358	6,055
Current liabilities			
Trade and other payables	26	1,506	1,707
Warrant liability	27	11	1,360
Lease liabilities	28	1,046	818
Current tax liabilities		-	116
Total current liabilities		2,563	4,001
Non-current liabilities			
Lease liabilities	28	4,694	5,621
Provisions	30	486	440
Deferred tax	31	7	10
Total non-current liabilities		5,187	6,071
Total liabilities		7,750	10,072
Total equity and liabilities		12,108	16,127

*See Note 2 on page 67 for details of change in presentation of comparative information.

The financial statements of Oxford BioDynamics Plc, registered number 06227084, were approved by the Board of Directors and authorised for issue on 27 February 2025. Signed on behalf of the Board of Directors:

Iain G Ross
Executive Chairman
27 February 2025

Company statement of financial position

	Note	2024 £000	2023* £000
Assets			
Non-current assets			
Intangible assets	17	1,250	1,840
Property, plant and equipment	18	1,559	1,894
Right-of-use assets	19	3,216	3,712
Investment in subsidiaries	20	281	281
Total non-current assets		6,306	7,727
Current assets			
Inventories	21	220	206
Trade and other receivables	22	1,187	857
Current tax receivables		432	686
Fixed-term deposits	23	1,000	-
Cash and cash equivalents	23	1,660	5,066
Total current assets		4,499	6,815
Total assets		10,805	14,542
Equity and liabilities			
Capital and reserves			
Share capital	24	3,119	2,023
Share premium	25	40,149	32,144
Share option reserve	25	3,017	2,776
Retained earnings	25	(42,485)	(31,497)
Total equity		3,800	5,446
Current liabilities			
Trade and other payables	26	1,669	1,993
Warrant liability	27	11	1,360
Lease liabilities	28	886	667
Total current liabilities		2,566	4,020
Non-current liabilities			
Lease liabilities	28	3,953	4,636
Provisions	30	486	440
Total non-current liabilities		4,439	5,076
Total liabilities		7,005	9,096
Total equity and liabilities		10,805	14,542

*See Note 2 on page 67 for details of change in presentation of comparative information.

The Parent Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Parent Company's loss for the year ended 30 September 2024 was £11,261,000 (2023: £11,045,000 loss).

The financial statements of Oxford BioDynamics Plc, registered number 06227084, were approved by the Board of Directors and authorised for issue on 27 February 2025.

Signed on behalf of the Board of Directors:

Iain G Ross
Executive Chairman
27 February 2025

Consolidated statement of changes in equity

Year ended 30 September 2024

	Share capital £000	Share premium £000	Translation reserve £000	Share option reserve £000	Retained earnings £000	Attributable to shareholders £000
At 1 October 2023	2.023	32.144	(63)	2,776	(30,825)	6,055
Loss for the year	-	-	-	-	(11,567)	(11,567)
Other comprehensive income for the period	-	-	255	-	-	255
Total comprehensive income for the period	-	-	255	-	(11,567)	(11,312)
Subscription for new shares	1,096	8,764	-	-	-	9,860
Transaction costs for new shares	-	(759)	-	-	-	(759)
Share option credit	-	-	-	514	-	514
Lapse of vested share options	-	-	-	(273)	273	-
At 30 September 2024	3,119	40,149	192	3,017	(42,119)	4,358

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

Company statement of changes in equity

Year ended 30 September 2024

	Share capital £000	Share premium £000	Share option reserve £000	Retained earnings £000	Total £000
At 1 October 2023	2,023	32,144	2,776	(31,497)	5,446
Loss for the year	-	-	-	(11,261)	(11,261)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(11,261)	(11,261)
Subscription for new shares	1,096	8,764	-	-	9,860
Transaction costs for new shares	-	(759)	-	-	(759)
Share option credit	-	-	514	-	514
Lapse of vested share options	-	-	(273)	273	-
At 30 September 2024	3,119	40,149	3,017	(42,485)	3,800

Year ended 30 September 2023

	Share capital £000	Share premium £000	Share option reserve £000	Retained earnings £000	Total £000
At 1 October 2022	1,004	19,020	3,154	(21,162)	2,016
Loss for the year	-	-	-	(11,045)	(11,045)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(11,045)	(11,045)
Subscription for new shares	1,019	14,368	-	-	15,387
Issue of warrants to subscribe for new shares	-	-	-	-	-
Transaction costs for new shares	-	(1,244)	-	-	(1,244)
Share option credit	-	-	332	-	332
Lapse of vested share options	-	-	(710)	710	-
At 30 September 2023	2,023	32,144	2,776	(31,497)	5,446

Consolidated statement of cash flows

	Note	2024 £000	2023 £000
Loss before tax for the financial year		(11,956)	(11,411)
Adjustments to reconcile loss for the year to net operating cash flows:			
Net interest	10,11	113	141
Loss on disposal of property, plant and equipment		-	4
Depreciation of property, plant and equipment	18	550	548
Depreciation of right-of-use assets	19	745	663
Amortisation of intangible assets	17	171	146
Impairment loss on intangible fixed assets		896	-
Net foreign exchange movements		293	(122)
Movement in provisions	30	46	16
Share based payments charge	32	514	332
Fair value loss / (gain) on financial liabilities		(1,349)	1,246
Working capital adjustments:			
Increase in trade and other receivables		(427)	(448)
(Increase) / decrease in inventories		(47)	63
Decrease in trade and other payables		(167)	(286)
Operating cash flows before interest and tax paid		(10,618)	(9,108)
R&D tax credits received		684	896
Tax paid		(238)	(82)
Net cash used in operating activities		(10,172)	(8,294)
Investing activities			
Interest received		110	71
Purchases of property, plant and equipment		(80)	(250)
Purchases of intangible assets		(515)	(466)
(Increase) / decrease in term deposits		(1,000)	25
Net cash used in investing activities		(1,485)	(620)
Financing activities			
Interest paid		(225)	(213)
Repayment of lease liabilities		(622)	(723)
Acquisition of minority interest shares in subsidiary entity		-	-
Issue of equity shares and warrants		9,860	15,387
Transaction costs relating to issue of equity shares		(759)	(1,244)
Net cash generated by financing activities		8,254	13,207
Net (decrease) / increase in cash and cash equivalents		(3,403)	4,293
Foreign exchange movement on cash and cash equivalents		(20)	(17)
Cash and cash equivalents at beginning of year	23	5,250	974
Cash and cash equivalents at end of year		1,827	5,250

Company statement of cash flows

	Note	2024 £000	2023 £000
Loss before tax for the financial year		(11,689)	(11,707)
Adjustments to reconcile loss for the year to net operating cash flows:			
Net interest		40	100
Loss on disposal of property, plant and equipment		-	22
Depreciation of property, plant and equipment	18	362	417
Depreciation of right-of-use assets	19	496	501
Amortisation of intangible assets	17	118	111
Impairment loss on intangible fixed assets		896	-
Write down of amounts owed by group undertakings		4,929	
Net foreign exchange movements		7	2
Movement in provisions	30	46	16
Share based payments charge	32	514	332
Fair value gain on financial liabilities		(1,349)	1,246
Working capital adjustments:			
Increase in trade and other receivables		(4,834)	(383)
(Increase) / decrease in inventories		(14)	100
Decrease in trade and other payables		(766)	(227)
Operating cash flows before interest and tax paid		(11,244)	(9,470)
R&D tax credits received		684	896
Net cash used in operating activities		(10,560)	(8,574)
Investing activities			
Interest received		110	70
Purchases of property, plant and equipment		(13)	(168)
Purchases of intangible assets		(425)	(427)
(Increase) / decrease in term deposits		(1,000)	25
Net cash used in investing activities		(1,328)	(500)
Financing activities			
Interest paid		(150)	(170)
Repayment of lease liabilities		(464)	(649)
Issue of equity shares and warrants		9,860	15,387
Transaction costs relating to issue of equity shares		(759)	(1,244)
Net cash generated by financing activities		8,487	13,324
Net (decrease) / increase in cash and cash equivalents		(3,401)	4,250
Foreign exchange movement on cash and cash equivalents		(5)	(2)
Cash and cash equivalents at beginning of year	23	5,066	818
Cash and cash equivalents at end of year	23	1,660	5,066

Notes to the financial statements

1. Corporate information

The financial statements of Oxford BioDynamics Plc and its subsidiaries (collectively, "the Group") for the year ended 30 September 2024 were authorised for issue in accordance with a resolution of the directors on 27 February 2025. Oxford BioDynamics Plc (the 'Company') is a public limited company incorporated in the United Kingdom, whose shares were admitted to trading on the AIM market 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 commercialisation of proprietary molecular diagnostics products and biomarker research and development.

2. Basis of accounting

Basis of preparation

These consolidated financial statements and the financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards.

The preparation of financial statements in accordance with UK-adopted international accounting standards may require the use of certain critical accounting estimates and for management to exercise judgement in applying the accounting policies. Note 4 provides more information on the material judgements and estimates that have been made this year in preparing the financial statements.

Reporting currency

The consolidated and Company financial statements are presented in pounds sterling (GBP), which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

New accounting standards adopted for the first time in these financial statements

The Group and Company applied the accounting standards and amendments listed below for the first time in these financial statements. Unless noted, the standards or amendments had no material impact on the financial statements.

- IFRS 17 'Insurance contracts' (effective date: 1 January 2023)
- Amendments to IFRS 17 (effective date: 1 January 2023)
- Amendments to IAS 1 'Classification of Liabilities as Current or Non-Current' (effective date: 1 January 2023)
- Amendments to IAS 8 'Definition of Accounting Estimates' (effective date: 1 January 2023)
- Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective date: 1 January 2023)
- Amendment to IAS 12 'International tax reform – pillar two model rules' (effective date: 1 January 2023)

Applicable accounting standards and interpretations issued but not yet adopted

At the date of authorisation of the financial statements, the following Standard and Amendments which have been issued and endorsed by the UK, have not been applied by the Group and Company in preparing the financial statements:

- Amendments to IFRS 16 'Leases on sale and leaseback' (effective date: 1 January 2024)
- Amendments to IAS 1 'Non-current liabilities with covenants' (effective date: 1 January 2024)
- Amendments to IAS 7 and IFRS 7 'Supplier finance' (effective date: 1 January 2024)
- Amendments to IAS 21 'Lack of exchangeability' (effective date: 1 January 2025)

The Directors do not expect that the adoption of the Standard and Amendments listed above will have a material impact on the financial statements of the Group and Company in future periods. In addition, there are a number of other Standards and Amendments that have not yet been endorsed for use in the UK, including the ISSB's Sustainability Disclosures Standards IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'.

Disclosure of tax receivable

The Directors have reviewed the previous disclosure of tax receivable and, in order to comply with the requirements of IAS 1 'Presentation of Financial Statements', have represented the relevant balances separately in the Group and Company statements of financial position. There is no impact on any asset subtotals in either the current or prior year as a result of this additional disclosure.

Notes to the financial statements

Going concern

In assessing the appropriateness of adopting the going concern assumption, the Group and Parent Company has prepared a detailed financial forecast ("the Baseline Forecast") covering the period ending 31 March 2026. The Baseline Forecast includes:

- estimates of likely revenue arising from EpiSwitch PSE and EpiSwitch CiRT;
- anticipated revenues from contracts with pharmaceutical partners;
- operating costs reflecting the current cost base including recently initiated cost-saving actions;
- capital expenditure, primarily to maintain and extend the Group's patent estate.

Revenue for the year ended 30 September 2024 was slightly increased compared to the previous year, but the Group remained lossmaking, with increased costs and operating loss compared to the prior year.

The Group was able to maintain its cash reserves during the year, including through a placing, subscription and PrimaryBid offer of new ordinary shares issued in April 2024 that raised £9.9m before expenses. Although sales of the Group's proprietary tests increased over the year to 30 September 2024, this was more than offset by higher operating expenses and the Group required additional cash resources by early in the first quarter of 2025. There was a significant reduction in the Company's share price over the year ended 30 September 2024 and this trend continued after the year end.

In October 2024, the Board announced that it had initiated a number of cost-saving actions and a review of the strategic options open to the Company. Following the announcement of the appointment of Iain Ross as Executive Chairman, the Company successfully raised a total of £7.35m before expenses in January 2025.

Under this new leadership, the Company has indicated that it will operate with a renewed focus on partnerships, collaboration and licensing in order to monetise the Group's assets. To that end, the Group is currently involved in discussions, at various stages of development with multiple interested parties.

In addition to the Baseline Forecast, the Group and Parent Company has prepared an "Upside Forecast" that reflects the Directors' intention to agree partnerships, collaborations and/or licensing over the remainder of 2025. In addition, the Upside Forecast also reflects higher sales of the EpiSwitch PSE test than the Baseline Forecast, which are expected to arise from agreements with new distributors and/or expansion of coverage of the test by UK private health insurers.

As noted in the Executive Chairman's report on pages 4 to 5, Iain Ross is currently leading a review of all of the Group's operations and expects to share the outcome of that review along with further progress around the time of the Company's annual general meeting in March 2025. Any additional potential cost reduction actions that may be taken as a result of this review have not been reflected in the Upside Forecast.

In the scenario reflected in the Baseline Forecast, the Company would need to generate additional funding during the final quarter of 2025. Should this forecast not be met (in a downside scenario) the quantum of any additional funding may need to be increased and/or the timing accelerated. With the income reflected in the Upside Forecast, cash resources would be expected to last beyond 31 March 2026.

Whilst the Board considers that the Upside Forecast represents a reasonable estimate of the Group's potential performance over the period to 31 March 2026, for the purposes of their assessment as to whether the Group and Parent Company would be able to continue as a going concern, the Directors referred to the Baseline Forecast.

In the Baseline Forecast, in the absence of income from partnership, collaboration or out-licensing, the availability of additional funding to enable the Group and Parent Company to continue as a going concern would be expected to depend on the Group having demonstrated either significant progress towards such a partnership, collaboration or out-licensing agreement or materially increased sales of its proprietary tests. The Directors expect that it will be possible to demonstrate such progress, but draw attention to significant uncertainties inherent in the preparation of the Baseline Forecast. As in the prior year, these primarily relate to balances associated with the revenue / income cycle, since most of the Group's costs are reasonably predictable. These uncertainties include volumes of orders of the Group's tests; the proportion of PSE test sales that are covered by US health insurance; reimbursement rates and timing of the reimbursement cycle (and consequent impact on the Group's working capital); and the number and value of new agreements with pharma/biotech customers.

As noted above, the Company raised a total of £7.35m (before expenses) from new and existing shareholders after the year end in January 2025. Whilst the fundraise was successful, it was carried out at a historically low issue price per share and involved significant dilution for non-participating shareholders. There is no guarantee that the Company will be able to access further cash resources from investors in future.

These conditions (that is, the uncertainties relating to revenue generation and the ability to raise further funds) represent material uncertainties 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 realise its assets and discharge its liabilities in the normal course of business.

Notes to the financial statements

2. Basis of accounting (continued)

Going concern (continued)

Notwithstanding these material uncertainties, based on all the above considerations, the Directors confirm that they have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future, being the period to 31 March 2026. Accordingly, the Directors continue to adopt the going concern basis of preparation of the Group and Company financial statements.

3. Material accounting policy information

The Group's material accounting policy information is presented either below or clearly identified alongside disclosures in the following notes, where this is considered more helpful.

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. This generally means that the accounting policy concerned will relate to information in the financial statement which is itself material (either because of its size or nature).

Further, the Board has considered guidance in Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' in its determination of whether accounting policy information is material. Accounting policy information is likely to be considered material if the policy: has been changed during the period; is one of a number of options permitted under IFRSs; has been developed by the Group in accordance with IAS 8 because there is no specific IFRS that applies; relates to an area for which the Board has made significant judgements or assumptions that are also disclosed; or relates to an area for which accounting is complex and information on the accounting policy used is necessary to be able to understand the transactions concerned.

Each of the material accounting policies for which information is provided below and throughout the notes to the financial statements has been applied consistently to all periods presented in these consolidated financial statements.

Accounting policy information: basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When necessary, adjustments are made to the results of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. There were no non-controlling interests in entities included in these consolidated financial statements at either 30 September 2024 or 30 September 2023.

Loss of control

If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the financial statements

Accounting policy information: foreign currencies

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which it operates (its functional currency). Sterling is the predominant currency of the Group and presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate) gross of any associated tax impact.

Accounting policy information: costs charged directly to equity

Costs relating directly to the issue of new shares are deducted from the share premium reserve.

Accounting policy information: cost of sales

Cost of goods sold are incremental costs associated with processing the tests, and includes the cost of reagents, plasticware, shipping costs, and payments to third party partner laboratories.

Accounting policy information: research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as product designs and new processes);
- it is technically feasible that the asset can be completed so that it will be available for use or sale;
- the Group has the intention to complete the development of the asset;
- the Group has the ability to use or sell the asset;
- the Group has sufficient financial technical and other resources to complete the development of the asset
- it is probable that the asset created will generate future economic benefits; and
- the costs of developing this asset can be measured reliably.

Internally generated intangible assets are amortised over the useful life of the asset, ranging between 3 and 20 years, on a straight-line basis, unless the pattern of benefits can be determined reliably, in which case amortisation is charged so as to reflect the pattern of economic benefits likely to accrue to the Group.

To the extent that the above conditions are not met, any development costs are recognised as an expense in the period in which they are incurred.

Notes to the financial statements

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above in Note 3 and throughout the following notes, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions that are relied upon are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

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 recognised in the consolidated financial statements are set out below.

Treatment of revenue arising from test sales reimbursed by US insurance payors
The Group recognises 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 obtain an acknowledgement of financial responsibility from a patient before processing a test.

EpiSwitch® CiRT and PSE 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 tests, 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 recognised on final receipt of funds from a payor.

Management exercised judgement in determining that for the Group's test orders in the period, the patient should be considered the customer, even if there is no explicit reimbursement agreement in place between the Group and the patient, the contract with the patient being judged to be established in accordance with customary business practices.

The five-step process set out in IFRS 15 is summarised in the accounting policy note on page 73. For the Group's clinical tests, since reimbursement ultimately received from insurers is variable, Management must exercise judgement in determining the amount and timing of revenue to be recognised.

Following the guidance in IFRS 15, Management limits the amount of variable consideration recognised to the "unconstrained" portion of such consideration. This means that the Group recognises revenue up to the amount of variable consideration that is not subject to a potential significant reversal until additional information is obtained or the uncertainty associated with additional payments or refunds is subsequently resolved. Up to 30 September 2024, the Group still had limited detailed historical data from which to reliably predict receipts from insurers and therefore the amount of variable consideration to recognise on delivery of a test report to a patient's doctor. In practice, this means that variable consideration arising from insurance-reimbursed clinical tests has been constrained to zero, until receipt of reimbursements from insurers.

The effect of this judgement is to delay revenue recognition, in the case of tests processed by the Group's partner laboratory to later than the recognition of cost of sales. To the extent that this judgment were to be inappropriate, the Group's revenue for the period would be increased, but Management do not expect that this would result in any material change to the amounts recognised in these financial statements.

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 it is likely that judgement will continue to be required in determining the extent to which variable consideration relating to these tests is unconstrained and should therefore be recognised.

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 commercialisation of proprietary tests. As at 30 September 2024, 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

Notes to the financial statements

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 a different judgement were taken 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 and other assets was conducted as at the year end, because there were a number of indicators of potential impairment, including the significant reduction during the year of the Company's share price and market capitalisation and the Group's financial performance for the year resulting in a larger than expected loss. In addition, an impairment review is required for any assets not yet being amortised 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.

As at 30 September 2024, the Group had a market capitalisation of £10m (3.22p x 311,855,650 shares then in issue). Cash/cash equivalents and term deposits at 30 September 2024 of £2.8m are deducted from market value in arriving at the enterprise value. Following review of available guidance, Management determined that neither the warrant nor 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 £7.2m.

In estimating the cost of disposal (COD), Management used an estimate of £1.2m, representing a COD of approximately 12% of the year end market value, which is within the range of estimates of disposal costs reviewed by Management. The FVLCOD of the Company as at 30 September 2024 was therefore estimated to be £6m. Management then compared the FVLCOD of the Company to the carrying value of the Group's assets excluding patents (£1.86m in respect of property plant and equipment and capitalised software). The excess of the Company's FVLCOD over its gross assets excluding patents was therefore approximately £4.1m, compared to a carrying value of patent assets (after patent-specific impairment charges noted above) of £1.24m. Management therefore concluded that no further impairment of the Company's capitalised 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 or that impairment charges recognised in the period require reversal.

Intangible assets

As at the year end, the Group had limited cash resources and Management's plans for near-term commercialisation were focused on a limited number of pipeline assets, alongside tests already launched and the EpiSwitch platform itself. In the light of this, Management further reviewed each of the Company's patent families for other indicators of impairment, principally considering whether amounts previously capitalised remain supportable by an assessment of likely future economic benefits, bearing in mind these more focused short-to-medium-term plans.

The Company is continuing to pursue, and where relevant renew, each of the individual patents in its 22 patent families, but in line with the guidance in the relevant accounting standards, Management determined that an impairment charge of £0.9m should be recognised in the period.

Notes to the financial statements

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The Directors are required to disclose information relating to any key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimate of recoverable value of the Group's patent assets
Management conducted an impairment review of the Group and Company's patent assets as at 30 September 2024. In order to compare the recoverable value of the cash-generating unit to which patent assets were allocated in the review with the carrying value of those patent assets, Management prepared an estimate of the fair value less cost of disposal of the Company's shares, which included the market value of the Company's shares and estimates of the cost that might be incurred in disposing of them and the value that should be attributed to assets other than the Company's patent estate. The estimates used are set out in more detail above. To the extent that these estimates are materially incorrect, there is a possibility that Management would fail to recognise an impairment of the Group's patent assets.

Other judgements in applying the Group's accounting policies
Estimate of fair value of the Group's holding in Holos Life Sciences (Singapore) Pte Ltd
On 30 August 2023, the Group entered into a contractual commitment to dispose of 13.84% of the ordinary shares of Holos Life Sciences (Singapore) Pte Ltd ("Holos") for a nominal amount ("the Disposal"), reducing the Group's holding in Holos from 28.84% to 15%. Prior to entering into this commitment, the Group's interest in Holos was accounted for using the equity method. As at 30 September 2024 and 30 September 2023, the Group was not considered to exercise significant influence over the affairs of Holos and accordingly, its remaining holding in Holos is accounted for as a financial asset at FVTPL. This necessitates the estimation of the fair value of the holding at the date of the Disposal and each reporting date.

At the last year end, the fair value of the Group's holding in Holos was estimated to be zero. No material developments were communicated by Holos between the date of the Disposal and 30 September 2024. Accordingly, the Directors concluded that the fair value of the Investment at 30 September 2024 was also zero.

To the extent that the Directors' estimate of the fair value of the Investment at 30 September 2024 were to be materially incorrect, the loss for the year would be reduced and the value of investments in the Company and Consolidated statements of financial position would be increased by an equal amount (there would be no changes to any balances reported in the prior year).

Estimate of fair value of Warrants
In 2021, the Company raised £3.62m, by way of a Subscription for 7,791,803 newly-issued ordinary shares of 1p each (the "Subscription Shares") from Armistice Capital Master Fund Ltd ("Armistice"). Subsequently, on 11 November 2021, 7,791,803 warrants to subscribe for new ordinary shares (the "Warrants") were also issued to Armistice. The Directors determined that:

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

Having determined on their issue that the Warrants should be classified as liabilities in the financial statements, the Directors are required to estimate the fair value of the Warrants on issue and at least at each subsequent reporting date. The fair value of the Warrants on issue was derived by the Company using a Black-Scholes model and was recognised as a liability, with the balance of the consideration received on the issue of the Subscription Shares allocated to the share premium reserve. At subsequent reporting dates, the fair value of the Warrants is re-measured, again using a Black-Scholes model, with any movement passing through the income statement.

In arriving at the fair value for the Warrants using the Black-Scholes model, Directors used judgement in arriving at the estimates of share price volatility and risk-free rate, which are used as key inputs to the model. The Warrant Instrument provides guidance on the use of a Black-Scholes model, and the inputs to be used in it, in the case of a Fundamental Transaction to calculate the value of Alternative Consideration. These include the use of a minimum estimate for volatility of 100% and a risk-free rate based on US Treasury rates for a period commensurate with the remaining life of the Warrants at the time of the Fundamental Transaction. Although the Directors must use judgement in deciding which figures to use as inputs for the Black-Scholes model, at 30 September 2024, the value derived by using the inputs to the Black-Scholes model that would be used in case of a Fundamental Transaction was not considered to be materially different from the fair value of the Warrants estimated by the Directors under IFRS 9. The estimates of volatility and risk-free rate used in arriving at the fair value of the Warrants are shown in Note 27.

Notes to the financial statements

5. 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:

	2024	2023
	£000	£000
Continuing operations:		
Sales of proprietary products		
USA	345	160
Rest of World	63	34
	408	194
Biomarker research and development		
USA	114	228
Rest of World	114	88
	228	316
Consolidated revenue	636	510

	2024	2023
	£000	£000
Continuing operations:		
Revenue recognised at a point in time	408	194
Revenue recognised over time	228	316
	636	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 summarised below:

	2024	2023
	£000	£000
Revenue from individual customers each representing more than 10% of revenue for the period:	170	280
	Number	Number
Number of individual customers each representing more than 10% of revenue for the period (see note 22 on page 90 for further detail).	2	2

Accounting policy information: revenue

The Group recognises revenue to depict the transfer of promised goods or services to its customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is shown net of sales taxes, discounts and after eliminating any intra-group sales.

To determine whether to recognise revenue, the Group follows a five-step process, as set out in IFRS 15 *Revenue from Contracts with Customers*:

1. Identifying the contract(s) with a customer
2. Identifying the performance obligation(s) in each contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligations are satisfied

Notes to the financial statements

Accounting policy information: revenue (continued)

Customers – tests reimbursed by US Healthcare payors
The Group's customers are primarily the patients whose samples are tested, but the Group does not enter into a formal reimbursement contract with a patient when their physician orders a test, although it may obtain an acknowledgement of financial responsibility from the patient. The Group is judged to establish a contract with a patient in accordance with its customary business practices (IFRS 15:10), which is the point in time an order is received from a provider and a patient specimen has been returned to the relevant clinical laboratory for testing. Payment terms depend on a number of factors, including the terms of patients' insurance policies, the existence and terms of coverage decisions with the Center for Medicare & Medicaid Services ("CMS") and whether there are any agreements for reimbursement in place between the Group and specific payors. Where it is determined that no contract with a customer exists (notwithstanding the fact that payors reimburse for tests), the five-step process is not followed and revenue is recognised only when funds are received from the payor concerned, in line with IFRS15:15.

Customers – other test sales, sales of services
For the Group's sales of tests to self-paying patients, or where there is a written contractual agreement in place with a payor and the Group's biomarker discovery and clinical development services, both contract and customer are straightforward to identify.

Performance obligations
For test sales, the Group's contracts are considered to have a single performance obligation, being the delivery of a test report to the ordering physician. Although tests involve several processes, these are performed within a short period and the Group does not become entitled to any consideration until a test report is delivered. For contracts under which the Group provides services, the terms of each contract and or supporting statements of work are reviewed in detail to determine the number of performance obligations that are included in it. Typically, performance obligations may be separated by 'go/no-go' points in contracts, mid-project reporting or delivery obligations, or where consideration is explicitly tied to specific activities.

Transaction price
The transaction price is the amount of consideration that the Group expects to collect in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration expected to be collected from a contract with a customer may include fixed amounts, variable amounts, or both.

Transaction price – tests reimbursed by US Healthcare payors
For these test sales, provided a contract is determined to exist and the five-step process is followed, the Group's consideration is deemed to be variable, since payors can reimburse at different levels. The Group estimates the variable consideration using the expected value method, primarily using historical reimbursement experience and available information regarding customer insurance eligibility to develop the expected value.

The Group monitors its estimates of transaction price to depict conditions that exist at each reporting date. If the Group subsequently determines that it will collect more or less consideration than it originally estimated for a contract with a patient, it accounts for the change as an increase or decrease in the estimate of the transaction price (i.e., an upward or downward adjustment to revenue) in the period in which the change is identified.

The Group recognises revenue using the expected value of variable consideration, to the extent that it is "unconstrained": in order to recognise expected variable consideration as revenue, it must be highly probable that, once uncertainty regarding the consideration is resolved, there will not be a significant reversal of cumulative recognised revenue.

Transaction price – other test sales, sales of services
For these contracts, the transaction price is determined by reference to the written contract or agreement in place with the customer.

Allocation of the transaction price and revenue recognition
To the extent that service contracts are assessed to contain more than one performance obligation, each performance obligation is considered separately and its stage of completion is assessed based on progress towards project milestones specified in the contract, recorded by the Group's scientists in its project management system.

Revenue is recognised either at a point in time or over time when (or as) the Group satisfies performance obligations by transferring promised services and goods to its customers (when the customer obtains control of the services or goods). For the Group, this typically means that revenue arising from biomarker discovery or clinical development projects is recognised over time and revenue from sales of proprietary products (such as EpiSwitch CiRT and EpiSwitch PSE test or EpiSwitch Explorer Array Kits) is recognised at a point in time (either on delivery of a test report, or receipt of reimbursement from a payor, as noted above).

The Group recognises contract liabilities when consideration has been received but the associated performance obligations have not been satisfied. These amounts are reported in trade and other payables in the statement of financial position (see Note 26). Similarly, if the Group satisfies a performance obligation before receipt of the relevant consideration, the Group recognises either a contract asset or a receivable in trade and other receivables in the statement of financial position (see Note 22), depending on whether something other than the passage of time is required before the consideration becomes due.

Notes to the financial statements

The Group recognises liabilities in respect of its obligation under its standard terms and conditions of sale to offer refunds in cases of nonconforming products supplied to customers, based on its experience to date of failure rates of its products. There was no provision for returns and refunds at 30 September 2024 (2023: nil).

6. Other operating income

	2024	2023
	£000	£000
Continuing operations:		
Award and grant income	476	827

Income was recognised in both years in respect of each of the Company's PACT awards and OBD's involvement in the EU-funded HIPPOCRATES consortium.

Accounting policy information: other operating income

Government grants
Award and grant income is not classed as revenue from contracts with customers and is therefore not accounted for according to the five-step process set out in IFRS 15 and outlined in Note 5 above. Government grants and similar awards are included within other operating income and are recognised so as to match the expenditure to which they are intended to contribute.

Grants received in advance of the income being recognised in other operating income are included in grant creditors. There are no unfulfilled conditions or contingencies relating to grant income recognised in the income statement.

Notes to the financial statements

7. Business segments

Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive Officer (who was determined to be the Group's Chief Operating Decision Maker during the year) 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:

	2024	2023
	£000	£000
Staff costs		
UK	2,531	2,614
USA	2,869	2,692
Rest of World	95	97
Total staff costs	5,495	5,403
Research & development costs		
UK	540	680
USA	269	77
Rest of World	-	1
Total research & development costs	809	758
General & other admin costs		
UK	2,598	2,399
USA	1,837	969
Rest of World	44	43
Total general & other admin costs	4,479	3,411
Non-current assets		
UK	6,025	7,446
USA	1,015	1,478
Rest of World	22	36
Total non-current assets	7,062	8,960

Notes to the financial statements

8. Loss for the year

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

	Note	2024 £000	2023 £000
Net foreign exchange losses	11	298	(31)
Research and development costs (excluding staff costs)		809	758
Amortisation of intangible assets	17	171	146
Depreciation of property, plant and equipment	18	550	548
Depreciation of right-of-use assets	19	745	663
Impairment loss on intangible assets		896	-
Staff costs	12	5,495	5,403
Share-based payments charged to profit and loss	32	514	332
Fair value loss / (gain) on financial liabilities designated as FVTPL	27	(1,349)	1,246
Gain reclassified to profit or loss on disposal of foreign operation	20	-	(113)

9. Auditor's remuneration

	2024 £000	2023 £000
Fees payable to the Group's auditor:		
Annual audit of the consolidated financial statements	157	107
	157	107

No non-audit services were provided by the Group's auditor in the current or prior years.

10. Finance income

	2024 £000	2023 £000
Bank deposit interest	112	72
Exchange gains	-	31
Finance income	112	103

11. Finance costs

	2023 £000	2023 £000
Interest payable	225	213
Exchange losses	298	-
Finance costs	523	213

Interest payable represents amounts arising on leases accounted for under IFRS 16.

Notes to the financial statements

12. Staff costs

	Group		Company	
	2024	2023	2024	2023
	£000	£000	£000	£000
Wages and salaries	4,767	4,829	2,112	2,214
Social security costs	443	331	275	248
Other pension costs	285	243	144	152
Share based payments	514	332	514	332
	6,009	5,735	3,045	2,946

Social security costs and other pension costs reflect actual payments made in respect of employees during the year. Wages and salaries for the year ended 30 September 2023 included a bonus accrual of £726,000. No bonus accrual was recognised for the year ended 30 September 2024.

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

	Group		Company	
	2024	2023	2024	2023
	Number	Number	Number	Number
Management and administration	12	11	10	9
Clinical operations and customer support	13	10	-	-
Laboratory-based	26	24	19	20
	51	45	29	29

13. Income tax

	2024	2023
	£000	£000
Current tax:		
UK corporation tax credit at 25% (2023: 22%)	(432)	(686)
Over provision of tax credit in prior periods	3	24
(Over) / under provision of foreign corporate income tax in prior periods	(8)	16
Foreign corporate income tax	5	122
Total current tax credit	(432)	(524)
Deferred tax:		
Origination and reversal of temporary differences	43	(61)
Total tax credit	(389)	(585)

The tax credits assessed for the two years ended 30 September 2024 and 30 September 2023 related entirely to UK R&D tax credit relief. Taxation for the overseas subsidiaries is calculated at the rates prevailing in the respective jurisdictions.

Notes to the financial statements

13. Income tax (continued)

The tax charge for the year can be reconciled to the loss per the income statement as follows:

	2024 £000	2023 £000
Loss before tax on continuing operations	**(11,956)**	**(11,411)**
Weighted average corporation tax rate for the year	25%	22%
Tax at the above rate on loss for the year	(2,989)	(2,510)
Tax effect of:		
Expenses that are not deductible in determining taxable profit	(269)	45
Research and Development relief	111	(134)
Net adjustments in respect of prior periods	(5)	39
Share-based payments	128	58
Deferred tax – origination of temporary differences	-	(61)
Unrecognised tax losses and other temporary differences	2,635	1,978
Tax credit for the year	(389)	(585)

Factors affecting the future tax charge

In the current period, R&D credits were principally claimed under the SME regime which allows 186% of qualifying expenditure to be surrendered for a 10% credit. The company does not meet the criteria for a research-intensive company which would enable it to be entitled to an enhanced credit of 14.5%.

A merged R&D regime was announced in the November 2023 Autumn Statement which will apply to accounting periods commencing on or after 1 April 2024. The legislation was substantively enacted in February 2024. Under the merged regime a taxable credit can be claimed at a rate of 20% of eligible expenditure.

In the US the current enacted tax rate of 21% together with a blended State Tax estimate 1.15% has been assumed for the purposes of estimating US deferred tax balances.

There is an unrecognised deferred tax asset at 30 September 2024 of approximately £9,265,000 (2023: £7,172,000) in respect of tax losses carried forward. The asset has not been recognised in respect of these items because of uncertainty over its recoverability.

Accounting policy information: taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for research and development tax credits calculated at the tax rates effective for the current year.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered in the foreseeable future.

Notes to the financial statements

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

14. Dividends

No dividends have been declared for the year ended 30 September 2024 (2023: £nil).

15. Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year ended 30 September 2024 was £11,261,000 (2023: £11,045,000 loss).

16. Earnings per share

From continuing operations

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

	2024 £000	2023 £000
Earnings for the purposes of basic earnings per share being net loss attributable to owners of the Company	(11,567)	(10,826)
Earnings for the purposes of diluted earnings per share	(11,567)	(10,826)

	2024 No	2023 No
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share*	255,728,889	147,481,566
	Pence	**Pence**
Earnings per share		
Basic and diluted earnings per share	(4.5)	(7.3)

*Ordinary shares that may be issued on the exercise of options or warrants are not treated as dilutive as the entity is loss-making. The issue of shares post year end, as set out in note 37, would have significantly changed the number of ordinary shares outstanding at the end of the year had that transaction occurred prior to the year end.

Notes to the financial statements

17. 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	-	90	425	515
Derecognition of assets	-	-	(997)	(997)
Exchange differences	-	(17)	-	(17)
At 30 September 2024	62	246	1,529	1,837
Accumulated amortisation				
At 1 October 2023	62	99	262	423
Charge for the year	-	53	118	171
Derecognition of assets	-	-	(101)	(101)
Exchange differences	-	(7)	-	(7)
At 30 September 2024	62	145	279	486
Carrying amount				
At 30 September 2024	-	101	1,250	1,351

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 amortisation				
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

Notes to the financial statements

17. Intangible fixed assets (continued)

Company	Website development costs £000	Software development costs £000	Patents £000	Total £000
Cost				
At 1 October 2023	62	40	2,102	2,204
Additions	-	-	424	424
Derecognition of assets	-		(997)	(997)
At 30 September 2024	62	40	1,529	1,631
Accumulated amortisation				
At 1 October 2023	62	40	262	364
Charge for the year	-	-	118	118
Derecognition of assets	-	-	(101)	(101)
At 30 September 2024	62	40	279	381
Carrying amount				
At 30 September 2024	-	-	1,250	1,250

Company	Website development costs £000	Software development costs £000	Patents £000	Total £000
Cost				
At 1 October 2022	62	40	1,675	1,777
Additions	-	-	427	427
At 30 September 2023	62	40	2,102	2,204
Accumulated amortisation				
At 1 October 2022	62	39	152	253
Charge for the year	-	1	110	111
At 30 September 2023	62	40	262	364
Carrying amount				
At 30 September 2023	-	-	1,840	1,840

As at 30 September 2024, in the Group and Company, a total of £nil (2023: £304,000) of patent assets were not yet being amortised because their useful life was determined not to have begun.

The derecognition of assets with a carrying value of £896,000 has been presented as an impairment in the consolidated income statement (see note 4 on page 72). These assets continue to be held and maintained by the Group.

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

Notes to the financial statements

Accounting policy information: intangible assets

Patents and trademarks

External expenditure on the creation of patents and trademarks is capitalised to the extent that the conditions listed on page 69 are met and carried at cost less accumulated amortisation and accumulated impairment losses. Expenditure to maintain patents and trademarks after the date of their grant is charged to the income statement as incurred. Patents and trademarks are amortised on a straight-line basis over the remainder of their term from the date of their grant or the beginning of their useful lives, whichever is earlier.

Accounting policy information: impairment of property, plant and equipment and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of: (i) fair value less costs to sell and (ii) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that the revaluation balance is greater than the impairment loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years for the asset (or cash-generating unit). A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements

18. Property, plant and equipment

Group	Leasehold improvements £000	Office equipment £000	Fixtures and fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2023	2,084	191	185	2,300	4,760
Additions	15	16	2	61	94
Disposals	-	(3)	-	(327)	(330)
Exchange differences	-	(5)	(1)	(34)	(40)
At 30 September 2024	2,099	199	186	2,000	4,484
Accumulated depreciation					
At 1 October 2023	437	127	77	1,881	2,522
Charge for the year	211	36	35	268	550
Eliminated on disposals	-	(3)	-	(327)	(330)
Exchange differences	-	(2)	-	(18)	(20)
At 30 September 2024	648	158	112	1,804	2,722
Carrying amount					
At 30 September 2024	1,451	41	74	196	1,762

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

Notes to the financial statements

Company	Leasehold Improvements £000	Office equipment £000	Fixtures and fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2023	2,070	139	157	1,670	4,036
Additions	15	11	-	1	27
Disposals	-	(3)	-	(327)	(330)
At 30 September 2024	2,085	147	157	1,344	3,733
Accumulated depreciation					
At 1 October 2023	425	103	64	1,550	2,142
Charge for the year	209	21	30	102	362
Eliminated on disposals	-	(3)	-	(327)	(330)
At 30 September 2024	634	121	94	1,325	2,174
Carrying amount					
At 30 September 2024	1,451	26	63	19	1,559

Company	Leasehold Improvements £000	Office equipment £000	Fixtures and fittings £000	Laboratory equipment £000	Total £000
Cost					
At 1 October 2022	2,025	153	157	1,774	4,109
Additions	45	33	-	39	117
Disposals	-	(47)	-	(143)	(190)
At 30 September 2023	2,070	139	157	1,670	4,036
Accumulated depreciation					
At 1 October 2022	218	124	33	1,518	1,893
Charge for the year	207	26	31	153	417
Eliminated on disposals	-	(47)	-	(121)	(168)
At 30 September 2023	425	103	64	1,550	2,142
Carrying amount					
At 30 September 2023	1,645	36	93	120	1,894

Accounting policy information: property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.
Depreciation is recognised so as to write off the cost or valuation of assets less their residual value over their useful lives, using the straight-line method, on the following bases:

Laboratory equipment, office equipment:	3 years
Fixtures and fittings:	5 years
Leasehold improvements:	Life of lease

Gains or losses arising on the disposal of assets are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised in income on the transfer of the risks and rewards of ownership.
The Group has no class of tangible fixed asset that has been revalued in the period covered by the consolidated financial statements.
Property plant and equipment is reviewed for impairment at each balance sheet date, as explained in more detail in the accounting policy information on page 83.

Notes to the financial statements

19. Right-of-use assets

Group	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2023	6,241	18	6,259
Additions	18	-	18
Derecognition	(12)	-	(12)
Exchange differences	(112)	-	(112)
At 30 September 2024	6,135	18	6,153
Accumulated depreciation			
At 1 October 2023	1,483	17	1,500
Charge for the year	744	1	745
Eliminated on derecognition	(12)	-	(12)
Exchange Differences	(29)	-	(29)
At 30 September 2024	2,186	18	2,204
Carrying amount			
At 30 September 2024	3,949	-	3,949

Group	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2022	5,224	18	5,242
Additions	1,029	-	1,029
Derecognition	-	-	-
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
Eliminated on derecognition	-	-	-
Exchange Differences	(9)	-	(9)
At 30 September 2023	1,483	17	1,500
Carrying amount			
At 30 September 2023	4,758	1	4,759

Notes to the financial statements

Company	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2023	4,948	18	4,966
At 30 September 2024	4,948	18	4,966
Accumulated depreciation			
At 1 October 2023	1,237	17	1,254
Charge for the year	495	1	496
At 30 September 2024	1,732	18	1,750
Carrying amount			
At 30 September 2024	3,216	-	3,216

Company	Buildings £000	Other £000	Total £000
Cost			
At 1 October 2022	4,948	18	4,966
At 30 September 2023	4,948	18	4,966
Accumulated depreciation			
At 1 October 2022	742	11	753
Charge for the year	495	6	501
At 30 September 2023	1,237	17	1,254
Carrying amount			
At 30 September 2023	3,711	1	3,712

Accounting policy information: right-of-use assets

Right-of-use assets are recognised at the commencement date of a lease (see Note 28 for more detail on how the Group accounts for leases).

Right-of-use assets are measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs that will be incurred to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Group depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses right-of-use assets for impairment when indicators of impairment exist.

Notes to the financial statements

20. Investment in Subsidiaries

Company	Group Undertakings £000	Total £000
Cost		
At 1 October 2022	524	524
Additions	-	-
At 1 October 2023	524	524
Additions	-	-
At 30 September 2024	524	524
Amounts written off		
At 1 October 2022	243	243
Written off/(back) in year	-	-
At 1 October 2023	243	243
Written off/(back) in year	-	-
At 30 September 2024	243	243
Carrying amount		
At 30 September 2024	281	281
At 30 September 2023	281	281

All subsidiary undertakings of the Company, listed below, are included in the consolidated financial statements of the Group:

Name and registered office address	Country of incorporation and principal place of business	Principal activity	Class of shares	2024 %	2023 %
Oxford BioDynamics Inc 7495 New Horizon Way, Suite 110, Frederick, MD 21703 USA	USA	Sales & Marketing	Ordinary	100	100
Oxford BioDynamics (M) Sdn Bhd Unit No. 4-09 Fourth Floor, Island Plaza 118, Jalan Tanjung Tokong, 10470 Penang, Malaysia	Malaysia	Diagnostic research	Ordinary	100	100
Oxford BioDynamics Pte Ltd 137 Telok Ayer Street, #08-01, Singapore 068602	Singapore	Diagnostic research	Ordinary	100	100

Oxford BioDynamics Australia Pty Ltd, of which the Company held 100% of the ordinary shares at 30 September 2022, was deregistered by the Australian Securities and Investments Commission during the prior period, on 16th November 2022. At the time of deregistration, a translation reserve of £113,000 was held by the Group in respect of Oxford BioDynamics Australia Pty Ltd. In the prior year, as required by IAS 21.48 “Disposal of a foreign operation”, the translation reserve was reclassified as a gain within the Income Statement, with a contra entry recognised as part of Other Comprehensive Income.

Notes to the financial statements

21. Inventories

	Group		Company	
	2024	2023	2024	2023
	£000	£000	£000	£000
Laboratory consumables	321	274	220	206

No inventories have been pledged as security against borrowings during the year (year ended 30 September 2023: £nil).

Accounting policy information: inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs, and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using either the First-In-First-Out method or, for fast moving items, the average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

22. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade receivables for the provision of services	132	14	120	14
Amounts owed by group undertakings	-	-	-	-
Other debtors	566	261	541	235
Unbilled receivable	-	62	-	62
Accrued income	54	29	54	29
Prepayments and accrued interest income	633	591	472	517
	1,385	957	1,187	857

Trade receivables disclosed above are classified as financial assets and are measured at amortised cost.

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

The Directors have reviewed the disclosure of tax receivable and have presented the relevant balances separately in the Group and Company statements of financial position, rather than in the note above, as was the case in the prior year's annual report and accounts. There is no impact on any asset subtotals in either the current or prior year as a result of this additional disclosure.

The average credit period offered to customers invoiced during the year ended 30 September 2024 was 30 days (2023: 34 days). The average days sales outstanding ("DSO") in 2024 was 24 days (2023: 30 days). As the Group's revenue reflects a relatively small number of high-value contracts, with some invoicing in advance of performance obligations completed (and therefore revenue recognised), Management expect average DSO to be subject to significant variation from year to year. The recoverability of debtor balances is monitored on an invoice-by-invoice basis.

The Group has not charged interest for late payment of invoices in the year ended 30 September 2024 (2023: £nil). The Group monitors the probability of default by its customers following the Expected Credit Loss model of IFRS 9, with rates based on the Group's historic loss rates in the 48 months to 1 October 2024. No allowance for loss has been recognised at 30 September 2024 (2023: £nil).

Amounts owed to the Company by group undertakings of £4,929,000 have been written down to £nil as at 30 September 2024 (2023: no amounts owed by group undertakings).

Notes to the financial statements

22. Trade and other receivables (continued)

Before accepting any significant new customer, the Group assesses the potential customer's credit quality. The Group has entered into commercial contracts with a number of customers, the majority of which are global pharmaceutical and biotechnology companies. The contracts in which the Group is involved tend to be invoiced by means of upfront and milestone payments covering a substantial portion of the whole project: this tends to reduce the Group's risk of performing significant levels of work without invoicing for it, but may also distort the Group's credit exposure profile at certain points during the financial period. Payments for the Group's proprietary tests are either received in advance of test performance, or from insurance payors or, in the case of some sales, from the Group's partner laboratory, whose creditworthiness was checked as part of the Group's standard supplier selection procedures.

For the year ended 30 September 2024, 16% of revenue was attributable to one customer and 11% to a second customer (2023: 45% and 10% respectively), 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 had no bad debts throughout the period.

Trade receivables disclosed above include no amounts which are significantly past due at the year-end (see ageing analysis below). To date, the Group has experienced no credit losses from past events. There are no current conditions of which the Group is aware that affect the expected collectability of trade receivables. Accordingly, the Group has not recognised an allowance for expected credit losses (2023: £nil).

Ageing of trade receivables (none of which are considered to be impaired):

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Not overdue	54	14	42	14
Overdue between 0-30 days	76	-	76	-
Overdue between 31-60 days	1	-	1	-
Overdue between 61-90 days	1	-	1	-
Overdue between 91-120 days	-	-	-	-
Overdue more than 120 days	-	-	-	-
	132	14	120	14

23. Term deposits and cash and cash equivalents

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Term deposits	1,000	-	1,000	-
Cash and cash equivalents	1,827	5,250	1,660	5,066
	2,827	5,250	2,660	5,066

The Directors consider the carrying amount of these assets to be approximately equal to their fair value.

Accounting policy information: term deposits and cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits, balances in notice accounts with a notice period of less than three months and term deposits with an initial maturity of less than three months.

Amounts held in notice accounts or term deposits with a notice period or initial maturity of three months or more are accounted for as term deposits.

Notes to the financial statements

24. Share capital of the Company

	2024 Number	2024 £	2023 Number	2023 £
Authorised shares				
Ordinary shares of £0.01 each – allotted and fully paid	311,855,650	3,118,557	202,303,415	2,023,034
Total	311,855,650	3,118,557	202,303,415	2,023,034

At 30 September 2024, the Company had one class of ordinary shares which carry no right to fixed income.

On 5 April 2024 and 8 April 2024, the Company issued a total of 109,552,235 new ordinary shares at an issue price of £0.09 per share raising gross proceeds of £9.9m with issuance costs of £0.8m.

No shares were issued on the exercise of share options or warrants during the year (2023: nil).

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 27 and 32.

After the year end:

On 28 October 2024, the Company issued 2,285,741 new ordinary shares.

On 29 November 2024, the Company issued 2,435,178 new ordinary shares.

On 24 December 2024, the Company issued 2,742,657 new ordinary shares.

On 31 January 2025, the shareholders of the Company approved a share capital reorganisation, whereby each of the 319,319,226 ordinary shares of £0.01 each in the capital of the Company then in issue was sub-divided and re-designated as one new ordinary share of £0.001 each in the capital of the Company and one deferred share of £0.009 each in the capital of the Company. Following the Share Capital Reorganisation, there were 319,319,226 ordinary shares of £0.001 each and 319,319,226 deferred shares of £0.009 each.

As all of the existing ordinary shares were sub-divided and re-designated, the proportion of the issued share capital of the Company held by each shareholder immediately following the share capital reorganisation remained unchanged. In addition, apart from having a different nominal value, each ordinary share with a nominal value of £0.001 carries the same rights and represents the same proportionate interest in the Company as an original ordinary share with a nominal value of £0.01.

The deferred shares created are effectively valueless as they do not carry any rights to vote or dividend rights. In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares have received a payment of £1,000,000 on each such share. The deferred shares will not be listed on AIM and will not be transferable without the prior written consent of the Board. No share certificates have been issued in respect of the deferred shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to deferred shares. The Board's intention is that deferred shares will be bought back and cancelled in due course.

On 3 February 2025 and 4 February 2025, the Company issued a total of 1,638,258,415 new ordinary shares of £0.001 each.

25. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium:	Amount subscribed for share capital in excess of nominal value less cost of share issue
Translation reserve:	Gains/losses arising on retranslating the net assets of overseas operations into pounds sterling
Share option reserve:	Reserve account for outstanding share option equity-based transactions
Retained earnings:	All other net gains and losses and transactions not recognised elsewhere

Notes to the financial statements

26. Trade and other payables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Trade payables	953	485	819	426
Other creditors including other taxes and social security	75	102	86	95
Amounts owed to group undertakings	-	-	427	896
Accruals and contract liabilities	478	1,120	337	576
	1,506	1,707	1669	1,993

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases was 28 days (2023: 30 days). No interest costs have been incurred in relation to trade payables. The Group's policy is to ensure that payables are paid within the pre-agreed credit terms and to avoid incurring penalties and/or interest on late payments.

The Directors have reviewed the disclosure of corporate tax payable and have presented the relevant balances separately in the Group and Company statements of financial position, rather than in the note above, as was the case in the prior year's annual report and accounts. There is no impact on any asset or liability subtotals in either the current or prior year as a result of this additional disclosure.

Other creditors include sales taxes, property taxes, social security and employment taxes due to local tax authorities.

Amounts owed to group undertakings are repayable on demand. Balances outstanding between group companies do not incur interest.

Accruals and contract liabilities principally comprise accrued overhead expenses and deferred project revenue for which certain delivery or performance obligations remain outstanding at the period end.

The Directors consider that the carrying amount of trade and other payables is approximately equal to their fair value.

Notes to the financial statements

27. Warrants

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

The Warrants were issued 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 2024	30 September 2023
Share price at reporting date (p)	3.2	37
Exercise price (p)	58.125	58.125
Expected volatility	98.85%	84.39%
Dividend yield	0%	0%
Expected life of option	2.11 years	3.11 years
Risk free interest rate	3.82%	4.55%
Fair value per Warrant	0.2p	17p
Warrant liability	£11,000	£1,360,000

Warrant liability - Group and Company	**Total £000**
At 1 October 2023	1,360
Issue of warrants	-
Fair value gain on financial liability designated as FVTPL	(1,349)
At 30 September 2024	**11**
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**

Accounting policy information: warrants

The warrants are classified as financial liabilities at FVTPL. Accounting policy information for financial liabilities is set out in Note 35 on page 103.

Notes to the financial statements

28. Lease Liabilities

Group	**2024**	**2023**
Maturity analysis:	**£000**	**£000**
Year 1	1,236	1,045
Year 2	1,030	1,052
Year 3	1,036	1,051
Year 4	1,042	1,058
Year 5+	2,020	3,101
	6,364	7,307
Less: future interest charges	(624)	(868)
	5,740	6,439
Analysed as:		
Current	1,046	818
Non-current	4,694	5,621
	5,740	6,439

Company	**2024**	**2023**
Maturity analysis:	**£000**	**£000**
Year 1	1,016	818
Year 2	813	813
Year 3	813	813
Year 4	813	813
Year 5+	1,842	2,656
	5,297	5,913
Less: future interest charges	(458)	(610)
	4,839	5,303
Analysed as:		
Current	886	667
Non-current	3,953	4,636
	4,839	5,303

Notes to the financial statements

Accounting policy information: leasing

In the current and prior year the Group acted only as a lessee, not as a lessor.

For any new contracts entered into, the Group considers whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether each of the following criteria apply:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At the commencement date of a lease, the Group recognises a **right-of-use asset** (see Note 19) and a **lease liability** in the statement of financial position.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received. The Group depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when indicators of impairment exist.

The initial lease liability is recognised at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate. As the Group does not have any other borrowings, indicative rates received from the Group's bankers have been used to estimate the incremental borrowing rate that the Group would incur were it to enter into borrowing.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under any residual value guarantees and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

If a lease liability is remeasured, a corresponding adjustment is reflected in the value of the right-of-use asset, or, if the carrying value of the right-of-use asset is already reduced to zero, the income statement.

The Group has elected to account for short-term leases (with a term of up to 12 months) and leases of low-value assets using the practical expedients available in IFRS 16 '*Leases*'. Instead of recognising a right-of-use asset and lease liability, the payments in relation to such leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets are included in non-current assets and lease liabilities have been included in both current and non-current liabilities.

Notes to the financial statements

29. Liabilities from financing activities

Group	Leases	Warrants	Total
	£000	£000	£000
At 1 October 2022	6,136	114	6,250
Fair value loss on financial liability designated as FVTPL	-	1,246	1,246
Payment of lease liabilities	(936)	-	(936)
Lease interest	213	-	213
Acquisition - leases	1,029	-	1,029
Foreign exchange adjustment	(3)	-	(3)
At 30 September 2023	**6,439**	**1,360**	**7,799**
Fair value gain on financial liability designated as FVTPL	-	(1,349)	(1,349)
Payment of lease liabilities	(847)	-	(847)
Lease interest	225	-	225
Acquisition - leases	18	-	18
Foreign exchange adjustment	(95)	-	(95)
At 30 September 2024	**5,740**	**11**	**5,751**

Company	Leases	Warrants	Total
	£000	£000	£000
At 1 October 2022	5,952	114	6,066
Fair value loss on financial liability designated as FVTPL	-	1,246	1,246
Payment of lease liabilities	(819)	-	(819)
Lease interest	170	-	170
At 30 September 2023	**5,303**	**1,360**	**6,663**
Fair value gain on financial liability designated as FVTPL	-	(1,349)	(1,349)
Payment of lease liabilities	(614)	-	(614)
Lease interest	150	-	150
At 30 September 2024	**4,839**	**11**	**4,850**

Notes to the financial statements

30. Provisions

Group & Company	Property dilapidations	Total
	£000	£000
At 1 October 2023	440	440
Arising during the year	46	46
Used during the year	-	-
Reversed during the year	-	-
At 30 September 2024	486	486

	2024 £000	2023 £000
Analysed as:		
Current	-	-
Non-current	486	440
	486	440

The property dilapidations provision is based on the expected future costs required to restore the Group's leased buildings to a specified condition at the end of their respective lease terms, where such obligations exist. The provision entirely relates to the Group's Oxford HQ, for which there are obligations i) to reverse certain of the leasehold improvements carried out by the Group, for which a provision was recognised immediately after completion of those works and ii) to carry out work to return the building to a fair condition at the end of the lease, for which a provision is being recognised over the course of the lease term. If the Group were to vacate the property at the end of the current lease in 2031, the provision would be expected to be utilised at that point.

Accounting policy information: provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Property dilapidations
Provisions for dilapidations are recognised on a lease-by-lease basis and are based on the Group's best estimate of the likely committed outflow.

Notes to the financial statements

31. Deferred tax

Deferred tax relates to the following:

Group	Statement of financial position		Deferred tax movement in the income statement	
	2024	2023	2024	2023
	£000	£000	£000	£000
Deferred tax liabilities				
Accelerated tax depreciation – asset/(liability)	(103)	(110)	7	78
Unrelieved tax losses – asset/(liability)	96	100	(4)	(67)
Deferred tax liability (expense)/income			3	11
Total deferred tax liabilities	(7)	(10)		
Deferred tax assets				
Accelerated tax depreciation – asset/(liability)	-	(51)	51	(51)
Unrelieved tax losses – asset/(liability)	-	-	-	-
General provisions – asset/(liability)	-	101	(101)	101
Deferred tax asset (expense)/income			(50)	50
Net deferred tax asset	-	50		
Total deferred tax (expense)/income			(47)	61
Net deferred tax asset/(liability)	(7)	40		

Company	Statement of financial position		Deferred tax movement in the income statement	
	2024	2023	2024	2023
	£000	£000	£000	£000
Accelerated tax depreciation	(96)	(100)	(5)	(67)
Unrelieved tax losses	96	100	5	67
Deferred tax (expense)/income			-	-
Net deferred tax asset/(liability)	-	-		

Notes to the financial statements

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group or Company can benefit therefrom:

Group	Unrelieved tax losses	Share-based payments	Other	Total
	£000	£000	£000	£000
At 1 October 2023	7,089	65	41	7,195
Movement in year including impact of tax rate changes and vesting of share options	2,093	(65)	42	2,070
At 30 September 2024	9,182	-	83	9,265

Company	Unrelieved tax losses	Share-based payments	Other	Total
	£000	£000	£000	£000
At 1 October 2023	7,066	65	41	7,172
Movement in year including impact of tax rate changes and vesting of share options	975	(65)	24	934
At 30 September 2024	8,041	-	65	8,106

Accounting policy information: deferred tax

Information relating to the accounting policy used for deferred tax is shown in Note 13 on page 78.

Notes to the financial statements

32. 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 (0.1 pence following the share capital reorganisation that took place on 31 January 2025) 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 options outstanding as at 30 September 2024 have exercise prices in the range of £0.09 to £2.10.

	2024		2023	
	Number of options	Weighted average exercise price £	Number of Options	Weighted average exercise price £
Outstanding at start of period	9,983,143	0.57	9,447,658	0.67
Granted during the period	14,048,020	0.15	2,721,061	0.18
Forfeited during the period	(1,026,668)	(0.53)	(2,185,576)	(0.48)
Exercised during the period	-	-	-	-
Outstanding at end of period	23,004,495	0.32	9,983,143	0.57
Exercisable at end of period	7,506,823	0.67	5,983,853	0.76
Weighted average remaining contractual life (in years) of options outstanding at the period end		7.94		6.60

	2024	2023
	£000	£000
Expense arising from share-based payment transactions	514	332

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:

	2024	2023
	£000	£000
Share price at date of grant	£0.06 to £0.34	£0.156 to £0.189
Exercise price	£0.09 to £0.34	£0.156 to £0.189
Expected volatility	67% to 69%	55% to 56%
Dividend yield	0%	0%
Expected life of option	9.0 to 9.1 years	8.7 to 9.0 years
Risk free interest rate	3.88% to 4.65%	3.45% to 3.70%

Notes to the financial statements

33. Retirement benefit schemes

Defined contribution schemes

The Group contributes to the personal pension schemes and, in the USA, 401(k) plans of individual employees.

Other than amounts that are deducted from employees' remuneration and accrued pending payment to the individuals' pension schemes, no further obligations fall on the Group as the assets of these arrangements are held and managed by third parties entirely separate from the Group.

The pension charge for the period represents contributions payable to the pension schemes and 401(k) plans of individual employees and these amounted to £285,000 for the year ended 30 September 2024 (2023: £243,000). Contributions owed to the schemes at 30 September 2024 amounted to £11,981 (2023: £10,445).

34. Commitments & contingencies

Capital and other commitments

There were no capital or other commitments as at 30 September 2024 (2023: £nil).

35. 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 summarised 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

		Group		Company	
		2024	2023	2024	2023
	Note	£000	£000	£000	£000
Financial assets					
Amortised cost					
Cash and cash equivalents	23	1,827	5,250	1,660	5,066
Term deposits	23	1,000	-	1,000	-
Trade and other receivables	22	607	1,053	572	1,026
		3,434	6,303	3,232	6,092
FVTPL					
Investments		-	-	-	-
		3,434	6,303	3,232	6,092
Financial liabilities					
Amortised cost					
Trade and other payables	26	1,400	1,614	1,565	1,900
Lease liabilities	28	5,740	6,439	4,839	5,303
		7,140	8,053	6,404	7,203
FVTPL					
Warrant liability		11	1,360	11	1,360
Total financial liabilities		7,151	9,413	6,415	8,563

Notes to the financial statements

35. Financial instruments (continued)

Accounting policy information: financial instruments – recognition and derecognition

Recognition and derecognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Accounting policy information: financial instruments – classification and measurement of financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions and they are not classified as FVTPL:

- they are held within a business model whose objective is to hold the financial asset and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, financial assets are measured at amortised cost using the effective interest method. Discounting is omitted where its effect would be immaterial. The Group's cash and cash equivalents, term deposits, trade and other receivables fall into this category.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Notes to the financial statements

Accounting policy information: financial instruments – impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial assets that have objective evidence of impairment at the reporting date ('Stage 3').

'12-month expected credit losses' are recognised for 'Stage 1' financial instruments, while 'lifetime expected credit losses' are recognised for 'Stage 2' financial instruments. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Accounting policy information: financial instruments – classification and measurement of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

- *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- Where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that either of these conditions is not met, the financial instrument is classified as a financial liability.

- *Financial liabilities*

The Group's financial liabilities include trade and other payables and warrants classified as financial liabilities. The Group does not have any borrowings or derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless classified as a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The fair value of warrants classified as financial liabilities is estimated using a Black-Scholes option pricing model, as set out in more detail in Notes 4 and 27.

Notes to the financial statements

35. Financial instruments (continued)

Fair value 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

		Level 1	Level 2	Level 3	Total
At 30 September 2024	**Note**	**£000**	**£000**	**£000**	**£000**
Financial assets					
Investments (Level 3 input)		-	-	-	-
		-	-	-	-
Financial liabilities					
Warrant liability	27	-	11	-	11
		-	11	-	11
At 30 September 2023					
Financial Assets		-	-	-	-
Financial liabilities					
Warrant liability		-	1,360	-	1,360
		-	1,360	-	1,360

Company

At 30 September 2024	**Note**	**£000**	**£000**	**£000**	**£000**
Financial assets					
Investments (Level 3 input)		-	-	-	-
		-	-	-	-
Financial liabilities					
Warrant liability	27	-	11	-	11
		-	11	-	11
At 30 September 2023					
Financial Assets		-	-	-	-
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. 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 shown for these items in the preceding notes.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Notes to the financial statements

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. During the year the Group converted its excess US dollar deposits to sterling.

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	**Liabilities**		**Assets**	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
US dollar	(214)	(802)	390	312
Singapore dollar	(4)	(4)	18	18
Euro	(10)	(19)	-	-
Malaysian ringgit	-	-	11	6
Outstanding at end of period	(228)	(825)	419	336

Company	**Liabilities**		**Assets**	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
US dollar	(44)	(93)	56	52
Euro	(10)	(19)	-	-
Outstanding at end of period	(54)	(112)	56	52

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 the balances below would be negative.

Group	**US dollar impact**		**Singapore dollar impact**	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Profit	18	49	2	2

Company	**US dollar impact**		**Singapore dollar impact**	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Profit	6	5	-	-

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

Notes to the financial statements

35. Financial instruments (continued)

Market risk (continued)
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 is predominantly invested in short-term deposits, breakable term deposits or notice accounts which allow for instant access to funds if necessary. During the year the Group held some deposits in accounts requiring notice of 35 days to access funds (2023: 95 days).

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 October 2023. 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.

Revenue contracts associated with biomarker research and development tend to be invoiced by the Group in reference to milestone payments covering a substantial portion of each project, and this may distort the credit exposure profile at certain points during the financial period. Accordingly, for the year ended 30 September 2024 the proportion of revenue attributable to one customer was 16% (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. For sales of proprietary products, the nature of revenue recognition means there is limited credit risk associated with this revenue stream.

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.

Notes to the financial statements

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 operates 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.

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have 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
30 September 2024							
Non-interest bearing		2,426	-	-	-	-	2,426
Variable interest rate instruments	4.8%	8	1,000	-	-	-	1,008
		2,434	1,000		-	-	3,434
30 September 2023							
Non-interest bearing		6,299	-	-	-	-	6,299
Variable interest rate instruments	3.3%	4	-	-	-	-	4
		6,303	-	-	-	-	6,303

Company	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
30 September 2024							
Non-interest bearing		2,231	-	-	-	-	2,231
Variable interest rate instruments	4.8%	1	1,000		-	-	1,001
		2,232	1,000		-	-	3,232
30 September 2023							
Non-interest bearing		6,091	-	-	-	-	6,091
Variable interest rate instruments	3.3%	1	-	-	-	-	1
		6,092	-	-	-	-	6,092

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.

Notes to the financial statements

35. Financial instruments (continued)

Liquidity risk (continued)
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
30 September 2024							
Non-interest bearing		1,400	-	-	-	-	1,400
Fixed interest rate instruments	8.7%	227	239	770	4,097	1,032	6,365
		1,627	239	770	4,097	1,032	7,765
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

Company	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
30 September 2024							
Non-interest bearing		1,565	-	-	-	-	1,565
Fixed interest rate instruments	8.7%	203	203	609	3,251	1,032	5,298
		1,768	203	609	3,251	1,032	6,863
30 September 2023							
Non-interest bearing		1,900	-	-	-	-	1,900
Fixed interest rate instruments	7.5%	1	204	612	3,251	1,845	5,913
		1,901	204	612	3,251	1,845	7,813

Notes to the financial statements

36. Capital management policies and procedures

The Group manages its capital to ensure entities within the Group are able to continue as going concerns while maximising the return to stakeholders.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Group and Company statements of changes in equity on pages 62 and 63 and notes 24 and 25. Equity includes all capital and reserves of the Group that are managed as capital.

The Group is not subject to any externally imposed capital requirements.

37. Events after the balance sheet date

On 19 December 2024, the Company announced that it had entered an interest free loan agreement with Vulpes Testudo Fund to provide up to £1m in working capital to enable it to continue to pursue funding options.

On 17 January 2025, the Company announced that it had successfully raised gross proceeds of approximately £7.35m via the issue of 1,470,002,778 new ordinary shares by way of a placing, subscriptions and retail offer, as disclosed in note 24 on page 91. The new shares were ultimately issued on 3 and 4 February 2025.

38. Related party transactions

Ultimate controlling party
There is no ultimate controlling party.

Subsidiaries
Transactions between the parent company and its subsidiaries reflect recharges for the cost of services performed on behalf of the parent company and purchases of fixed assets from group companies by the parent company. Transactions and balances between the parent company and group entities are shown in the table below:

	Services provided by group entities	Fixed assets purchased from group entities	Services provided to group entities	Amounts due from group entities	Amounts due to group entities
	£000	£000	£000	£000	£000
Year ended 30 September 2024					
Oxford BioDynamics Inc	428	-	199	4,929	-
Oxford BioDynamics (M) Sdn Bhd	164	-	6	-	49
Oxford BioDynamics Pte Ltd	-	-	4	-	378
Year ended 30 September 2023					
Oxford BioDynamics Inc	4,281	-	-	-	454
Oxford BioDynamics (M) Sdn Bhd	162	-	-	-	40
Oxford BioDynamics Pte Ltd	-	-	-	-	402

Notes to the financial statements

38. Related party transactions (continued)

Other related parties

During the year ended 30 September 2024, the Group had transactions with related parties as shown in the table below.

Related party	Nature of relationship	Reason for transactions	Net amount paid / (received) 2024 £000	2023 £000
Baden Hill LLP	Non-Executive Director Matthew Wakefield (who was Non-Executive Chairman during the period) is a partner and shareholder in Baden Hill	Baden Hill acted as joint broker and was paid commission in connection with the Placings through which the Company raised equity funds in October 2022, August 2023 and April 2024.	168	318
Ms S Erdyneeva	Daughter of Jon Burrows (who was a Director and Chief Executive Officer during the period)	Employment as Social Media Specialist in OBD Inc.	59	55
Vulpes Investment Management through Vulpes Testudo Fund	Vulpes Investment Management is controlled by Non-Executive Director Stephen Diggle	Vulpes Investment Management acquired new ordinary shares through the equity fundraises in October 2022, August 2023 and April 2024	(200)	(1,500)

During the year in total 1,166,664 new ordinary shares were issued to four Directors for £105,000 as part of the fundraising in April 2024 (2023: 1,454,545 new ordinary shares issued for £187,000).

No amounts were owed by or to the related parties above at 30 September 2024 (2023: £nil).

Key management compensation

The key management personnel are the Directors of the Company and the remuneration that they have received during the year is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2024 £000	2023 £000
Short-term employee benefits	911	1,190
Pension contributions	71	74
Total Directors' remuneration	982	1,264
Employer's NIC	117	103
Share-based payments	293	174
Total cost of key management personnel	**1,392**	**1,541**
Aggregate emoluments of the highest paid director	405	606

Transactions involving key management personnel

No advances, credits or guarantees have been entered into with any of the Directors of the Company.

Directors' responsibilities statement in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under the current rules of the London Stock Exchange's AIM Market, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards, and have elected to prepare the parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and a directors' report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report

The Directors present their Directors' report together with the financial statements for the year ended 30 September 2024. The Corporate governance statement on pages 28 to 37 also forms part of this Directors' report.

Review of business

A review of the business, the Group's trading for the year ended 30 September 2024, key performance indicators and principal risks may be found in the Strategic report on pages 2 to 26.

Likely future developments in the business of the company

An indication of likely future developments in the Group's business may also be found in the Strategic report on pages 2 to 26.

Capital structure

The Company was admitted to AIM on 6 December 2016. Movements in the Company's issued share capital during the year under review are shown in Note 24 to the financial statements. The issued share capital as at 30 September 2024 was £3,118,556.50, comprising 311,855,650 ordinary shares of 1 pence each. As at 26 February 2025 (the latest practicable date before the publication of this document), the issued share capital was £4,831,450.68, comprising 1,957,577,641 ordinary shares of 0.1 pence each and 319,319,226 deferred shares of 0.9 pence each. Each share carries one vote, and all rank equally. Holders of ordinary shares are entitled to receive all shareholder documents, to attend, speak and exercise voting rights, either in person or by proxy, on resolutions proposed at general meetings and participate in any distribution of income or capital. There are no restrictions on the transfer of the ordinary shares in the Company other than certain restrictions which may from time to time be imposed by laws and regulations (for example, insider trading laws); and pursuant to UK Market Abuse Regulation whereby certain employees of the Company require the approval of the Company to deal in the ordinary shares.

Share option schemes and warrants

As at 26 February 2025 (the latest practicable date before the publication of this document), options to subscribe for shares which entitle their holders to acquire 15,362,771 ordinary shares of 0.1 pence each (representing approximately 0.8% of the issued share capital) and warrants which entitle their holders to acquire 95,991,969 ordinary shares of 0.1 pence each (representing approximately 4.9% of the issued share capital) were outstanding.

Results and dividend

The results for the period and financial position of the Company and the Group are as shown in the annexed financial statements and reviewed in the Strategic report. No dividends will be proposed for the financial year ended 30 September 2024 (2023: £nil).

Research and development

The Group's research and development activities relate to the development and operation of technologies to discover and develop novel biomarkers for use within the pharmaceutical and biotechnology industries and in the Group's proprietary products. During the financial year ended 30 September 2024, not including the cost of staff engaged in research and development, the Group invested £809,000 into research and development (2023: £758,000).

Directors

The current members of the Board of Directors are presented on page 27. The Directors of the Company who served during the year ended 30 September 2024 were:

A Akoulitchev
J A J Burrows
S C Diggle
D M A Holbrook
P L Stockdale
M A Wakefield

Directors' report

Election of Directors

All Directors are subject to election by shareholders at the first annual general meeting following their appointment by the Board. The Company's current articles of association state that each Director shall retire and (unless his/her terms of appointment with the Company specify otherwise) is eligible for election or re-election at the annual general meeting held in the third calendar year (or such earlier calendar year as may be specified for this purpose in his/her terms of appointment with the Company) following his/her last appointment, election or re-election at any general meeting of the Company. In practice, this would mean that every Director stands for re-election at intervals of not more than three years. However, the Company has recently adopted the updated QCA Code (2023), which recommends that all directors stand for re-election on an annual basis. Each of the directors will therefore stand for election (or re-election) at the forthcoming annual general meeting.

Directors' indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which remain in force at the date of this report. In addition, the Company has purchased and maintains Directors' and Officers' liability insurance cover against certain legal liabilities and costs for claims incurred in respect of any act or omission in the execution of their duties.

Directors' interests

The beneficial interests of the Directors holding office on 30 September 2024 in the issued share capital of the Company were as follows:

	As at 30 September 2024	As at 1 October 2023
	Number of shares	Number of shares
Ordinary share capital		
Alexandre Akoulitchev	6,936,415	6,603,082
Jon Burrows	1,088,888	700,000
Stephen Diggle[1]	29,653,978	28,448,756
David Holbrook	-	-
Paul Stockdale	498,484	331,818
Matthew Wakefield	1,300,504	1,022,727

[1] Includes the shareholdings of Vulpes Life Sciences Fund and Vulpes Testudo Fund which are associated with Stephen Diggle.

Details of the Directors' share options are disclosed on page 46.

Political donations

The Company made no political donations during the reporting period.

Financial instruments

The Group's financial risk management objectives and policy are set out in Note 35 in the notes to the consolidated financial statements.

Directors' report

Major interests

As at 26 February 2025, being the latest practicable day prior to the publication of this report, the Company had been notified of the following shareholdings amounting to 3% or more of the issued share capital of Oxford BioDynamics Plc.

Shareholder	Number of shares*	% holding
Vulpes Investment Management Pte Ltd	251,876,178	12.9%
Unicorn Asset Management	145,131,526	7.41%
Sankofa Strategic Equity Fund Ltd	128,521,716	6.57%
Arbuthnot Latham (Nominees) Ltd	74,250,303	3.79%
Spreadex Ltd	69,322,808	3.54%
William Henry Salomon	60,000,000	3.07%

***** Figures shown in the table above are either from the most recent notification received by the Company or, where notifications have not been received, externally prepared share register analysis.

Purchase of own shares by the Company

At the general meeting held on 27 March 2024, shareholders authorised the Directors to make market purchases of the Company's ordinary shares up to a maximum number of 20,230,341 shares on such terms and in such manner as the Directors determined from time to time, subject to the limitations set out in the resolution.

This authority remains valid until the date of the next annual general meeting. No such purchases were made during the year. At the close of business on 26 February 2025, being the latest practicable day prior to the publication of this report, the Company had 1,957,577,641 ordinary shares in issue, none of which were held in treasury. A renewal of the authority to make market purchases of the Company's ordinary shares, if believed appropriate, will be sought at the forthcoming annual general meeting, although the Board has no present intention of exercising such authority. If this resolution is passed, the Company will be authorised to purchase up to a maximum of 195,757,764 ordinary shares, being approximately 10% of the Company's issued ordinary share capital on 26 February 2025 (being the latest practicable date before the date of this document). The resolution sets out the minimum and maximum price that the Company may pay for purchases of its ordinary shares.

Post-balance sheet events

As described in Note 24 on page 91, the Company issued new ordinary shares of 1 pence each as follows:

On 28 October 2024, the Company issued 2,285,741 new ordinary shares.

On 29 November 2024, the Company issued 2,435,178 new ordinary shares.

On 24 December 2024, the Company issued 2,742,657 new ordinary shares.

On 31 January 2025, the shareholders of the Company approved a share capital reorganisation, whereby each of the 319,319,226 ordinary shares of 1 pence each in the capital of the Company then in issue was sub-divided and re-designated as one new ordinary share of 0.1 pence each in the capital of the Company and one deferred share of 0.9 pence each in the capital of the Company. Following the Share Capital Reorganisation, there were 319,319,226 ordinary shares of 0.1 pence each and 319,319,226 deferred shares of 0.9 pence each.

On 3 February 2025 and 4 February 2025, pursuant to a fundraising generating £7.35m (before expenses), the Company issued a total of 1,638,258,415 new ordinary shares of 0.1 pence each.

Going concern

After making appropriate enquiries, the Directors consider that it remains appropriate to adopt the going concern basis in preparing the financial statements. However, a number of conditions exist that present material uncertainties which may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. These conditions include the inherent difficulty, at the time of signing the accounts, in forecasting the likely income that will be generated from partnerships, collaborations, out-licensing and sales of the Group's proprietary products and the extent to which the Group will be able to source additional equity financing in future. More detail is provided in Note 2 on page 67.

Directors' report

Disclosure of information to the Auditor

Each person who is a Director at the date of approval of this annual report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Group's Auditor is unaware; and
- The Director has taken all reasonable steps as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditor

Grant Thornton UK LLP were first appointed as the Group's Auditor following an extensive tender process in 2018. A resolution to re-appoint Grant Thornton UK LLP as Auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

Annual general meeting

The annual general meeting of the Company will be held at the Company's Registered Office 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WB on 28 March 2025 at 10am. The notice convening the meeting is set out on pages 116 to 118, along with a summary of the business to be transacted. A copy of the notice is also available on the Company's website at www.oxfordbiodynamics.com.

By order of the Board:

Iain G Ross
Executive Chairman
27 February 2025

Notice of Annual General Meeting

OXFORD BIODYNAMICS PLC

(incorporated and registered in England and Wales under number 06227084)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about its content or as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or transferred all your shares in Oxford BioDynamics plc, please pass this document to the purchaser or transferee or to the stockbroker or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

A. Notice of annual general meeting and proposed resolutions

Notice is hereby given that the 2025 Annual General Meeting ("AGM") of Oxford BioDynamics plc (the "Company") will be held at 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WB, UK on 28 March 2025 at 10.00 am, to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 10 will be proposed as ordinary resolutions, and resolutions 11 to 13 will be proposed as special resolutions:

Ordinary business

1 To receive the financial statements and the reports of the Directors and the Auditors for the year ended 30 September 2024. (**Resolution 1**)

2 To approve the report of the Remuneration Committee for the year ended 30 September 2024. (**Resolution 2**)

3 To elect Iain Ross as a Director of the Company (**Resolution 3**)

4 To re-elect Dr Alexandre Akoulitchev as a Director of the Company. (**Resolution 4**)

5 To re-elect Stephen Diggle as a Director of the Company. (**Resolution 5**)

6 To re-elect Dr David Holbrook as a Director of the Company. (**Resolution 6**)

7 To re-elect Paul Stockdale as a Director of the Company. (**Resolution 7**)

8 To re-appoint Grant Thornton UK LLP as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company. (**Resolution 8**)

9 To authorise the Directors to set the remuneration of the Auditor. (**Resolution 9**)

Special business

10 That the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:

(a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £652,525.88 (being approximately 33.3% of the Company's issued share capital as at close of business on 2 March 2025) such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum; and

(b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £1,305,051.76 (being approximately 66.7% of the Company's issued share capital as at close of business on 2 March 2025), such amount to be reduced by any allotments or grants made under (a) above, in connection with or pursuant to an offer by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical difficulties

Notice of Annual General Meeting

which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,

these authorities to expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company in 2026 (save that the Company may before such expiry make any offer or enter into any agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired). (**Resolution 10**)

11 That, subject to the passing of resolution 10 above, the Directors be and are hereby empowered pursuant to section 570(1) of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560(1) of the Act) of the Company for cash pursuant to the authorisation conferred by that resolution as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities for cash:

(a) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authorisation granted under resolution 10(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever;

(b) in the case of the authorisation granted under resolution 10(a) above, and otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £195,757.76 (being 10% of the Company's issued share capital as at close of business on 2 March 2025); and

(c) in the case of the authorisation granted under resolution 10(a) above, and otherwise than pursuant to paragraph (a) or paragraph (b) of this resolution, up to an aggregate nominal amount equal to 20% of any allotment of equity securities from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

and this power shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company to be held in 2026 (save that the Company may, at any time before the expiry of such power, make any offer or enter into any agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power conferred hereby had not expired). (**Resolution 11**)

12 That, subject to the passing of resolution 10 above and pursuant to section 570(1) of the Companies Act 2006 (the "Act"), the Directors be and are hereby empowered in addition to any authority granted under resolution 11 to allot equity securities (as defined in section 560(1) of the Act) of the Company for cash pursuant to the authorisation conferred by resolution 10(a) as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities for cash:

(a) up to an aggregate nominal amount of £195,757.76 (being 10% of the Company's issued share capital as at close of business on 2 March 2025), such authority to be used only for the purposes of financing (or refinancing, if such refinancing occurs within twelve months of the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice; and

(b) otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount equal to 20% of any allotment of equity securities from time to time under paragraph (a) above, provided that such authority is to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

and this power shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company to be held in 2026 (save that the Company may, at any time before the expiry of such power, make any offer or enter into any agreement which would or might require equity securities to be allotted

Notice of Annual General Meeting

after the expiry of such power and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power conferred hereby had not expired). (**Resolution 12**)

13 That the Company be and it is hereby generally authorised pursuant to section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares on such terms and in such manner as the Directors may from time to time determine, provided that:

(a) the number of such ordinary shares hereby authorised to be purchased by the Company shall not exceed 195,757,764;

(b) the price that may be paid by the Company for any of its ordinary shares shall not be less than 0.1 pence, being the nominal value of each ordinary share, and shall not be greater than the higher of:

(i) 105% of the average trading price of the ordinary shares as derived from the middle market quotations for an ordinary share on the London Stock Exchange Daily Official List for the five trading days immediately preceding the date on which such share is contracted to be purchased; and

(ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out; and

(c) unless previously revoked, renewed, extended or varied, the authority hereby conferred shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company to be held in 2026, provided that the Company may effect purchases following the expiry of such authority if such purchases are made pursuant to contracts for purchases of ordinary shares which are entered into by the Company on or prior to the expiry of such authority (**Resolution 13)**.

Any queries regarding the application or operation of this Section should be directed to the Company Secretary in writing to the Company's registered office or at the following email address: investorrelations@oxfordbiodynamics.com.

Your Board believes that the resolutions to be proposed as ordinary and special business at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of shares in the Company.

By order of the Board

T Demain
For Alder Demain & Akers Ltd
Company Secretary

3 March 2025
Registered Office: 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford OX4 2WB
Registered in England and Wales No 06227084

Information for shareholders in respect of the AGM

The notes on the following pages explain the resolutions proposed at the AGM of Oxford BioDynamics Plc (the "Company"), to be held at 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WB, UK on 28 March 2025 at 10.00 am (the "AGM").

Explanatory notes to the resolutions

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 to 13 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Adoption of Report and Accounts

For each financial year, the Directors are required to present the Directors' Report, the audited accounts and the Auditor's report to shareholders at a general meeting. The financial statements and reports laid before the AGM are for the financial year ended 30 September 2024, and the Company proposes a resolution on its financial statements and reports.

Resolution 2 – Advisory resolution on the Directors Remuneration Report

In line with guidance in Principle 9 of the updated QCA Code that the Board has adopted, resolution 2 is an advisory resolution (in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed) that provides shareholders with the opportunity to vote to approve the report of the Remuneration Committee for the year ended 30 September 2024, which is shown on pages 43 to 47.

Resolutions 3 to 7 – Election and re-election of directors

Iain Ross was appointed as a director on 31 January 2025 and in accordance with the Company's Articles of Association ("Articles") will retire and offer himself for election by the shareholders at the AGM. Although the Articles provide that each Director shall retire and (unless his or her terms of appointment with the Company specify otherwise) is eligible for election or re-election at least every three years, the Board has adopted the QCA Code (2023) and is electing to follow the Code's guidance in this area, which is that shareholders should be given the opportunity to vote annually on the election or re-election of all individual directors to the Board. Each of the Directors, apart from Matthew Wakefield, who will be stepping down from the Board before the AGM, will therefore offer himself for re-election. Biographical details of the Directors are provided on page 27.

Resolutions 8 and 9 – Re-appointment of auditor and auditor's remuneration

Resolutions 8 and 9 propose the re-appointment of Grant Thornton UK LLP as the Company's Auditor for the year ending 30 September 2025, and the authorisation of the Directors to agree the Auditor's remuneration. The Directors will delegate this authority to the Audit Committee.

Resolution 10 – Authority to allot shares

The Directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authorities granted on 27 March 2024 are due to expire at the Company's AGM in 2025 and therefore the authorities require renewal. This resolution, if passed, will continue to give the Directors flexibility to act in the best interests of shareholders, when the opportunity arises, by issuing new shares. Accordingly, resolution 10 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares (a) up to an aggregate nominal amount of £652,525.88 and (b) in connection with a rights issue up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £1,305,051.76.

These amounts represent approximately 33.3% and approximately 66.7% respectively of the total issued ordinary share capital of the Company as at close of business on 26 February 2025, being the last practicable day prior to the publication of this notice. If given, these authorities will expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company in 2026.

The Directors have no present intention of issuing shares pursuant to this authority.

Information for shareholders in respect of the AGM

Resolutions 11 and 12 – Disapplication of pre-emption rights

The Directors also require additional authority from shareholders to allot equity securities for cash and otherwise than to existing shareholders pro-rata to their holdings. The authorities granted on 27 March 2024 are due to expire at the conclusion of the Company's AGM in 2025 and therefore the authorities require renewal. Accordingly, resolution 11 will be proposed as a special resolution, to grant such an authority. Resolution 11 contains a three-part waiver. The first is limited to the allotment of shares for cash in connection with a rights issue or other pre-emptive issue, to allow the Directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders. The second is limited to the allotment of equity securities for cash up to an aggregate nominal value of £195,757.76 (being 10% of the Company's issued ordinary share capital as at close of business on 2 March 2025, being the last practicable day prior to the publication of this notice), without having to first offer them to shareholders in proportion to their existing holdings. The third applies to the allotment of shares for cash for the purposes of a follow-on offer when an allotment of shares has been made under the second waiver. It is limited to the allotment of shares having an aggregate nominal value of up to 20% of the nominal value of any shares allotted under the second waiver. The follow-on offer must be determined by the directors to be of a kind contemplated by the Pre-Emption Group's 2022 Statement of Principles.

The Directors are seeking further authority under resolution 12 to allot equity securities for cash and otherwise than to existing shareholders pro-rata to their holdings. This is in addition to the authority referred to in resolution 11. Resolution 12, which will also be proposed as a special resolution, contains a two-part waiver. The first part is limited to the allotment of equity securities for cash up to an aggregate nominal value of £195,757.76 (being 10% of the Company's issued ordinary share capital as at close of business on 2 March 2025, being the last practicable day prior to the publication of this notice). This further waiver is being sought in accordance with the Pre-Emption Group's 2022 Statement of Principles on Disapplying Pre-Emption Rights ("Statement of Principles") specifically for purposes of financing (or refinancing) an acquisition or specified capital investment (as defined in the Statement of Principles). The second part applies to the allotment of shares for cash for the purposes of a follow-on offer when an allotment of shares has been made under the first part of the waiver. It is limited to the allotment of shares having an aggregate nominal value of up to 20% of the nominal value of any shares allotted under the first part of the waiver. The follow-on offer must be determined by the Directors to be of a kind contemplated by the Pre-Emption Group's 2022 Statement of Principles.

The Directors confirm that they intend to use the authority sought in resolution 12 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding 12 month period and is disclosed in the announcement of the issue.

If given, these authorities will expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company in 2026.

The Directors are of the opinion that it would be advantageous for the Company to have the ability to issue ordinary shares on a non-pre-emptive basis in order to respond rapidly to opportunities that may occur, provided that such opportunities would benefit all of the Company's shareholders as a body.

The Directors have no present intention of issuing shares pursuant to the authorities proposed in either of resolutions 11 and 12.

Resolution 13 – Authority to purchase shares (market purchases)

This resolution, which will be proposed as a special resolution, renews the authority granted at the AGM held on 27 March 2024 which is due to expire on the date of the Company's AGM in 2025. The resolution authorises the Company to make market purchases of its own ordinary shares as permitted by the Act. The authority limits the number of shares that may be purchased to a maximum of 195,757,764 (representing no more than 10% of the issued share capital of the Company as at 2 March 2025, being the latest practicable date prior to the publication of this Notice of AGM) and sets minimum and maximum prices. If Resolution 13 is passed, this authority will expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the AGM of the Company in 2026.

Under the authority sought by this resolution, the Company may purchase its ordinary shares following the date on which the authority expires if such purchases are made pursuant to contracts entered into by the Company on or prior to the date on which the authority expires.

As at the date of this notice the Company holds no treasury shares.

The Directors are of the opinion that it would be advantageous for the Company to have the flexibility to purchase its own shares should such action be deemed appropriate by the Board. The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price, future investment opportunities and the overall position of the Company. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally. Shares purchased would either be held as treasury shares or cancelled and the number of shares in issue reduced accordingly.

Information for shareholders in respect of the AGM

Procedural and other notes

Entitlement to attend and vote

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the right to attend and vote at the AGM is determined by reference to the Company's register of members. Only a member entered in the register of members as at close of business on 26 March 2025 (or, if the AGM is adjourned, in the register of members as at the close of business on the date which is two business days before the time of the adjourned AGM) is entitled to attend and vote at the AGM and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.

2 You may vote either:

a. using the proxy card included with this notice;

b. via www.sharegateway.co.uk and completing the authentication requirements. Shareholders will need to use their personal proxy registration code that is printed on the Form of Proxy to validate submission of their proxy online; or

c. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

Proxies

3

(a) As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM. You can only appoint a proxy using the procedures set out in these notes.

(b) Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

(c) A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.

(d) You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share.

(e) If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box provided the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. If you submit more than one completed valid proxy, the proxy received last before the latest time for receipt of proxies will take precedence.

(f) To appoint more than one proxy, you may photocopy the proxy form. Please indicate in the box on the form the number of shares in relation to which they are authorised to act as your proxy. Please also indicate with an "X" in the place provided on the proxy form if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

(g) To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant ''Vote withheld'' box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you mark with an "X" "discretion", or if no voting indication is given, your proxy will vote or abstain from voting as he or she sees fit.

Information for shareholders in respect of the AGM

(h) In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company stating their capacity (e.g. Director, secretary).

(i) Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.

(j) CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Neville Registrars Limited, whose CREST participant ID is 7RA11, by 10.00 am on 26 March 2025.

(k) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

(l) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

(m) As an alternative to completing a hard copy form of proxy, shareholders can vote electronically by visiting www.sharegateway.co.uk and completing the authentication requirements. Shareholders will need to use their personal proxy registration code that is printed on the Form of Proxy to validate the submission of their proxy online.

(n) In each case, whether through CREST, online or using a hard copy form of proxy, the appointment of a proxy must be received by Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD by 10.00 am on 26 March 2025. Hard copy proxy forms should not be sent to the Company's registered office.

Corporate representatives

4 A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, though there are restrictions on more than one such representative exercising powers in relation to the same shares.

Nominated persons

5 Any person to whom this Notice is sent as a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

6 The statement of the rights of members in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by members of the Company.

Issued share capital and total voting rights

7 As at close of business on 2 March 2025, being the last practicable day prior to the publication of this Notice, the Company's issued share capital comprised 1,957,577,641 ordinary shares of 0.1 pence and 319,319,226 deferred shares of 0.9 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company. Deferred shares carry no voting rights and, therefore, the total number of voting rights in the Company as at the date of this Notice is 1,957,577,641.

Information for shareholders in respect of the AGM

Members' requests under section 527 of the Act

8 Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish a statement on a website setting out any matter relating to: (i) the audit of the Company's Accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Members' rights to ask questions

9 Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

Inspection of documents

10 Copies of the executive Directors' service contracts and the letters of appointment of the non-executive Directors will be available for inspection at the registered office of the Company during normal business hours until the date of the AGM, and at the place of the AGM from 15 minutes before the AGM until it ends.

Security

11 Security measures will be in place to ensure your safety at the AGM. Please do not bring suitcases, large bags or rucksacks. If you do, we may ask you to leave the item in the cloakroom. Recording equipment, cameras and other items that might interfere with the good order of the meeting will not be permitted. Mobile phones must be turned off or on silent during the meeting. Please also note that those attending the AGM will not be permitted to hand out leaflets in the venue.

Website

12 A copy of this Notice, and other information required by section 311A of the Act, can be found at the Company's website, www.oxfordbiodynamics.com.

Voting results

13 The results of the voting at the AGM will be announced through a regulatory information service and will appear on the Company's website, www.oxfordbiodynamics.com, as soon as reasonably practicable.

Company information

Directors

A Akoulitchev
S C Diggle
D M A Holbrook
I G Ross
P L Stockdale
M A Wakefield

Secretary

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Hanney Road
Southmoor
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OX13 5HR

Registered Office
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Oxford Business Park South
Oxford
OX4 2WB
UK

US office and clinical laboratory

Oxford BioDynamics Inc
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Frederick, MD 21703
USA

Malaysia reference laboratory

Oxford Biodynamics (M) Sdn Bhd (1114917-T)
Unit No. 4-09 Fourth Floor, Island Plaza
118, Jalan Tanjung Tokong,
10470 Penang
Malaysia

Company numbera

06227084 (England & Wales)

ISO Certification

UK
ISO 13485:2016 (MD 731328) / ISO 9001:2015 (FM 731329)

Malaysia
EN ISO 13485:2016

Regulated and Licensed by Human Tissue Authority
License No. 12571

Centers For Medicare & Medicaid Services Clinical Laboratory Improvement Amendments (CLIA) Certification

Oxford BioDynamics Inc
CLIA ID number: 21D2284653

Auditor

Grant Thornton UK LLP
Seacourt Tower, Botley
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OX2 0JJ

Nominated adviser and broker

Shore Capital
Cassini House
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SW1A 1LD

Solicitors

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